

March 3, 2025

To The Board of the County of Sullivan
Industrial Development Agency
Monticello, NY 12701

We have audited the financial statements of the County of Sullivan Industrial Development Agency, a component unit of Sullivan County, New York, for the years ended December 31, 2024 and 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), 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 16, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Sullivan Industrial Development Agency are described in Note 1 to the financial statements. The Agency has implemented the following new standards issued by the Governmental Accounting Standards Board (GASB) for the year ended December 31, 2024:

GASB 99 – *Omnibus 2022*, effective for the year ending December 31, 2023 except for the portion related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53, which is effective for the year ending December 31, 2024

GASB 100 – *Accounting Changes and Error Corrections – an amendment of GASB 62*

GASB 101 – *Compensated Absences*

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.

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 significant estimates affecting the financial statements were capital assets, accumulated depreciation and depreciation expense.

The Agency's fixed assets are capitalized in the statement of net position and depreciated over their estimated useful lives in the statement of activities. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

Note 1 – Disclosure of the Agency's significant accounting policies.

Note 3 – Disclosure of outstanding notes receivable

Note 5 – Disclosure of outstanding operating leases receivable in accordance with GASB 87.

Note 6 – Disclosure of outstanding capital leases receivable

Note 8 - Disclosure of the Agency's transactions with related parties.

Note 9 – Disclosure of outstanding long term debt

Note 11 – Disclosure of restated beginning balances for the year ended December 31, 2023.

The financial statement disclosures are neutral, consistent, and clear.

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, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The adjusting journal entries attached to this correspondence summarizes the material misstatements detected as a result of our audit procedures and corrected by management.

Disagreements with Management

For purposes 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 March 3, 2025.

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 Agency'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 Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the Schedule of Other Information, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restrictions on Use

This information is intended solely for the information and use of the Board and management of the County of Sullivan Industrial Development Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Cooper Arias, LLP

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County of Sullivan Industrial Development Agency
Material Audit Adjustments
12/31/24

AJE #	Account	Debit	Credit	Comment
1	1098 - Pending Bank Accounts - ST Escrow	22,500.00		Reclass checks written to open new bank accounts
	1099 - Pending Bank Accounts - PILOT Escrow	10,530.95		
	Suspense		33,030.95	
2	6009 - Insurance	9,195.64		Reverse prior year audit AJE
	1107 - Due From Related Parties		9,195.64	
3	8010 - Bad Debt Expense	12,678.90		Reclass adjustment for terminated lease
	1202 - Equipment		12,678.90	
4	1501 - Operating Leases	120,643.71		Record new operating lease
	2960 - Deferred Inflows		120,643.71	
5	4025 - Agency Placed Insurance	17,174.67		Reclass expense reimbursement
	6009 - Insurance		17,174.67	
6	1115 - Fees Receivable	11,900.00		Reclass reimbursable fee
	6004 - Reimbursable Professional Fees		11,900.00	
7	2820 - Sales Tax Recapture	4,243.27		Accrue additional payables per search of subsequent transactions
	6003.1 - Legal Fees	11,517.42		
	6003.3 - Consulting	10,000.00		
	2002 - Accounts Payable		25,760.69	
8	1105 - Due From State and Federal	93,185.00		Accrue USDA grant earned in 2024
	4900 - Federal Aid		93,185.00	

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