

**County of Sullivan Industrial Development Agency**  
**Report to the Board of Directors**  
**December 31, 2020**



LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

June 1, 2021

Board of Directors  
County of Sullivan Industrial Development Agency  
548 Broadway  
Monticello, NY 12701

We are pleased to present this report related to our audit of the financial statements of the County of Sullivan Industrial Development Agency (the "Agency") as of and for the year ended December 31, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Agency's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Agency.

Sincerely,

*RBT CPAs, LLP*

*Shannon M. Mannese, CPA, CFE*

Shannon M. Mannese, CPA, CFE  
Partner

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## Contents

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	<u>Page</u>
Required Communications	1 - 2
Summary of Significant Accounting Estimates	3
Summary of Recorded Audit Adjustments	4
Exhibit A - Letter Communicating Management Suggestions	5
Exhibit B - Significant Written Communications Between Management and Our Firm	
Representation Letter	6 - 9

## Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<b>Our Responsibilities With Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our arrangement letter dated November 13, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	We have issued a separate communication dated November 13, 2020 regarding the planned scope and timing of our audit and identified significant risks. Describe changes, if any, to information in the previous communication that have not otherwise been discussed with those charged with governance.
<b>Accounting Policies and Practices</b>	<p><b>Preferability of Accounting Policies and Practices</b></p> <p>Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p><b>Adoption of, or Change in, Accounting Policies</b></p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Agency. The Agency did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p><b>Significant or Unusual Transactions</b></p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p><b>Management's Judgments and Accounting Estimates</b></p> <p>Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.</p>
<b>Basis of Accounting</b>	The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America for governmental units as established by the Governmental Accounting Standards Board ("GASB"). The financial statements were prepared on the assumption that the Agency will continue as a going concern.
<b>Audit Adjustments</b>	A summary of audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the Agency are shown in the attached Summary of Recorded Audit Adjustments.
<b>Uncorrected Misstatements</b>	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Area	Comments
<b>Disagreements With Management</b>	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
<b>Consultations With Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Significant Issues Discussed With Management</b>	No significant issues arising from the audit were discussed or the subject of correspondence with management.
<b>Significant Difficulties Encountered in Performing the Audit</b> Letter Communicating Management Suggestions	We did not encounter any significant difficulties in dealing with management during the audit.  We have separately communicated the management suggestions in internal control over financial reporting identified during our audit of the financial statements. This communication is attached as Exhibit A.
<b>Significant Written Communications Between Management and Our Firm</b>	Copies of significant written communications between our firm and the management of the Agency, including the representation letter provided to us by management, are attached as Exhibit B.

## Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Agency's December 31, 2020 financial statements.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Allowance for Doubtful Accounts Receivable	Management reviews accounts receivable to specifically identify amounts due that would be uncollectible.	Estimated amounts are decided upon by the Agency, based on management's judgment regarding collectability. Management has determined that an allowance for doubtful accounts was not necessary as of December 31, 2020.	Appears reasonable based on history of collections and collection of significant receivables after the statement of net position sheet date.

Summary of Recorded Audit Adjustments

Description	Net Effect-Increase (Decrease)				
	Assets	Liabilities	Fund Balance	Revenues	Expenditures
Income Statement Effect				\$ (472,911)	\$ 181,937
Statement of Net Position Effect	\$ (371,404)	\$ 150,444	\$ (654,888)		

The amounts above reflect the net increase/(decrease) to the indicated account classes as a result of 20 entries proposed during our audit procedures, including a restatement of \$133,000. These entries have been reviewed and accepted by Jennifer Flad, Executive Director.





**Exhibit A - Letter Communicating Management Suggestions**



LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

June 1, 2021

Board of Directors  
County of Sullivan Industrial Development Agency  
548 Broadway  
Monticello, NY 12701

This letter includes comments and suggestions with respect to matters that came to our attention in connection with our audit of the financial statements of the County of Sullivan Industrial Development Agency (the "Agency") as of and for the year ended December 31, 2020. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the Agency's practices and procedures.

**We consider the following to be management suggestions:**

Reconciliations

During the audit, RBT proposed several adjustments to significant accounts. RBT recommends that the Agency periodically reconcile its receivable and liability accounts,, perferably at least quarterly, such that interim financial reports are more reliable and the year-end closing is simpler.

Capitalization

The Agency has not adopted a capitalization policy and does not maintain a fixed asset schedule. RBT recommends that the Board adopt a capitalization policy and maintain a fixed asset schedule, calculate depreciation expense, and record fixed asset additions and depreciation expense into QuickBooks on an annul basis.

Those comments denoted by an "\*" are substantially unchanged from our 2019 letter and continue to be applicable.

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

Sincerely,

*RBT CPAs, LLP*

*Shannon M. Mannese, CPA, CFE*

Shannon M. Mannese, CPA, CFE  
Partner

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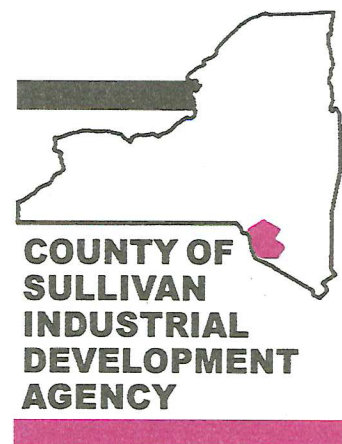
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**Exhibit B - Significant Written Communications Between Management  
and Our Firm**

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(845) 428-7577  
TTY 711



June 1, 2021

RBT, CPAs, LLP  
11 Racquet Road  
Newburgh, NY, 12550

This representation letter is provided in connection with your audit of the financial statements of the County of Sullivan Industrial Development Agency (the "Agency"), a component unit of Sullivan County, New York, which comprise the Agency's respective financial position as of December 31, 2020 and 2019, and the respective changes in financial 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).

We confirm, to the best of our knowledge and belief, as of June 1, 2021, the following representations made to you during your audit.

#### *Financial Statements*

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated November 13, 2020, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party relationships and transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the entity include:
  - a. Those with the primary government having accountability for the entity.
  - b. Those with other organizations for which the nature and significance of their relationship with the entity are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
  - c. Interagency transactions, including interagency, accounts and advances receivable and payable, sale and purchase transactions, interagency services, and leasing arrangements guarantees.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. With respect to drafting the financial statements service performed in the course of the audit:
  - a. We have made all management decisions and performed all management functions;
  - b. We assigned an appropriate individual to oversee the services;
  - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
  - d. We have accepted responsibility for the results of the services; and
  - e. We have accepted responsibility for all significant judgments and decisions that were made.
9. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statement.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
11. We have no knowledge of any uncorrected misstatements in the financial statements.

*Information Provided*

12. 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, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the board of Directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
15. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
16. We have no knowledge of allegations of fraud, or suspected fraud, affecting the entity's financial statements involving:
  - a. Management.
  - b. Employees who have significant roles in the internal control.

- c. Others where the fraud could have a material effect on the financial statements.
- 17. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
- 18. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
- 19. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements. We have not consulted legal counsel concerning litigation or claims.
- 20. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.
- 21. We are not aware of any significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Agency's ability to record, process, summarize, and report financial data.
- 22. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 23. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

*Supplementary Information*

- 24. With respect to the Schedule of Conduit Indebtedness and the Schedule of Supplementary Information, supplementary information presented in relation to the financial statements as a whole:
  - a. We acknowledge our responsibility for the presentation of such information.
  - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. regulatory or contractual requirements, management's criteria, or other requirements.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. When supplementary information is not presented with the audited primary government financial statements, we will make the audited primary government financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
- 25. With respect to the Management's Discussion and Analysis ("MD&A"), presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
  - a. We acknowledge our responsibility for the presentation of such required supplementary information.
  - b. We believe that such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.

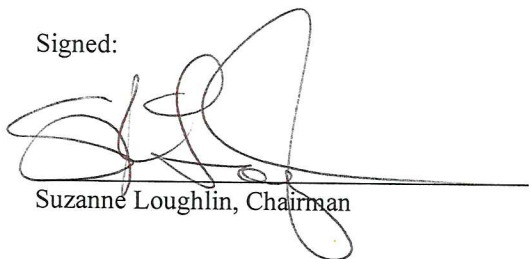
*Compliance Considerations*

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm that management:

- 26. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

27. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
28. Has identified and disclosed to the auditor any instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that would have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
29. Has identified and disclosed to the auditor any instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have material effect on the determination of financial statement amounts.
30. Has identified and disclosed to the auditor any instances that have occurred, or are likely to have occurred, of waste or abuse that could be quantitatively or qualitatively material to the financial statements.
31. Is responsible for 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.
32. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
33. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports.
34. Has a process to track the status of audit findings and recommendations.
35. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
36. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

Signed:



Suzanne Loughlin, Chairman

Signed:



Jennifer Flad, Executive Director