

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

AGENDA

-Agenda Subject to Change-

**March 28, 2017 at 6:00 PM
Town of Louisville Municipal Building**

Call to Order	<ul style="list-style-type: none"> ▪ Robert McNeil, Chair
Roll Call and Determination of Quorum	
Public Notice	<ul style="list-style-type: none"> ▪ March 22, 2017
Presentations	
Approval of Minutes	<ul style="list-style-type: none"> ▪ February 21, 2017 1-2
Financial Reports	<ul style="list-style-type: none"> ▪ December 2016..... 3-6
Committee Reports	
Old Business	<ul style="list-style-type: none"> ▪ Resolution: Authorizing a loan of \$1,000,000 to the Ogdensburg Bridge and Port Authority (Tabled) 7
New Business	<ul style="list-style-type: none"> ▪ Resolution: Authorizing Adjustments to the RVRDA FY2016 Budget 8 ▪ Resolution: Accepting FY2016 Audit 9-26 ▪ Resolution: Authorizing a Loan of up to \$150,000 to Canexsys Networks, Inc..... 27
Staff Report	
Public Comment	
Executive Session	
Adjournment	

St. Lawrence River Valley Redevelopment Agency
Minutes of February 21, 2017 Meeting ~ Town of Louisville Municipal Offices, Massena, NY

Call to Order: The meeting was called to order at 6:00 PM by Vice Chairman Strait.

Roll Call/Determination of Quorum: Messrs. Strait, Carroll, Forsythe, and Murphy attend. Mr. Strait announces there is a quorum. Ms. Wilson from NYPA is also in attendance.

Public Notice: Public notifications were sent on February 15, 2017 to, at a minimum: St. Lawrence County's newspapers designated for the publication of local laws and other matters required by law to be published. Notification also sent to other local media sources and websites.

Presentations: None

Approval of Minutes: Murphy/Carroll motion/second to approve minutes of the January 17, 2017 meeting. Motion passes unanimously.

Financial Report: Mr. Kelly explains that there is no financial report for January because the 2016 audit is underway.

Committee Reports: There were no committee reports.

Old Business:

Resolution: Authorizing a Loan to the OBPA: No motion is made to take the resolution off the table.

Staff Reports:

- Mr. Kelly reports that:
 - The \$214,000 ATL loan closed in January.
 - The St. Lawrence Soyway project is still under development. As the project planning moves forward, there have been changes relating to its financing and projected electric usage.
 - Potsdam Specialty Paper received a 400 kW Preservation Power allocation from NYPA.
 - Kingston Pharma is leasing 5,000 s.f. in the Lot 18 building, with an option on another 5,000 s.f.
 - North Country Dairy paid off their loans from the RVRA and the IDA-LDC. NC Dairy anticipated that the project would create 54 jobs. As of 12/31/16 87 people were employed at the North Lawrence plant. He points out the key role that a power application from NYPA and the RVRDA financing had played a key role in the plant's re-start.
 - A Civic Development Corporation loan was beneficial in the recently-reported opening of the Massena Boys and Girls Club.
 - The current month-to-month tenant of the Lot 17 building (IDA-owned) is in discussions to acquire the facility.
 - The first phase of the J&L cleanup is under way (helped by \$18,000 of CD/EI funds). A requested change order from the cleanup contractor may limit the number of buildings to be demolished in phase 1. The State just awarded St. Lawrence co. a \$500,000 RestoreNY grant that will help finance a later stage of the cleanup.
- Mr. Kelly summarizes the trade shows, both in and out-of-county, that staff would be participating in over the next 10 months.
- Mr. Kelly says he expects that the Global Search will soon start. Ms. Wilson says that the RFP should be on the street by 2/22 and that \$500,000 is set as the fee for the scope of work, with bonuses available for performance.
- Mr. Kelly says that the CD/EI materials are available to the public and that news releases were sent out regarding the availability of funds for the 2017 program.

Public Comment: None

Executive Session:

At 6:20 PM, Carroll/Murphy motion to go into executive session to discuss the financial/credit histories of specific companies. Motion passes unanimously.

At 7:58 PM Carroll/Forsythe motion a return to open session. Motion passes unanimously.

New Business: Forsythe/Carroll motion to defer principal for a year on the RVRA's working capital line-of-credit to Curran Renewable Energy, provided that Farm Credit East agrees to similar concessions that will assist CRE to restructure its operations. Motion passes unanimously.

Adjournment:

The meeting is adjourned at 8:01 PM, upon the motion by Murphy/Carroll. Motion passes unanimously.

St. Lawrence County SLRVRA
Balance Sheet
January through December 2016

	RVRA
ASSETS	
Current Assets	
Checking/Savings	
202 · Cash - RVRA	
202E · Cash - RVRA - Community Bank	4,500,083.29
202A · Cash - RVRA - NBT	61,723.37
202B · Cash - RVRA - NBT_MoneyMkt	1.00
202C · Cash - RVRA - Key	2,435,214.49
202F · Cash - RVRA - NBT CDRS	1,000,180.77
Total 202 · Cash - RVRA	7,997,202.92
209 · Rental Security Deposits	531.69
Total Checking/Savings	7,997,734.61
Total Current Assets	7,997,734.61
Fixed Assets	
100 · Massena Lot 18 (MIB18) RVRA	
100A · MIB 18 - Building [RVRA]	359,800.00
100B · MIB 18 - Bldg Deprec [RVRA]	-46,381.98
100C · MIB 18 - Improvements	58,122.00
Total 100 · Massena Lot 18 (MIB18) RVRA	371,540.02
101 · Massena Lot 19 (MIB19) RVRA	
101A · MIB 19 - Building [RVRA]	340,200.00
101B · MIB 19 - Bldg Deprec [RVRA]	-49,806.17
101C · MIB 19 - Improvements	92,540.01
Total 101 · Massena Lot 19 (MIB19) RVRA	382,933.84
Total Fixed Assets	754,473.86
Other Assets	
Bad Debt Allowance	
555-B · Bad Debt Allowance[RVRDA]	-175,000.00
Total Bad Debt Allowance	-175,000.00
Mortgage Receivables [RVRA]	
414 · M/R - High Peaks Winery [RVRA]	31,811.68
415 · M/R - FirstClassAire [RVRA]	45,195.08
500 · M/R - SLCIDACIB [RVRA]	636,080.53
Total Mortgage Receivables [RVRA]	713,087.29
Notes Receivable - [RVRA]	
511 · N/R - Swift Labs [RVRA]	29,364.70
510 · N/R - SLCIDA Rail Loan [RVRA]	750,000.00
507 · N/R - Curran LOC [RVRA]	1,354,390.68
506 · N/R - Ansen 2015 [RVRA]	226,051.52
487 · N/R - StructuralWood - [RVRA]	81,007.08
495 · N/R - City of Ogdensburg [RVRA]	15,049.12
497 · N/R - BlastBoss [RVRA]	19,835.81
498 · N/R - Riverside Iron [RVRA]	78,162.01
503 · N/R - Town of Louisville [RVRA]	1,412.78
504 · N/R - Hozmerica [RVRA]	12,740.46
505 · N/R - Hoosier [RVRA]	79,942.53
Total Notes Receivable - [RVRA]	2,647,956.69

St. Lawrence County SLRVRA
Balance Sheet
January through December 2016

	RVRA
206 · Accrued Accounts Receivable	4,021.59
210 · Accrued Interest Receivable	6,047.45
220 · Due from Affiliate	
220 · Due from Affiliate - Other	2,842.24
Total 220 · Due from Affiliate	2,842.24
Total Other Assets	3,198,955.26
TOTAL ASSETS	11,951,163.73
LIABILITIES & EQUITY	
Current Liabilities	
Other Current Liabilities	
2101 · Rental Deposit	531.69
522 · Prepaid Receivables	531.25
523 · Accrued Expenses Payable	19,977.96
Total Other Current Liabilities	21,040.90
Total Current Liabilities	21,040.90
Long Term Liabilities	
Total Liabilities	21,040.90
Equity	
3900 · Net Assets - Temp Restricted	12,409,064.64
Net Income	-478,941.81
Total Equity	11,930,122.83
TOTAL LIABILITIES & EQUITY	11,951,163.73

St. Lawrence River Valley Redevelopment Agency

Income	2016 Budget	December-16	YTD	Balance
OPERATING REVENUE- Other				
2400 · Late Fees Received	50.00	0.00	60.00	(10.00)
2409B · Interest Income - Banks	6,500.00	132.82	4,987.02	1,512.98
2409L · Interest Income - Loans	40,000.00	8,677.46	56,120.96	(16,120.96)
2412 · Miscellaneous Income (App Fees)	2,500.00	0.00	2,200.00	300.00
2424 · National Grid Marketing Revenue	0.00	0.00	25,000.00	(25,000.00)
	49,050.00	8,810.28	88,367.98	(39,317.98)
MASSENA INDUSTRIAL BUILDING LOT18				
2422 - MIB18 - Rent	1,500.00	125.00	31,250.00	(29,750.00)
	1,500.00	125.00	31,250.00	(29,750.00)
6486408 · MIB18 - Maintenance Expense	2,500.00	60.00	220.00	2,280.00
6486411 · MIB18 - Insurance Expense	3,725.00	0.00	3,932.00	(207.00)
6486416 · MIB18 - Utility Expense	6,000.00	0.00	1,929.16	4,070.84
6486499 · MIB18 - Miscellaneous Expense	500.00	0.00	0.00	500.00
6486500 · MIB18 - Depreciation Expense	7,196.00	13,008.20	13,008.20	(5,812.20)
	19,921.00	13,068.20	19,089.36	831.64
Total MASSENA INDUSTRIAL BUILDING LOT	(18,421.00)	(12,943.20)	12,160.64	(30,581.64)
MASSENA INDUSTRIAL BUILDING LOT19				
2423 · Rental - MIB LOT19 (Fockler)	49,630.00	4,359.59	51,065.04	(1,435.04)
	49,630.00	4,359.59	51,065.04	(1,435.04)
6487408 · MIB19 - Maintenance Expense	100.00	60.00	220.00	(120.00)
6487411 · MIB19 - Insurance Expense	4,500.00	0.00	2,999.42	1,500.58
6487416 · MIB19 - Utility Expense	500.00	0.00	0.00	500.00
6487499 · MIB19 - Miscellaneous Expense	500.00	0.00	0.00	500.00
6487500 · MIB19 - Depreciation Expense	6,804.00	16,058.00	16,058.00	(9,254.00)
	12,404.00	16,118.00	19,277.42	(6,873.42)
Total MASSENA INDUSTRIAL BUILDING LOT	37,226.00	(11,758.41)	31,787.62	5,438.38
Community Development Projects				
6460450-11 - CDEIP 2011	53,606.00	0.00	36,150.51	17,455.49
6460450-12 - CDEIP 2012	18,626.00	0.00	4,268.59	14,357.41
6460450-13 - CDEIP 2013	28,848.00	0.00	0.00	28,848.00
6460450-14 - CDEIP 2014	249,942.00	0.00	42,800.00	207,142.00
6460450-15 - CDEIP 2015	331,202.00	22,041.94	58,208.94	272,993.06
6460450-16 - CDEIP 2016	445,000.00	2,250.00	4,500.00	440,500.00
	1,127,224.00	24,291.94	145,928.04	981,295.96
Total COMMUNITY DEVELOPMENT PROJEC	(1,127,224.00)	(24,291.94)	(145,928.04)	(981,295.96)
Operating Expenditures				
6460411 · Insurance Expense	500.00	0.00	570.80	(70.80)
6460418 · Underwriting/Credit Report Expense	1,000.00	0.00	0.00	1,000.00
6460420 · Office Supplies Expense	50.00	0.00	0.00	50.00
6460430 · Contractual Expenses to MED	48,600.00	0.00	44,300.00	4,300.00
6460431 · Contractual Expenses to IDALDC	300,000.00	0.00	300,000.00	0.00
6460433 · Legal Expense	15,000.00	450.00	2,272.50	12,727.50
6460434 · Accounting Expense	3,200.00	0.00	2,968.75	231.25
6460436 · Marketing Expense	50,000.00	19,977.96	20,202.96	29,797.04
6460440 · Meeting Expense	0.00	0.00	0.00	0.00
6460443 · Other Travel Expense	1,000.00	0.00	0.00	1,000.00
6460499 · Miscellaneous Expense	1,000.00	0.00	15.00	985.00
6460555 · Bad Debt Allowance Expense	0.00	95,000.00	95,000.00	(95,000.00)
Total RVRA Operating Expenditures	420,350.00	115,427.96	465,330.01	(44,980.01)
Total Revenue	\$ 100,180.00	\$ 13,294.87	\$ 170,683.02	\$ (70,503.02)
Total Expenditures	\$ 1,579,899.00	\$ 168,906.10	\$ 649,624.83	\$ 930,274.17
Net Income	\$ (1,479,719.00)	\$ (155,611.23)	\$ (478,941.81)	\$ (1,000,777.19)

St. Lawrence River Valley Redevelopment Agency Check Register

	Date	Ck Num	Name	Memo	Amount
				Beginning Balance for Dec 2016	\$ 8,001,815.75
Sales Receipt	12/01/2016	378	North Country Dairy	Final Payment	14,404.15
Check	12/01/2016	1664	SLCIDALDC	50% to IDALDC	-7,202.07
Check	12/01/2016	1665	Ogdensburg Growth Fund Dev Corp	50% to OGF	-1,867.95
Check	12/01/2016	1666	Town of Massena.	WINTER CHILL	-22,041.94
Check	12/01/2016	1667	Pease and Gustafson, LLP	Legal Costs	-450.00
Check	12/01/2016	1668	Fockler Industries, LLC	Alcoa Diversification	-4,500.00
Deposit	12/01/2016		NBT Bank	Interest	1.99
Sales Receipt	12/06/2016	388	James Besaw	December Payment	125.00
Sales Receipt	12/06/2016	389	Ansen Corp	December Payment	3,738.99
Sales Receipt	12/09/2016	394	GMEDF	December Payment	2,481.72
Sales Receipt	12/09/2016	395	SLCIDA	December Payment	4,156.76
Sales Receipt	12/09/2016	396	Kingston Pharma LLC	December Payment	1,166.67
Sales Receipt	12/09/2016	397	High peaks Winery LLC	December Payment	252.45
Check	12/13/2016	1669	Ogdensburg Growth Fund Dev Corp	50% to OGF	-1,430.90
Sales Receipt	12/15/2016	407	GMEDF	December Payment	706.22
Sales Receipt	12/15/2016	408	SLCIDA	December Payment	2,813.13
Sales Receipt	12/19/2016	412	City of Ogdensburg	December Payment	402.32
Sales Receipt	12/21/2016	413	Town of Louisville	December Payment	673.39
Sales Receipt	12/28/2016	415	Development Auth. of the North Cou	Reimb of Alcoa Diversification	2,250.00
Check	12/31/2016	1670	Massena Electric Dept	MIB Utility Costs	-266.91
Check	12/31/2016	1671	Village of Massena, Water Dept	MIB Utility Costs	-36.68
Check	12/31/2016	1672	SLC IDA	Maint cost of MIB	-120.00
Deposit	12/31/2016		Key Bank	Interest	1.37
Deposit	12/31/2016		NBT Bank	Interest	2.07
Deposit	12/31/2016		NBT Bank	CDRS Interest	127.39
				Ending Balance for Dec 2016	\$ 7,997,202.92

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
 Resolution No. RVR-16-09-10 (Tabled)
 September 13, 2016

**AUTHORIZING A LOAN OF \$1,000,000 TO
 OGDENSBURG BRIDGE AND PORT AUTHORITY**

WHEREAS, the St. Lawrence County River Valley Redevelopment Agency seeks to actively participate in economic development projects which result in the creation of jobs and improvements to regional infrastructure, and

WHEREAS, the Ogdensburg Bridge and Port Authority (the “OBPA”) has received a variety of grants and loans of \$26,557,066 for improvements at the expansion of their Airport facilities, and

WHEREAS, the OBPA is also undertaking efforts to expand their Port facilities, and

WHEREAS, OBPA has requested the St. Lawrence River Valley Redevelopment Agency provide \$1,000,000 in working capital funding to assist with the completion of these projects, and

WHEREAS, the OBPA has an unencumbered property (OBPA Building #11) they will offer as collateral for the requested loan, and

NOW, THEREFORE, BE IT RESOLVED the St. Lawrence River Valley Redevelopment Agency agrees to authorize the St. Lawrence County Industrial Development Agency Local Development Corporation to lend \$1,000,000 from the St. Lawrence River Valley Economic Development Fund to the OBPA, and

BE IT FURTHER RESOLVED that said loan of \$1,000,000 shall be subject to the following terms and conditions:

1. Interest Rate: [Tabled]
2. Term: [Tabled]

To Table:

Move:	Paquin			
Second:	Murphy			
VOTE	AYE	NAY	ABSTAIN	ABSENT
Carroll				X
McNeil	X			
Murphy	X			
Paquin	X			
Strait	X			

I HEREBY CERTIFY that I have compared this copy of this Resolution with the original record in this office, and that the same is a correct transcript thereof and of the whole of said original record.

/s/

Lori Sibley

September 13, 2016

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
 Resolution No. RVR-17-03-xx
 March 28, 2017

**AUTHORIZING ADJUSTMENTS TO THE ST. LAWRENCE RIVER VALLEY
 REDEVELOPMENT AGENCY 2016 BUDGET**

WHEREAS, Resolution RVR-15-10-10, adopted October 20, 2015, approved the 2016 Budget for the St. Lawrence River Valley Redevelopment Agency, and

WHEREAS, certain Agency expenditure and revenue accounts in the 2016 Budget require modification,

NOW, THEREFORE, BE IT RESOLVED that St. Lawrence River Valley Redevelopment Agency staff is directed to make the following modifications to the Agency's 2016 Budget:

	2016 Budget	Modified Budget	Change
2409L · Interest Income - Loans	40,000	56,121	16,121
2422 - MIB Lot 18 Rent	1,500	31,250	29,750
2425 · National Grid Marketing Revenue	0	25,000	25,000
6460430 · Contractual Expenses to MED	48,600	44,300	(4,300)
6460432 · Other Legal Expense	15,000	2,273	(12,728)
6460436 - Marketing	50,000	20,203	(29,707)
6460450-11 · CDEIP 2011	53,606	36,151	(17,456)
6460450-12 · CDEIP 2012	18,626	4,269	(14,358)
6460450-13 · CDEIP 2013	28,848	0	(28,848)
6460450-14 · CDEIP 2014	249,942	42,800	(207,142)
6460450-15 · CDEIP 2015	331,202	58,209	(272,993)
6460450-16 · CDEIP 2016	445,000	4,500	(440,500)
6460555 · Bad Debt Expense	0	95,000	95,000
6486416 · MIB18 - Utility Expense	6,000	1,929	(4,071)
6486500 · MIB18 - Depreciation Expense	7,196	13,008	5,815
6487500 · MIB19 - Depreciation Expense	6,804	16,058	9,254

Move:				
Second:				
VOTE	AYE	NAY	ABSTAIN	ABSENT
McNeil				
Strait				
Murphy				
Carroll				
Forsythe				

I HEREBY CERTIFY that I have compared this copy of this Resolution with the original record in this office, and that the same is a correct transcript thereof and of the whole of said original record.

/s/

Lori Sibley

03/28/17

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
 Resolution No. RVR-17-03-xx
 March 28, 2017

ACCEPTING 2016 AUDIT

WHEREAS, the St. Lawrence River Valley Redevelopment Agency has appointed the firm of Pinto, Mucenski, Hooper, VanHouse and Company PC as its auditor for the years 2015 through 2017, and

WHEREAS, Pinto, Mucenski, Hooper, VanHouse and Company PC has submitted the attached document entitled “St. Lawrence River Valley Redevelopment Agency Financial Statements, December 31, 2016 and 2015;”

NOW, THEREFORE, BE IT RESOLVED that the St. Lawrence River Valley Redevelopment Agency accepts and approves said report.

Move:				
Second:				
VOTE	AYE	NAY	ABSTAIN	ABSENT
McNeil				
Strait				
Murphy				
Carroll				
Forsythe				

I HEREBY CERTIFY that I have compared this copy of this Resolution with the original record in this office, and that the same is a correct transcript thereof and of the whole of said original record.

/s/

Lori Sibley

03/28/17

**ST. LAWRENCE RIVER VALLEY
REDEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2016 and 2015

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

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Statements of Cash Flows for the Years Ended December 31, 2016 and 2015	5
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
St. Lawrence River Valley Redevelopment Agency
Canton, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the St. Lawrence River Valley Redevelopment Agency (SLRVRA) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SLRVRA as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of functional expenses on Page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2017, on our consideration of the SLRVRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the SLRVRA's internal control over financial reporting and compliance.


Piotr Mucenski Hooper Van House & Co.
Certified Public Accountants, P.C.

March 15, 2017

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015**

	<u>12/31/2016</u>	<u>12/31/2015</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 7,997,203	\$ 9,942,851
Cash - Security Deposits	532	531
Accounts Receivable	4,022	2,161
Accrued Interest Receivable	6,047	1,805
Due from Affiliate	2,842	-
Mortgages and Notes Receivable (Net of Allowance)	<u>2,065,857</u>	<u>440,710</u>
 Total Current Assets	 10,076,503	 10,388,058
 Fixed Assets - Net	 754,474	 783,540
 LONG-TERM ASSETS		
Mortgages and Notes Receivable - Net of Current Portion	<u>1,120,187</u>	<u>1,277,275</u>
 TOTAL ASSETS	 <u>\$ 11,951,164</u>	 <u>\$ 12,448,873</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 19,978	\$ 36,188
Deferred Rental Revenue	531	3,089
Security Deposits Payable	<u>532</u>	<u>531</u>
 Total Current Liabilities	 <u>21,041</u>	 <u>39,808</u>
 NET ASSETS		
Temporarily Restricted	<u>11,930,123</u>	<u>12,409,065</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 11,951,164</u>	 <u>\$ 12,448,873</u>

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016			2015		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
SUPPORT AND REVENUE						
Rental Income	\$ -	\$ 82,315	\$ 82,315	\$ -	\$ 48,709	\$ 48,709
Interest Income - Banks	-	4,987	4,987	-	7,011	7,011
Interest Income - Loans	-	56,121	56,121	-	43,425	43,425
Grant Income	-	25,000	25,000	-	59,715	59,715
Miscellaneous Income	-	2,260	2,260	-	2,368	2,368
Net Assets Released from Restrictions	649,625	(649,625)	-	871,522	(871,522)	-
Total Support and Revenue	649,625	(478,942)	170,683	871,522	(710,294)	161,228
EXPENSES						
Program Services	643,797	-	643,797	865,257	-	865,257
Management and General	5,828	-	5,828	6,265	-	6,265
Total Expenses	649,625	-	649,625	871,522	-	871,522
CHANGE IN NET ASSETS	-	(478,942)	(478,942)	-	(710,294)	(710,294)
Net Assets - Beginning of Year	-	12,409,065	12,409,065	-	13,119,359	13,119,359
Net Assets - End of Year	\$ -	\$ 11,930,123	\$ 11,930,123	\$ -	\$ 12,409,065	\$ 12,409,065

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>12/31/2016</u>	<u>12/31/2015</u>
OPERATING ACTIVITIES		
Change in Net Assets	\$ (478,942)	\$ (710,294)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Depreciation	29,066	22,789
Bad Debt Reserve	95,000	80,000
Changes in Operating Assets and Liabilities		
Cash - Security Deposits	(1)	(531)
Accrued Interest Receivable	(4,242)	820
Accounts Receivable	(1,861)	(2,161)
Due from Affiliate	(2,842)	-
Accounts Payable	(16,210)	35,327
Deferred Rental Revenue	(2,558)	651
Security Deposits Payable	<u>1</u>	<u>531</u>
Net Cash Provided (Used) By Operating Activities	<u>(382,589)</u>	<u>(572,868)</u>
INVESTING ACTIVITIES		
New Mortgages and Notes	(2,378,231)	(157,287)
Payments Received on Mortgages and Notes	815,172	445,789
Fixed Asset Purchases	<u>-</u>	<u>(949)</u>
Net Cash Provided (Used) By Investing Activities	<u>(1,563,059)</u>	<u>287,553</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,945,648)	(285,315)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>9,942,851</u>	<u>10,228,166</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,997,203</u>	<u>\$ 9,942,851</u>

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 - HISTORY AND BASIS OF FINANCIAL STATEMENT PRESENTATION

The St. Lawrence River Valley Redevelopment Agency (SLRVRA) is a joint action agency formed on June 2, 2010 to make use of certain New York Power Authority (NYPA) assets for the purposes of economic development in the St. Lawrence Valley and surrounding communities. Under the 2010 agreement, the New York Power Authority made available for economic development purposes a \$ 16 million fund and 20 megawatts of electrical power generation from hydro-electric facilities situated on the St. Lawrence River. A parallel agreement, also dated June 2, 2010, between the SLRVRA and the St. Lawrence County Industrial Development Agency Local Development Corporation (SLCIDA-LDC) provided the mechanism for administering these assets. The SLRVRA has no employees.

As per the 2010 agreements, NYPA had provided the \$ 16 million to the SLRVRA and the SLCIDA-LDC. On October 18, 2013, NYPA executed an agreement with the Massena Electric Department (as proposed in the 2010 agreements) that made the 20 megawatts of electricity allocated to the SLRVRA available for economic development projects in St. Lawrence County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of St. Lawrence River Valley Redevelopment Agency (SLRVRA) have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The SLRVRA has adopted *FASB ASC 958-205*. Under this standard, the SLRVRA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the SLRVRA is required to present a statement of cash flows. As provided by this statement, the SLRVRA has arranged its financial statements to present the three classes of net assets required, as applicable.

Contributions

The SLRVRA has also adopted *FASB ASC 958-605*. In accordance with this standard, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For the purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, and savings instruments with a maturity of less than three months.

Mortgages and Notes Receivable

Mortgages and notes receivable are reported at their principal amounts outstanding, net of allowances for possible credit losses. Interest revenue on the mortgages and notes are a credit to interest income based on loan principal amounts outstanding at appropriate interest rates.

Temporarily Restricted Net Assets

The temporarily restricted net assets represent activity related to a \$ 16,000,000 grant from the New York Power Authority.

Income Taxes

The SLRVRA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is also duly established under Section 402 of the Not-For-Profit Corporation law of the State of New York. For tax reporting purposes, the accounts of the SLRVRA are consolidated with those of the SLCIDA-LDC for reporting as a combined entity.

Advertising

The SLRVRA expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2016 and 2015 were \$ 20,203 and \$ 36,946, respectively.

Depreciation

Depreciation is calculated on buildings and improvements on the straight-line method over the assets estimated useful life. Depreciation expense for the years ended December 31, 2016 and 2015 were \$ 29,066, and \$ 22,789, respectively.

NOTE 3 - MORTGAGES AND NOTES RECEIVABLE

The SLRVRA carries its mortgages and notes receivable at cost recognizing interest income on the accrual basis as specified in the various agreements. The SLRVRA evaluates the collectability of its mortgages and notes receivable and the Board establishes write-offs when considered necessary. There were no write-offs during the years ended December 31, 2016 and 2015. The amount added to the loan loss reserve at December 31, 2016 and 2015 was \$ 95,000 and \$ 80,000, respectively. The loan loss reserve at December 31, 2016 and 2015 was \$ 175,000 and \$ 80,000, respectively.

NOTE 3 - MORTGAGES AND NOTES RECEIVABLE (Continued)

Mortgages and notes receivable balances at December 31, 2016 and 2015 consisted of the following:

	<u>Date</u>	<u>Due</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance 2016</u>	<u>Balance 2015</u>
Ansen	03/04/16	03/01/16	2.750%	\$ 241,954	\$ 226,051	\$ -
BlastBoss, Inc.	06/17/14	05/01/19	2.650%	37,788	19,836	27,667
City of Ogdensburg	01/26/15	01/26/20	1.000%	23,532	15,049	19,302
Curran Renewable Energy	03/16/16	03/01/17	2.750%	1,356,278	1,354,391	-
First Class Aire	09/12/14	09/01/29	2.625%	51,500	45,195	47,652
High Peaks Winery	04/30/14	05/01/29	2.625%	36,500	31,812	34,020
Hoosier Magnetics	09/18/15	09/01/20	2.625%	100,000	79,943	98,330
Hozmerica, LLC	07/21/15	07/01/20	2.625%	17,500	12,740	15,823
Massena BDC Rail	05/05/14	12/30/16	0.000%	197,504	-	197,504
NC Dairy, LLC	12/02/11	12/01/16	2.625%	400,000	-	77,386
Nicholville Telephone Co.	12/09/11	12/01/18	4.000%	388,926	-	194,679
Riverside Iron, LLC	06/27/14	07/01/24	2.625%	100,000	78,162	86,564
SLCIDA - CIB	12/04/14	11/01/21	1.000%	700,000	636,081	668,177
SLCIDA Rail Loan	08/30/16	09/01/19	1.500%	750,000	750,000	-
SLIC Network Solutions	12/09/11	12/01/18	4.000%	436,074	-	214,284
Structural Wood	12/20/11	12/01/21	2.625%	150,000	81,007	94,516
Swift Labs	09/22/16	10/01/23	2.750%	30,000	29,365	-
Town of Louisville	03/23/15	03/01/17	1.000%	16,000	1,412	9,384
Town of Massena	11/19/13	03/01/16	1.000%	60,557	-	12,697
					3,361,044	1,797,985
				Less Allowance for Bad Debts	(175,000)	(80,000)
					<u>\$ 3,186,044</u>	<u>\$ 1,717,985</u>

Future maturities of the mortgages and notes receivable are as follows:

December 31, 2017	\$ 2,240,857
2018	132,457
2019	130,829
2020	107,527
2021	91,089
Thereafter	<u>658,285</u>
	<u>\$ 3,361,044</u>

NOTE 4 - LOANS IN ARREARS

There are no loans in arrears at this time.

NOTE 5 - LOANS IN DEFAULT

There are no loans in default at this time.

NOTE 6 - LOANS WRITTEN OFF

There were no loans written off in 2016 or 2015. See Note 3 for loan loss reserve.

NOTE 7 - COMMUNITY DEVELOPMENT ENVIRONMENTAL IMPROVEMENT PROJECTS

The SLRVRA made grant awards during the years 2011 through 2016 as part of its Community Development Environmental Improvement Projects (CDEIP), as authorized by the June 2, 2010 contracts. The original grant award amounts and expenditures as of December 31, 2016 are as follows:

Date of Award	Grant Award	Expended						Balance of Grant
		2011	2012	2013	2014	2015	2016	Remaining
2011	\$ 540,000	\$ 55,000	\$ 254,807	\$ 100,000	\$ 4,315	\$ 72,280	\$ 36,151	\$ 17,447
2012	556,694	-	483,552	53,874	15,000	-	4,268	-
2013	403,899	-	-	194,798	140,253	40,000	-	28,848
2014	415,152	-	-	-	59,081	208,271	42,800	105,000
2015	364,146	-	-	-	-	40,937	58,209	265,000
2016	475,640	-	-	-	-	-	4,500	471,140
Total	<u>\$ 2,755,531</u>	<u>\$ 55,000</u>	<u>\$ 738,359</u>	<u>\$ 348,672</u>	<u>\$ 218,649</u>	<u>\$ 361,488</u>	<u>\$ 145,928</u>	<u>\$ 887,435</u>

NOTE 8 - FIXED ASSETS

Fixed assets at December 31, 2016 and 2015 consisted of:

	<u>2016</u>	<u>2015</u>
Massena Lot 18 - Building and Improvements	\$ 417,922	\$ 417,922
Massena Lot 19 - Building and Improvements	<u>432,740</u>	<u>432,740</u>
	850,662	850,662
Less: Accumulated Depreciation	<u>(96,188)</u>	<u>(67,122)</u>
	<u>\$ 754,474</u>	<u>\$ 783,540</u>

NOTE 9 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions from January 1, 2017 through March 15, 2017, the date the financial statements were available to be issued, for possible disclosure and, or, recognition in the financial statements. There were no events or transactions that existed which would provide additional pertinent information about conditions at the balance sheet date which are required to be recognized or disclosed in the accompanying financial statements.

NOTE 10 - CONCENTRATION OF CREDIT RISK

At December 31, 2016, the SLRVRA had bank balances totaling \$ 7,995,985. A combination of federal depository insurance and securities pledged and held by the bank fully covered these bank balances.

NOTE 11 - RECOGNITION OF CERTAIN GRANT REVENUE AND EXPENDITURES

Occasionally, the SLRVRA (the “grantee”) applies for and receives grants from government agencies and other organizations. These grants are usually “reimbursement grants”, i.e., the monies from the grant are only paid to the grantee as reimbursements after the grantee has documented to the grantor that the grantee has achieved defined benchmarks, paid out required funds, and otherwise complied with all other required grant conditions. Projects in which such grants are involved often span several fiscal years and long delays in the reimbursement process are frequent. Consequently, in cases involving reimbursement grants, the SLRVRA does not accrue expected grant revenue or receivables until it has complied with the conditions of the grant agreement(s) and submitted the necessary documentation that will trigger the payment process. Until such documentation has been submitted, and accepted, the grantor still has substantial discretion to deny or reduce payment. Accordingly, at year end the SLRVRA does not accrue any expenses or payables associated with items to be paid out for future grant reimbursement until the SLRVRA is satisfied that it has complied with all grant reimbursement eligibility requirements. These items are usually paid out in the subsequent period and will be recorded as project expenses. As of December 31, 2016, there were no active grants of this nature.

The SLRVRA also funds a grant program of its own – the Community Development Environmental Improvement Program. Since these grants are also reimbursement grants, the SLRVRA adopts the same policy when acting as a grantor that is described above when it is a grantee, i.e., it doesn’t accrue the expense until the grantee has documented satisfactorily that it has complied with the grant conditions. As of December 31, 2016, there were no active grants of this nature.

NOTE 12 - RELATED PARTY TRANSACTIONS

The SLRVRA is related to the following entities:

- St. Lawrence County Industrial Development Agency Local Development Corporation (SLCIDA-LDC)
- Program Administrative Agreements.
- Greater Massena Economic Development Fund (GMEDF)
- Participation Loan Agreements.

Administrative fees paid to the SLCIDA-LDC by SLRVRA totaled \$ 300,000 for both 2016 and 2015.

A participation loan agreement between the GMEDF and the SLRVRA resulted in an account payable to the SLRVRA by the GMEDF of \$ 2,842 at December 31, 2016.

SUPPLEMENTARY INFORMATION

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

**SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016			2015		
	Program	Management and General	Totals	Program	Management and General	Totals
EXPENSES						
Advertising	\$ 20,203	\$ -	\$ 20,203	\$ 36,946	\$ -	\$ 36,946
Accounting	-	2,969	2,969	-	3,783	3,783
Contractual	344,300	-	344,300	348,600	-	348,600
Community Development	145,928	-	145,928	361,488	-	361,488
D & O Insurance	-	571	571	-	454	454
Depreciation	29,066	-	29,066	22,789	-	22,789
Insurance	6,931	-	6,931	11,092	-	11,092
Legal Expenses	-	2,273	2,273	-	1,920	1,920
Miscellaneous	-	15	15	-	30	30
Office Supplies	-	-	-	-	78	78
Repairs and Maintenance	440	-	440	169	-	169
Underwriting Fees	-	-	-	550	-	550
Utilities	1,929	-	1,929	3,623	-	3,623
Bad Debt Reserve	95,000	-	95,000	80,000	-	80,000
Total Expenses	<u>\$ 643,797</u>	<u>\$ 5,828</u>	<u>\$ 649,625</u>	<u>\$ 865,257</u>	<u>\$ 6,265</u>	<u>\$ 871,522</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
St. Lawrence River Valley Redevelopment Agency
Canton, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the St. Lawrence River Valley Redevelopment Agency (SLRVRA) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the SLRVRA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SLRVRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the SLRVRA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

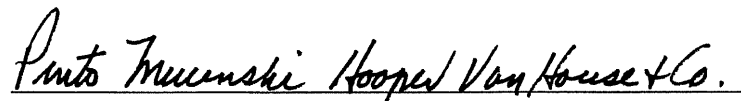
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SLRVRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Pinto Mucenski Hooper Van House & Co.
Certified Public Accountants, P.C.

March 15, 2017

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
 Resolution No. RVR-17-03-xx
 March 28, 2017

AUTHORIZING A LOAN OF UP TO \$150,000 to Canexsys Networks, Inc.

WHEREAS, the St. Lawrence River Valley Redevelopment Agency (“RVRA”) seeks to actively participate in economic development projects which result in the creation of jobs, and

WHEREAS, the RVRA has partnered with the St. Lawrence County Industrial Development Agency Local Development Corporation (“SLCIDA-LDC”) as prescribed in certain agreements among multiple parties dated June 2, 2010 for the purpose of providing assistance to such projects, and

WHEREAS, Canexsys Networks, Inc. (the “Company”) has applied for loan financing as part of a project to acquire the former Newell Building in Ogdensburg, New York, and to set up a manufacturing operation within the facility (the “Project”), and

WHEREAS, the project will include improvements to the a long vacant facility, and

NOW, THEREFORE, BE IT RESOLVED that the St. Lawrence River Valley Redevelopment Agency agrees to authorize the SLCIDA-LDC to lend up to \$150,000 from the RVRA’s Economic Development Fund to Canexsys Networks, Inc., and

BE IT FURTHER RESOLVED that said loan of up to \$150,000 shall be subject to the following terms and conditions:

1. Principal	Up to \$150,000
2. Interest Rate	One-half of prime rate plus 1, the actual rate to be determined at closing and adjusted at the end of every five years
3. Term	Seven (7) year amortization schedule
4. Security	<ul style="list-style-type: none"> • Co-proportional first mortgage with all other public lenders on real estate located at 100 Patterson Street, Ogdensburg • Co-proportional first security interest in all machinery and equipment and furniture and fixtures owned by Canexsys Networks, Inc. and located at 100 Patterson Street, Ogdensburg.
5. Other	<ul style="list-style-type: none"> • Unlimited Personal Guarantee of William Fry • Evidence of at least \$150,000 in funding from both the St. Lawrence County Industrial Development Agency Local Development Corporation (IDALDC) and the Greater Massena Economic Development Fund (GMEDF) loan funds • Evidence of owner equity in the project of a least \$725,000 • Evidence of additional funding in the project of in the amount of at least \$2,550,000 • As required by the IDALDC and GMEDF loan funds the company agrees to create at least 10 FTE new jobs over the next three years

Move:				
Second:				
VOTE	AYE	NAY	ABSTAIN	ABSENT
McNeil				
Strait				
Murphy				
Carroll				
Forsythe				

I HEREBY CERTIFY that I have compared this copy of this Resolution with the original record in this office, and that the same is a correct transcript thereof and of the whole of said original record.

/s/

Lori Sibley

03/28/17