PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS
ESTABLISHED IN 1891

Ulster County Industrial Development Agency

(A Discretely Presented Component Unit of Ulster County, New York)

Report to Those Charged with Governance

December 31, 2024

March 26, 2025



Prepared by

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March 26, 2025

Members of the Board of Directors
Ulster County Industrial Development Agency

We have audited the financial statements of the Ulster County Industrial Development Agency (a discretely presented component unit of Ulster County, New York) ("Agency"), as of and for the year ended December 31, 2024 and have issued our report thereon dated March 26, 2025.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards *Government 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 to you dated November 21, 2024. Professional standards also require that we communicate to you the following information related to our audit.

We are pleased to be of service to you and the Agency and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of Those Charged with Governance and management of the Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

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Status of the Audit

Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been drafted and reviewed by management.
- We have issued an unmodified report on the financial statements.
- PARIS report is required to be filed by March 31, 2025.

Required Communications and Other Matters

Required Item	Comments
Auditor's responsibility under professional standards and planned scope and timing of the audit	We have communicated such information in our engagement letter to you dated November 21, 2024. Generally, these responsibilities include: • Forming and expressing an opinion on the financial statements. • Obtaining *reasonable assurance* that the financial statements are *free of material misstatements*, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG"). • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
Other supplementary information accompanying the financial statements	Our responsibility for the other supplementary information accompanying the financial statements is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.
Required supplementary information accompanying the financial statements	We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Item	Comments
Other information in documents containing audited financial statements	Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to determine that such other information is properly stated.
Our responsibilities under the Yellow Book	In connection with our audit we performed tests of the Agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.
Responsibilities of management and TCWG	Management's responsibilities include: • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. • Evaluate if there are any conditions or events, considered in the aggregate that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter. • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud. TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.

Required Item	Comments
Qualitative aspects of accounting practices - *Accounting Policies*	Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except for the adoption of the provisions of Governmental Accounting Standards Board Statement No. 101, "*Compensated Absences*". The Agency evaluated the impact of the statement and determined the amounts were not material to the financial statements. The accounting policies of the Agency conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Agency's reports are based on all applicable GASB pronouncements. We noted no transactions entered into by the Agency 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.
Qualitative aspects of accounting practices – *Significant Unusual Transactions*	No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.
Qualitative aspects of accounting practices - *Accounting Estimates and Management's Judgment*	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. The most sensitive estimates affecting the Agency's financial statements were: • No significant estimates required in the preparation of these financial statements

Required Item	Comments
Qualitative aspects of accounting practices - *Financial Statement Disclosures*	Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are: • Net position The financial statement disclosures are neutral, consistent and clear.
Going concern	The auditor is required to communicate with TCWG events or conditions that, when considered in the aggregate; indicate a substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time. We concur with management's assessment that the Agency will continue as a going concern for one year from the balance sheet date.
Significant risks	Significant risks are defined as risks that require special audit consideration without regard to identified controls related to those risks. In most audits, one or more significant risks normally arise. We have identified the following significant risks in connection with our audit: **Management override of internal controls** Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating efficiently. Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Our audit procedures did not identify any management override of internal controls. **Improper revenue recognition to due to fraud** Auditing standards require the auditor to ordinarily presume that improper revenue recognition is a fraud risk on all audit engagements unless the auditor can conclude that the risk is not applicable to the entity. Our audit procedures did not identify any improper revenue recognition due to fraud. The audit procedures applied as a result of the aforementioned significant risks were designed to and have reduced the risk of material misstatement to low.

Required Item	Comments
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 all known and likely misstatements identified during the audit (including passed adjustments and omitted financial statement disclosures), other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, corrected misstatements that were brought to the attention of management as a result of our audit procedures are also included in Appendix 1.
Disagreements with management	For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.
Management representations	We have requested certain representations from management that are included in the management representation letter (see Appendix 2).
Auditor independence	We affirm that PKF O'Connor Davies, LLP is independent with respect to the Agency in accordance with relevant professional standards.
Significant issues discussed with management prior to retention	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 Agency's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ulster County Industrial Development Agency (a discretely presented component unit of Ulster County, New York) ("Agency"), internal control over financial reporting ("internal control") as a basis for designing 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 Agency's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- 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 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 and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, we share for your consideration on the following pages other observations about the internal control and operations.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

PKF O'Connor Davies, LLP

Harrison, New York
March 26, 2025

Ulster County Industrial Development Agency
(A Discretely Presented Component Unit of Ulster County, New York)

Other Matters

- **Journal Entry Approvals**

  As part of the audit, we tested journal entries to ensure that there is proper approval of all entries recorded. Our testing demonstrated that the approval of the journal entries was not documented.

  Recommendation

  We recommend establishing a formal process to document the approval of journal entries. This could include requiring electronic or written signoffs. To maintain efficiency, we suggest that journal entries be prepared by the staff under the direction of the contracted CFO, with the contracted CFO performing a documented review of each entry. Additionally, to enhance Board oversight, journal entries should continue to be included in the financial reporting package presented to the Board, ensuring alignment with the Agency's mission and financial governance practices.

- **Operating Budget**

  During our audit, we review the Authority's budget. We noted that the budget is not structured by account number, but rather by category. This could make reporting on budget versus actual results more challenging.

  Recommendations

  To enhance budget accuracy and financial oversight, we recommend structuring the budget by account number to align with the trial balance. This will improve transparency and allow for more accurate assessments when comparing the actual results to the budgeted amounts.

- **Payroll Approval**

  Upon the hiring of a new administrative assistant in 2024 the Authority implemented the use of time sheets which are prepared by the administrative assistant and entered into Paychex by the Executive Director each week as payroll is on an hourly basis. In addition, the CFO has read-only access and reviews the payroll reports on a weekly basis upon e-mail notification from Paychex, as compared to prior practice where the payroll reports were reviewed monthly.

  We commend the Authority for its implementation of a weekly review and approval process for payroll, as well as the use of detailed employee timesheets. These practices demonstrate a strong commitment to internal controls and financial accuracy. Weekly payroll reviews allow for timely identification and resolution of discrepancies, ensuring that payroll expenses are accurately recorded and processed. Additionally, the use of timesheets provides an essential layer of accountability, verifying that employee hours are properly documented and approved.

  Recommendation

  We strongly encourage the Authority to continue its weekly payroll review and approval process as opposed to a monthly review. A weekly review provides a more frequent opportunity to detect and address issues, minimizes the risk of payroll errors, and supports compliance with labor laws and regulations.

On the Horizon

GASB Statement No. 102 – *Certain Risk Disclosures*

The objective of this Statement is to disclose within government financial statements risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are **effective for fiscal years beginning after June 15, 2024 (i.e., the Agency's financial statements for the year ended December 31, 2025).**

GASB Statement No. 103 – *Financial Reporting Model Improvements*

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues as follows:

- Management's Discussion and Analysis ("MD&A") - This Statement requires that the information presented in the MD&A be limited to five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions or Conditions. The Statement requires that the detailed analyses within the MD&A should not only present the amounts or percentages of changes from the prior year, but also include explanations as to the reasons for the changes. The Statement emphasizes that only the most relevant information be presented by eliminating duplicative explanations and removing "boilerplate" discussions.

- Unusual or Infrequent Items - This Statement describes unusual or infrequent items as transactions and other events that are either unusual or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements.

- Presentation of Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position – This Statement requires that proprietary fund statements continue to distinguish between operating and nonoperating revenues and expenses as in the past. However, in addition to the subtotals currently presented, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does

not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

- Major Component Unit Information - This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If readability is reduced, combining statements of major component units should be presented after the fund financial statements.

- Budgetary Comparison Information – This Statement requires governments to present budgetary comparison information as Required Supplementary Information (similar to pension and other postemployment benefits reporting). Governments are also required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in the notes to the Required Supplementary Information.

The requirements of this Statement are **effective for fiscal years beginning after June 15, 2025 (i.e., the Agency's financial statements for the year ended December 31, 2026).**

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*

GASB Statement No. 104, "*Disclosure of Certain Capital Assets*", provides guidance on disclosures for capital assets to be presented by major class. The objective of this Statement is to provide government financial statement users with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Leased assets recognized in accordance with GASB Statement No. 87, "*Leases"* and subscription assets recognized in accordance with GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements"* should be separately disclosed. In addition, this Statement requires any other intangible assets other than these types to also be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this Statement are **effective for fiscal years beginning after June 15, 2025 (i.e., the Agency's financial statements for the year ended December 31, 2026).**

Appendix 1

Corrected and Uncorrected Misstatements

Ulster County Industrial Development Agency
(A Discretely Presented Component Unit of Ulster County, New York)

Corrected Misstatements
December 31, 2024

Account	Description	Debit	Credit
Journal Entry # 1			
To accrue payroll for the period December 13, 2024 through December 31, 2024.			
3.1.1	3.1.1 Operating Expenditures:Salaries and Wages:Officer's Salary	$ 5,405	
3.1.2	3.1.2 Operating Expenditures:Salaries and Wages:Staff Salaries	1,374	
3.2.1	3.2.1 Operating Expenditures:Other Employee Benefits:FICA - Employer	519	
2250	2250 Accrued Expenses		$ 7,298
Total		$ **7,298**	$ **7,298**

Appendix 2

Management Representation Letter

ULSTER COUNTY
Industrial Development Agency

March 26, 2025

PKF O'Connor Davies, LLP
500 Mamaroneck Avenue, Suite 301
Harrison, New York 10528

This representation letter is provided in connection with your audit of the financial statements of the Ulster County Industrial Development Agency (a discretely presented component unit of Ulster County, New York) ("Agency") which comprise the statement of net position as of December 31, 2024, and the related statement of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter, the following representations made to you during your audit:

Our Responsibilities

1) We acknowledge that we have fulfilled our responsibilities as set forth in the terms of the engagement letter dated November 21, 2024 for:
   a) The preparation and fair presentation of the financial statements in accordance with US GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
   b) 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; and
   c) The design, implementation, and maintenance of internal control to prevent and detect fraud.

2) We understand that the term "fraud" refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional

misstatements are relevant to your audit – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets.

3) In regard to the financial statement preparation non-attest services performed by you, we have:
   a) Assumed all management responsibilities.
   b) Designated individuals within senior management, who have suitable skill, knowledge, or experience to oversee the services.
   c) Evaluated the adequacy and results of the services performed.
   d) Accepted responsibility for the result of the services.

4) We acknowledge our responsibility for presenting the financial statements and supplemental schedules in accordance with US GAAP, and we believe the financial statements and supplemental schedules, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the financial statements and supplemental schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Financial Statements

5) The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. In that connection, we specifically confirm that:
   a) The Agency's accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
   b) There have been no changes during the period audited in the Agency's accounting policies and practices.
   c) All material transactions have been recorded in the accounting records and are reflected in the financial statements

6) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

7) The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
   a) The identity of all related parties and related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
   b) Guarantees, whether written or oral, under which the Agency is contingently liable, if any.
   c) The effects of all known actual, possible, pending or threatened litigation, claims and assessments.

8) We have evaluated events subsequent to the date of the financial statements through the date of this letter, and no such events have occurred which would require adjustment or disclosure in the financial statements. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

9) We are in agreement with the adjusting journal entries you have proposed and they have been posted to the Agency's accounts.

Information Provided

10) We have provided you with:
    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
    b) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if applicable.
    c) Additional information that you have requested from us for the purpose of the audit.
    d) Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence.
    e) Completeness and availability of all minutes of the meetings of the Agency or summaries of actions of recent meetings for which minutes have not yet been prepared.
    f) All significant contracts and agreements.
    g) All documents and records provided electronically are accurate and complete reproductions of the original documents and records.

11) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Based on our assessment, we did not identify any fraud risks that we believe would result in a material misstatement of the financial statements.

12) There are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Agency's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.

13) We have no knowledge of any fraud or suspected fraud that affects the Agency and involves:
    1) Management,
    2) Employees who have significant roles in internal control, or
    3) Others where the fraud could have a material effect on the financial statements.

14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements communicated by employees, former employees, regulators, or others.

15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

Hosting Services

16) We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by you at any time.

17) We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

Government—specific

18) We have a process to track the status of audit findings and recommendations.

19) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

20) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

21) The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance or net position.

22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

23) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.

24) There are no violations or possible violations of budget ordinances/resolutions, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

25) As part of your audit, you assisted with preparation of the financial statements and. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services We have reviewed, approved, and accepted responsibility for those financial statements and disclosures. We also understand that as part of your audit, you prepared various adjusting journal entries and acknowledge that we have reviewed and approved those entries and accepted responsibility for them.

26) The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

27) The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

28) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

30) The financial statements include all fiduciary activities required by GASB Statement No. 84.

31) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.

32) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

33) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

34) Investments are properly valued.

35) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.

36) Provisions for uncollectible receivables have been properly identified and recorded.

37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

38) Revenues are appropriately classified in the statement of revenues, expenses and changes in net position within operating revenues and non-operating revenues.

39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

40) Deposits and investment securities are properly classified as to risk and properly disclosed.

41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

42) Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.

43) We have appropriately disclosed the Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

44) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.

45) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

46) The Agency has agreements that meet the definition of leases contained in GASB Statement No. 87, *"Leases"*. However, the total value of the leases for the year ended December 31, 2024 was deemed immaterial, therefore, the related amounts and disclosures have been excluded from these financials statements.

47) The Agency has agreements that meet the definition of subscriptions contained in GASB Statement No. 96, *"Subscription-Based Information Technology Arrangements"*. However, the total value of the subscription arrangements for the year ended December 31, 2024 was deemed immaterial, therefore, the related amounts and disclosures have been excluded from these financials statements.

48) The Agency has reviewed the impact of GASB Statement No. 101, *"Compensated Absences"* and determined that implementation of this standard was not required as it did not have a material impact on its financial statements.

49) Expenditures of federal awards were below the $750,000 threshold for the year ended December 31, 2024, and we were not required to have an audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance").

Signature: _____

Hillary Nichols

Title: Executive Director

Appendix 3

About PKF O'Connor Davies, LLP

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Founded in 1891, PKF O'Connor Davies has evolved from a regional accounting firm to an emerging national leader with more than 1,500 professionals and 19 offices in the U.S. Our team of top-notch professionals deliver a complete range of audit, tax and advisory services to a diverse and growing global client base. By bringing together a boutique firm culture with big-firm resources, we have a unique ability to connect with clients on a deeper level and create value where others can't.

REGIONAL CONNECTIONS BACKED BY GLOBAL EXPERTISE

We are the lead North American firm in the PKF International network of independent accounting and advisory firms with offices in over 400 cities, in 150 countries around the world. It's a relationship that delivers unmatched access to global expertise and strengthens our ability to serve clients anywhere in the world as their needs and their businesses continue to evolve.

PROACTIVE SERVICE MODEL, ENGAGED PARTNER BASE

With a proven, proactive service model and an engaged Partner base, PKF O'Connor Davies has built long-lasting, valuable relationships with our clients.

Our Partners are actively involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members employ a team approach to all engagements, providing clients with the utmost quality and timely services aimed at helping them succeed.

KNOW GREATER VALUE

Our unwavering focus on value has consistently driven growth and delivered strong outcomes for our clients and our Firm. PKF O'Connor Davies currently ranks 26th on *Accounting Today's* 2024 "Top 100 Firms" list and continually gains acclaim as one of the country's fastest-growing firms. With more professionals, in more places every day, our teams are on the ground, at the ready and in the know. As the world changes, PKF O'Connor Davies clients will always **Know Greater Value.**

INDUSTRY RECOGNITION

#26 "Top 100 Firms"
"Top Tax Firm"
"Leaders in 'Audit & Attest' and 'Consulting'"
#5 of the "Top Firms in the Mid-Atlantic"
– *Accounting Today,* 2024

"Best of Accounting Client Satisfaction"
– *ClearlyRated*, 2024

"Top Accountancy Advisory"
– *Family Wealth Report*, 2024

"America's Best Tax and Accounting Firms"
– *Forbes*, 2023

"Accounting/Due Diligence Firm of the Year"
– *The M&A Advisor*, 2024

#10 of the 50 "Best Accounting Employers to Work for in North America"
#1 in Five Categories: Best in Accounting and Overall Internships, Quality of Life, Compensation and Overall Diversity
– *Vault*, 2025

"Best Company to Work for in New York"
– *Rochester Business Journal* and *NYS Society for Human Resources Management*, 2025

"Best Places to Work in NYC"
– *Crain's New York Businesses*, 2024

"Best Places to Work in Westchester"
– *914INC.*, 2025

"Top Workplaces in Western Connecticut"
– *Hearst Connecticut Media Group*, 2024

"Best Places to Work in New Jersey"
– *NJBIZ*, 2024

KNOW GREATER VALUE.

At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, help meet every objective and exceed expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.

ACCOUNTING & ASSURANCE

- Agreed-Upon Procedures
- Audits, Reviews and Compilations
- Employee Benefit Plan Audits, including ESOPs
- Endowment Fund Accounting
- Peer Review Services
- Public Company Services
- Public Sector Audits and Compliance
- SOC - System and Organizational Control Reporting

TAX SERVICES

- Business Tax
- Employee Benefit Planning and Tax Compliance
- International Tax (Asia, EU and Latin America Desks)
- Private Client Services
- R&D Tax Credit
- State and Local Tax (SALT)
- Trust and Estate Planning

BUSINESS CONSULTING

- Bankruptcy
- ESG
- Litigation Support and Forensics (Fraud, Integrity Monitoring and Litigation Support)
- Operational and Cost Effectiveness
- Risk Advisory Services
  - Internal Audit
  - Regulatory Solutions (AML and SOX)
- Services Offered by PKF Clear Thinking – Turnaround Advisory, Performance Improvement and Creditors' Rights
- Strategy and Transformation
- Strategy and Transaction Advisory
  - Turnaround and Restructuring
  - PKF Investment Banking
    - Acquisition Advisory
    - Exit Readiness and Transaction Planning
    - M&A Cybersecurity and Data Privacy Advisory
    - Sell-Side Advisory

TECHNOLOGY & CYBERSECURITY

- Cybersecurity and Privacy
  - Cybersecurity Maturity Model Certification (CMMC)
  - Dark Web Monitoring
  - Digital Forensic Services
  - General Data Protection Regulation (GDPR)
  - M&A Cybersecurity and Data Privacy Advisory
  - Penetration Testing
  - Virtual Chief Information Security Officer Services (vCISO)
- IT and Cybersecurity Audit
- Technology Advisory

PRIVATE CLIENT SERVICES

- Family Office
- Private Business Owners
- Trust and Estate Planning

OUTSOURCED SERVICES

- CFO Solutions
- Outsourced Accounting
  - Portfolio Company Accounting
- Recruitment Services
- Virtual Chief Information Security Officer Services (vCISO)

"PKF O'Connor Davies" is the brand name under which PKF O'Connor Davies LLP and PKF O'Connor Davies Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. PKF O'Connor Davies LLP is a licensed CPA firm that provides attest services and PKF O'Connor Davies Advisory LLC and its subsidiary entities provide tax and advisory services. PKF O'Connor Davies is a member of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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ACCOUNTANTS AND ADVISORS

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