

Schoharie County Industrial Development Agency
349 Mineral Springs Road
Cobleskill, NY 12043

September , 2023

Mostert, Manzanero & Scott, LLP
4 Associate Drive
Oneonta, NY 13820

This representation letter is provided in connection with your audits of the financial statements of the Schoharie County Industrial Development Agency (the "IDA"), which comprise the statements of net position as of and for the years ended June 30, 2023 and 2022 and the related statements of revenues, expenditures and changes in net position and cash flows for the years then ended, and the disclosures (collectively the "financial statements") for the purpose of expressing opinions 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, as of September , 2023, the following representations made to you during your audits.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 1, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. 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.
3. 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with U.S. GAAP.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. There are no material differences that have not been corrected. We have approved and entered the attached adjusting journal entries.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the IDA is contingently liable, have been properly recorded or disclosed.

Information Provided

11. 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. Additional information that you have requested from us for the purpose of the audits;
 - c. Unrestricted access to persons within the IDA from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of the IDA or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. 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.
14. We have no knowledge of any fraud or suspected fraud that affects the IDA and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the IDA's financial statements communicated by employees, former employees, grantors, regulators, or others.

16. 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.
17. We have disclosed to you all known actual or possible litigation, claims, or assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the names of all of the IDA's related parties and all the related party relationships and transactions, including any side agreements.

Government – Specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
22. The IDA 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.
23. 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.
24. 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.
25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements whose effect should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

27. As part of our audit, you assisted with the preparation of the financial statements and disclosures. 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 within 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.
28. The IDA 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.
29. The IDA has complied with all aspects of contracted agreements that would have a material effect on the financial statements in the event of noncompliance.
30. The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
31. Components of net position (net investment in capital assets; restricted; and unrestricted), are properly classified and, if applicable approved.
32. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
33. Provisions for uncollectible receivables have been properly identified and recorded.
34. Expenses have been appropriately classified in or allocated to revenues, expenditures and changes in net position in the statements of revenues, expenditures and changes in net position.
35. Revenues are appropriately classified in the statements of revenues, expenditures and changes in net position.
36. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
37. Deposits and investment securities and derivate instruments are properly classified as to risk and are properly disclosed.
38. Capital assets, including infrastructure, and intangible assets are properly capitalized, reported and, if applicable, depreciated or amortized.
39. We have appropriately disclosed the IDA'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.

40. We are following our established accounting policy regarding which resources (that is, restricted, or unrestricted) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
41. 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.
42. We acknowledge our responsibility for presenting the other financial information in accordance with accounting principles generally accepted in the United States of America, and we believe the other financial information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the other financial information has 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.

Signed:

Ronald Filmer, Jr., CEO

**SCIDA Micro Enterprise
Adjusting Journal Entries
June 30, 2022 through June 30, 2023**

3:25 PM
08/02/23
Accrual Basis

Date	Num	Name	Memo	Account	Debit	Credit
06/30/2022	MMSAJE23-2	Three Johns, LLC Three Johns, LLC Three Johns, LLC Three Johns, LLC	TO ADJUST TO PY FINAL NUMBERS TO ADJUST TO PY FINAL NUMBERS TO ADJUST TO PY FINAL NUMBERS TO ADJUST TO PY FINAL NUMBERS	212 · Bulls Head Inn 300 · Allowance for Un... 350 · Due to County - ... 310 · interest - Bulls H... 500 · CDBG Interest E...	920.52 0.00 0.00 0.00	920.52
06/30/2022	MMSAJE23-1	SCIDA Revolving Loan Fund Three Johns, LLC Three Johns, LLC	TO ADJUST TO PY FINAL NUMBERS TO ADJUST TO PY FINAL NUMBERS TO ADJUST TO PY FINAL NUMBERS	Due to Rev. Loan 350 · Due to County - ... 310 · interest - Bulls H... 500 · CDBG Interest E...	1,740.24 0.00 1,902.22	920.52 3,642.46
06/30/2023	MMSAJE23-4		To record interest paid to County To record interest paid to County	500 · CDBG Interest E... 350 · Due to County - ...	3,642.46 757.76	3,642.46 757.76
06/30/2023	MMSAJE23-3	SCIDA Revolving Loan Fund	to record payment made to County in error for the revolving loan fund to record payment made to County in error for the revolving loan fund	350 · Due to County - ... Due to Rev. Loan	757.76 2,104.92	757.76 2,104.92
TOTAL					<u>2,104.92</u> <u>7,425.66</u>	<u>2,104.92</u> <u>7,425.66</u>

Schoharie County Industrial Dev. Agency
Adjusting Journal Entries
 June 30, 2022 through June 30, 2023

Date	Num	Name	Memo	Account	Debit	Credit
06/30/2022	MMSAJE23-1		TO ADJUST TO PY FINAL NUMBERS TO ADJUST TO PY FINAL NUMBERS TO ADJUST TO PY FINAL NUMBERS TO ADJUST TO PY FINAL NUMBERS	112 · Accumulated Depreciation 6460.3 · Depreciation 690.1 · Deferred Revenue 2116 · Fees	480.57 2,500.00	480.57 2,500.00
06/30/2023	MMSAJE23-2		To record additional depreciation expense for 22-23 To record additional depreciation expense for 22-23	6460.3 · Depreciation 112 · Accumulated Depreciation	2,980.57 435.34	2,980.57 435.34
06/30/2023	MMSAJE23-3		To record client entry To record client entry	6460.45 · Insurance 480 · Prepaid Expense	435.34 1,678.29	435.34 1,678.29
06/30/2023	MMSAJE23-4		to reclass amount to income project will not be completed to reclass amount to income project will not be completed	640 · SSI Escrow Miscellaneous Income	1,678.29 7,500.00	1,678.29 7,500.00
TOTAL					12,594.20	12,594.20