

March 26, 2026

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, 2025 and 2024. 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 letters to you dated July 15, 2025 and 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, 2025:

*GASB 102 – Certain Risk Disclosures*

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 methods, assumptions and data 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 10 – Disclosure of mortgage note receivable

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 clearly 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.

March 26, 2026

### *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 26, 2026.

### *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

Page 4

March 26, 2026

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*

---

Cooper Arias, LLP

**County of Sullivan Industrial Development Agency**  
**Material Audit Adjustments**  
**12/31/25**

AJE #	Account	Debit	Credit	Comment
1	8000 - Depreciation	9,096.00		Adjust for sold equipment
	1210 - Accumulated Depreciation	128,852.64		
	Equipment - Grant Funded		157,522.79	
	1202 - Equipment In-House		4,148.38	
	7016 - Gain/Loss on Sale of Equipment	23,722.53		
2	8001 - Interest Expense	14,000.00		Reclass RMAP Note adjustment
	4013.10 - Catskill Brewery Van 3		14,000.00	
3	4013.4b - Sull County Farms	3,400.00		Reclass lease buyout payments
	4013.5 - Locust Grove Farm Lease	3,848.00		
	4013.7 - SCRFH Van	9,402.00		
	4013.8 - Sull County Farms Smoker	4,000.00		
	7016 - Gain/Loss on Sale of Equipment		20,650.00	
4	1100 - Accounts Receivable	7,109.09		Accrue December Sales Tax Fee
	4000 - Project Fees		7,109.09	
5	2400.C - PILOTs Due	66,666.66		Reverse double posted invoice
	1114 - Accounts Receivable-PILOTs		66,666.66	
6	6000 - Gross Wages	8,185.38		Adjust year end payroll accrual
	6000 - Soc Sec & Medicare	626.18		
	2005 - Accrued Payroll		8,811.56	
7	6004 - PRO Fees Billable to Project	22,103.90		Reclass professional fees reimbursed for previous years' expenses
	4009 - Reimbursed Professional Fees		22,103.90	
8	7016 - Gain/Loss on Sale of Equipment	14,000.00		Adjust for grant repayment incorrectly posted against RMAP loan by USDA
	2950 - Note Payable RMAP		14,000.00	
9	1502 - Mortgage Note Receivable	168,000.00		Record mortgage note for termination fee
	4002 - Agency Fees		168,000.00	

**483,012.38**      **483,012.38**