

ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY –
LOCAL DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY –
LOCAL DEVELOPMENT CORPORATION
TABLE OF CONTENTS
DECEMBER 31, 2010 AND 2009

	<u>Page(s)</u>
	<u>Independent Auditors' Report</u>
<u>EXHIBIT I</u> - <u>Statements of Financial Position</u>	1
<u>EXHIBIT II</u> - <u>Statements of Activities</u>	2
<u>EXHIBIT III</u> - <u>Statements of Cash Flows</u>	3
<u>EXHIBIT IV</u> - <u>Statements of Functional Expenses</u>	4
	<u>Notes to Financial Statements</u>
	5 – 9
	<u>Auditor's Required Communications</u>
	10 – 12



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

202 Ford Street, Suite 101
P.O. Box 327
Ogdensburg, NY 13669
(315) 393-7502
Fax: (315) 393-9231
www.pmhvcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
St. Lawrence County Industrial Development Agency - Local Development Corporation
80 State Highway 310, Suite 6
Canton, New York 13617

We have audited the accompanying statements of financial position of the St. Lawrence County Industrial Development Agency - Local Development Corporation (a nonprofit organization) (SLC IDA-LDC) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the SLC IDA-LDC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SLC IDA-LDC as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Pinto Mucenski Hooper Van House & Co.

Certified Public Accountants, P.C.

Ogdensburg, New York

February 11, 2011

EXHIBIT I

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
<u>Current Unrestricted Assets</u>		
Cash in Bank	\$ 156,112	\$ 5,990
Total Current Unrestricted Assets	<u>156,112</u>	<u>5,990</u>
<u>Current Restricted Assets</u>		
Cash	698,458	416,291
Cash in Time Deposits	-	100,000
Rental Deposits	753	750
Prepaid Expenses	121	-
Accrued Interest Receivable	28,259	18,877
Notes Receivable - Current	<u>353,800</u>	<u>239,894</u>
Total Current Restricted Assets	<u>1,081,391</u>	<u>775,812</u>
<u>Restricted Fixed Assets - Net</u>	<u>625,572</u>	<u>640,869</u>
<u>Long-Term Restricted Assets</u>		
Notes Receivable - Long Term	<u>1,439,737</u>	<u>1,672,698</u>
Total Long-Term Restricted Assets	<u>1,439,737</u>	<u>1,672,698</u>
Total Restricted Assets	<u>3,146,700</u>	<u>3,089,379</u>
Total Assets	<u>3,302,812</u>	<u>3,095,369</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable	677	-
Payroll Tax Liability	4	-
Rental Deposits	<u>753</u>	<u>750</u>
Total Current Liabilities	<u>1,434</u>	<u>750</u>
Total Liabilities	<u>1,434</u>	<u>750</u>
<u>Net Assets</u>		
Unrestricted	156,112	5,990
Temporarily Restricted	<u>3,145,266</u>	<u>3,088,629</u>
Total Net Assets	<u>3,301,378</u>	<u>3,094,619</u>
Total Liabilities and Net Assets	<u>\$ 3,302,812</u>	<u>\$ 3,095,369</u>

See accompanying notes and independent auditors' report.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			2009		
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Totals</u>	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Totals</u>
<u>Support</u>						
Interest Income	\$ 16	\$ 74,438	\$ 74,454	\$ 23	\$ 80,080	\$ 80,103
Rental Income	-	37,750	37,750	-	7,750	7,750
Administration Fees	150,000	5,400	155,400	-	7,200	7,200
Miscellaneous Income	106	378	484	399	505	904
Total Support	150,122	117,966	268,088	422	95,535	95,957
<u>Expenses</u>						
<u>Program Services</u>						
Bad Debt Expense	-	-	-	-	52,644	52,644
Filing Fees	-	260	260	-	275	275
Insurance	-	3,474	3,474	-	3,186	3,186
Legal Expense	-	11,085	11,085	-	4,740	4,740
Maintenance	-	-	-	-	1,167	1,167
Underwriting/Credit Reports	-	461	461	-	585	585
Utilities	-	-	-	-	2,078	2,078
Total Program Services	-	15,280	15,280	-	64,675	64,675
<u>Management and General</u>						
Accounting Expense	-	3,950	3,950	-	3,653	3,653
County Reimbursement	-	34,169	34,169	-	45,558	45,558
Depreciation Expense	-	15,297	15,297	-	15,368	15,368
Employee Benefits	-	354	354	-	-	-
Memberships & Dues	-	175	175	-	125	125
Meeting Expenses	-	168	168	-	-	-
Mileage	-	33	33	-	-	-
Miscellaneous Expense	-	57	57	-	-	-
Office Supplies	-	137	137	-	159	159
Payroll Processing Fees	-	537	537	-	-	-
Payroll Taxes	-	964	964	-	-	-
RVRDA Partnership Expense	-	-	-	-	17,435	17,435
Salaries	-	7,643	7,643	-	-	-
Total Management and General	-	63,484	63,484	-	82,298	82,298
Total Expenses	-	78,764	78,764	-	146,973	146,973
INCREASE (DECREASE) IN NET ASSETS	150,122	39,202	189,324	422	(51,438)	(51,016)
Prior Period Adjustment	-	17,435	17,435	-	-	-
NET ASSETS - BEGINNING OF YEAR	5,990	3,088,629	3,094,619	5,568	3,140,067	3,145,635
NET ASSETS - END OF YEAR	\$ 156,112	\$ 3,145,266	\$ 3,301,378	\$ 5,990	\$ 3,088,629	\$ 3,094,619

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>OPERATING ACTIVITIES</u>		
Increase (Decrease) in Net Assets	\$ 189,324	\$ (51,016)
<u>Adjustments to Reconcile Change in Net Assets to Cash Flows Provided (Used) by Operating Activities:</u>		
Depreciation	15,297	15,368
Prior Period Adjustment	17,435	-
Changes in Operating Assets and Liabilities:		
Decrease (Increase)		
Accrued Interest Receivable	(9,382)	(6,931)
Prepaid Expenses	(121)	-
Accounts Payable	677	-
Payroll Tax Liability	4	-
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>213,234</u>	<u>(42,579)</u>
<u>INVESTING ACTIVITIES</u>		
New Loans	(120,000)	(200,000)
Payments on Loans	239,055	313,105
<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	<u>119,055</u>	<u>113,105</u>
<u>FINANCING ACTIVITIES</u>		
<u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	332,289	70,526
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	522,281	451,755
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 854,570</u>	<u>\$ 522,281</u>

EXHIBIT IV

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>			<u>2009</u>		
	<u>Program</u>	<u>Supporting</u>	<u>Totals</u>	<u>Program</u>	<u>Supporting</u>	<u>Totals</u>
	<u>Services</u>	<u>Services</u>		<u>Services</u>	<u>Services</u>	
	<u>Revolving</u>	<u>Management</u>		<u>Revolving</u>	<u>Management</u>	
	<u>Loans</u>	<u>and General</u>		<u>Loans</u>	<u>and General</u>	
Accounting	\$ -	\$ 3,950	\$ 3,950	\$ -	\$ 3,653	\$ 3,653
Bad Debt Expense	\$ -	\$ -	-	52,644	-	52,644
County Reimbursement	-	34,169	34,169	-	45,558	45,558
Depreciation	-	15,297	15,297	-	15,368	15,368
Employee Benefits	-	354	354	-	-	-
Filing Fees	260	-	260	275	-	275
Legal Expense	11,085	-	11,085	4,740	-	4,740
Insurance	3,474	-	3,474	3,186	-	3,186
Maintenance	-	-	-	1,167	-	1,167
Memberships & Dues	-	175	175	-	125	125
Meeting Expense	-	168	168	-	-	-
Mileage	-	33	33	-	-	-
Miscellaneous Expense	-	57	57	-	-	-
Office Supplies	-	137	137	-	159	159
Payroll Processing Fees	-	537	537	-	-	-
Payroll Taxes	-	964	964	-	-	-
RVRDA Partnership Expense	-	-	-	-	17,435	17,435
Salaries	-	7,643	7,643	-	-	-
Underwriting/Credit Reports	461	-	461	585	-	585
Utilities	-	-	-	2,078	-	2,078
Totals (Exhibit II)	\$ 15,280	\$ 63,484	\$ 78,764	\$ 64,675	\$ 82,298	\$ 146,973

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the St. Lawrence County Industrial Development Agency - Local Development Corporation 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.

(a) Financial Statement Presentation

The Organization has adopted *FASB ASC 958-205*. Under this standard, the Organization 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 Organization is required to present a statement of cash flows. As provided by this statement, the Organization previously discontinued its use of fund accounting and has, accordingly, arranged its financial statements to present the three classes of net assets required.

(b) Contributions

The Organization 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.

(c) Nature of Operations

On April 29, 1986, the St. Lawrence County Industrial Development Agency ("the Agency") created a Local Development Corporation known as the St. Lawrence County Industrial Development Agency - Local Development Corporation ("the Corporation"). St. Lawrence County assigned all of the loan repayments from the County Community Development Block Grant (CDBG) Projects to the Agency for the purpose of establishing a county wide revolving loan fund. Upon the formation of the Corporation, the Agency assigned all of its rights in the CDBG assignment to the Corporation for collection and administration.

(c) Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from those estimates.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(d) Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

(e) Temporarily Restricted Net Assets

The temporarily restricted net assets represent the amount of the Revolving Loan Fund which was created by St. Lawrence County to stimulate the growth of private sector industrial employment in St. Lawrence County, New York. The revolving loan fund provides financial assistance to applicants that: (1) wish to expand or to build new facilities; (2) must modernize their physical plant or equipment and machinery; and (3) require working capital funding to retain or expand their operations.

(f) Income Taxes

The Corporation is duly established under Section 402 and 1411 of the Not-for-Profit Corporation Law of the State of New York and was determined to be exempt from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code shortly after formation.

Accounting principles generally accepted in the United States of America require the Organization to evaluate all significant tax positions. As of 12/31/10 the Organization does not believe that it has taken any positions that would require the recording of any tax liability, nor does it believe that there any unrealized tax benefits that should be recorded or that would increase or decrease within the next year.

(g) Donated Assets and Services

The estimated fair value of the full use of facilities owned by others and the estimated fair value of contributed services over which the Corporation exercises control, which constitute a part of the normal services that would otherwise be performed by paid personnel, have not been reflected in the accompanying financial statements. Also, the value of other donated services (board members, etc.) is not reflected in the accompanying financial statements.

(h) Depreciation

Depreciation is calculated on buildings and improvements on the straight-line method over a 50 year life. Depreciation expense for the years ended December 31, 2010, and 2009 were \$15,297, and \$15,368, respectively.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION
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LOCAL DEVELOPMENT CORPORATION
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FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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LOCAL DEVELOPMENT CORPORATION
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LOCAL DEVELOPMENT CORPORATION
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ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - RESTRICTED CASH

Restricted cash in the amounts of \$698,458 and \$516,291 for December 31, 2010 and 2009, respectively, are invested in accounts at the North Country Savings, Key, NBT, Community, Upstate, and HSBC Banks. The balance in the restricted cash accounts is to be used for loans.

NOTE 3 - RESTRICTED NOTES RECEIVABLE

The Organization carries its restricted notes receivable at cost recognizing interest income on the accrual basis as specified in the various note agreements.

On a periodic basis, the Organization evaluates its restricted notes receivable and will establish write offs as economic conditions warrant. The Board will determine which notes are written off based on uncollectibility. All notes are considered collectible until all legal remedies have been exhausted.

Details of the notes as of December 31, 2010 and 2009 consisted of the following:

Ansen Corp	07/11/03	08/01/13	3.00%	\$ 300,000	\$ 89,166	\$ 120,930
Atlantic Testing Laboratories, LTD	10/17/07	11/01/17	4.88%	200,000	146,772	164,454
Curran Renewable Energy	12/13/07	12/01/17	4.63%	400,000	400,000	400,000
D E Kerr Construction & Logging	07/11/07	11/01/14	5.13%	41,905	37,964	37,125
Four-C-Aire, Inc	09/21/06	12/01/11	5.13%	146,000	29,625	60,379
Glacier Packaging Co	01/05/06	01/01/16	4.63%	133,333	77,009	89,061
Hackett's - formerly Wisebuys	12/24/03	07/01/11	3.00%	235,000	86,737	86,737
Newton Falls Fine Paper - #1	11/27/06	06/01/17	5.13%	200,000	28,596	51,787
Newton Falls Fine Paper - #2	12/29/06	07/01/17	5.13%	150,000	106,226	120,770
North Lawrence Dairy	08/03/09	09/01/16	2.63%	200,000	178,666	200,000
Potsdam Mineral & Feed	10/17/07	01/01/13	4.88%	40,000	17,149	25,113
Potsdam Specialty Paper	12/15/08	01/01/14	3.00%	200,000	126,923	165,609
SLC IDA - Massena Lot #20	12/31/05	12/01/15	3.00%	217,204	116,476	137,749
SLIC Network	05/11/10	05/01/17	2.63%	120,000	113,077	-
St Lawrence Food Corp	03/23/04	03/01/11	3.00%	300,000	201,246	201,246
ATL / Tamarack Building	03/01/03	12/01/15	5.25%	50,927	24,897	29,293
Woodruff Block Co - #2	05/01/05	04/01/12	3.88%	59,500	13,008	22,339
					<u>\$ 1,793,537</u>	<u>\$ 1,912,592</u>

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 4 – LOANS TO RELATED PARTIES

SLC IDA – Massena Lot #20 - on December 7, 2005, the St. Lawrence County Industrial Development Agency (the Agency) authorized the purchase of Lot 20 located at 63 Trade Road, Massena Industrial Park from Michele Audio Corporation of America. Also the Agency authorized borrowing with the St. Lawrence County Industrial Development Agency's Local Development Corporation to finance the purchase of Lot 20. Total advances were made by the Corporation in the amount of \$217,204. This promissory note receivable from the Agency has a term of 10 years at 3% interest. The balance due on the note receivable at December 31, 2010 was \$116,476

NOTE 5 – LOANS IN ARREARS

As of December 31, 2010 the following loans were in arrears:

DE Kerr Construction & Logging's last payment was made on 6/14/2010 and represented a partial February 2009 payment. This matter has been referred to legal counsel for collection.

NOTE 6 – LOANS IN DEFAULT

St. Lawrence Food Corp. - filed for bankruptcy. Currently our legal counsel has filed the necessary paperwork with the appropriate entities. We are awaiting advice from legal counsel as to what steps are next. We have not yet determined that this debt is 100% uncollectible.

Hackett's – formerly Wisebuys – filed for bankruptcy on 12/08/09. The loan was on the Canton and Gouverneur stores. In January 2010, the 3 personal guarantors were contacted confirming that they are still responsible for repayment and they wish to make a repayment agreement. A repayment agreement has not yet been reached, however, collection of the debt is still considered collectible.

NOTE 7 – LOANS WRITTEN OFF

Heritage Cheese - recently closed the plant located in Heuvelton, New York. On April 28, 2009, we agreed to a settlement and accepted a final payment of \$20,000. The remaining balance of \$52,644 (principal and interest) was written off by the Board under Resolution #09-04-10.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 8 – FIXED ASSETS

Fixed Assets at December 31 consisted of:

	2010	2009
Fourth Massena Industrial Building	\$ 594,233	\$ 594,233
Improvements - Fourth Massena Industrial Building	<u>149,290</u>	<u>149,290</u>
	743,523	743,523
Less: Accumulated Depreciation	<u>(147,951)</u>	<u>(132,654)</u>
	595,572	610,869
Land	<u>30,000</u>	<u>30,000</u>
	<u><u>625,572</u></u>	<u><u>640,869</u></u>

NOTE 9 – PRIOR PERIOD ADJUSTMENT

An adjustment was entered for the year ended December 31, 2010 to account for expenses of a prior period refunded in the most current year of \$17,435.

NOTE 10 – SUBSEQUENT EVENTS

On January 17, 2011, Healthy Food Holdings announced the scheduled closure of the North Lawrence Dairy facility in the late spring of 2011. The St. Lawrence County Industrial Development Agency is working with Healthy Food Holdings to attempt to market the facility to a new owner. Though it is not known what impact this announcement will have on North Lawrence Dairy's debt obligation to the IDA-LDC, at this time the company remains paid up-to-date on their outstanding loan.



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

202 Ford Street, Suite 101
P.O. Box 327
Ogdensburg, NY 13669
(315) 393-7502
Fax: (315) 393-9231
www.pmhvcpa.com

February 11, 2011

To the Board of Directors
St. Lawrence County Industrial Development Agency - Local Development Corporation
80 State Highway 310, Suite 6
Canton, New York 13617

We have audited the financial statements of the St. Lawrence County Industrial Development Agency - Local Development Corporation (SLC IDA-LDC) for the year ended December 31, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated December 7, 2010. Professional standards also require that we communicate to you the following information related to our audit.

A. The Auditors' Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated December 7, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the SLC IDA-LDC's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether SLC IDA-LDC's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, 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. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the SLC IDA-LDC's compliance with those requirements.

B. Planned Scope and Timing of the Audit

The audit includes examining, on a test basis, evidence supporting the amounts and

disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result due to (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf on the entity. We have communicated our significant findings as outlined below.

We began our audit on January 24, 2011 and intend to issue our report on approximately February 11, 2011.

The information is intended solely for the use of the SLC IDA-LDC and its management and is not intended to be and should not be used by anyone other than these specified parties.

C. Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the SLC IDA-LDC are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2010. We noted no transactions entered into by the company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate

level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the opinion unit's financial statements taken as a whole.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 11, 2011.

Management Consultations with Other Independent Accountants


In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the reporting unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and Management of the St. Lawrence County Industrial Development Agency - Local Development Corporation, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


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