

BOARD OF DIRECTORS REPORT

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To the Board of Directors
County of Clinton Industrial Development Agency
Plattsburgh, New York

We have audited the financial statements of the County of Clinton Industrial Development Agency (CCIDA) as of December 31, 2020 and have issued our report thereon dated March 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *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 letter dated January 22, 2021. 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 CCIDA are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the CCIDA 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. There were no accounting estimates used for the year ending December 31, 2020.

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

The disclosure of Related Party Transactions in Note 2 to the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

During the audit, we noted that audit information was not received on a timely basis in the following ways:

1. The December 31, 2020 balance sheet and 2020 profit and loss statement with accompanying general ledger detail was not received until March 17, 2021 after three requests from the auditor, the first one dating as early as January 2021.
2. A significant amount of information required to complete the audit was sent to the auditor several hours before the scheduled board meeting on March 22, 2021. Since the information could not be audited in this short period of time, the meeting was rescheduled.
3. It was noted that only about half the schedules making up the 2020 annual PARIS report were completed on the day of the originally scheduled meeting, primarily due to a lack of responses to the confirmations mailed to management of the various projects.

To ensure future deadlines are met, we recommend the following:

1. Management should make a concerted effort to provide the auditor with all items listed on the “client assistance package” at least two weeks prior to the scheduled board meeting.
2. Management should follow up on nonreplies to project confirmations with project management every two weeks after they have been mailed.
3. Management should work with the bookkeeper to ensure that all audit requests have been provided on a timely basis, the prior year audit adjustments have been posted in Quickbooks, and all receivables and payables that should be recorded at year-end have been posted in Quickbooks.

We encountered no other 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 following material misstatements detected as a result of our audit procedures were approved by management:

1. We discovered that an invoice paid to Clinton County in January 2021 pertained to services provided in December 2020. Hence, an adjustment was necessary to increase Due to Clinton County and Administrative Fees expense in the amount of \$10,208.
2. Since the bookkeeper did not record the audit adjustments for the year ending December 31, 2019, the beginning balance in Net Position differed from the audited balance at December 31, 2019. Hence, an adjustment was made to reduce Net Position by \$10,403 and reduce Legal and Professional expense by \$10,000 and Other Operating Expense by \$403.

3. We noted that \$10,000 of the December 31, 2019 Accounts Payable was recorded as an expense in 2020. Hence an adjustment was made to decrease Administrative Fees expense and Accounts Payable by \$10,000.
4. We noted that the February 2020 payment to Clinton County for administrative services was incorrectly posted to other office expense. Hence an adjustment was made to increase Administrative Fees expense and decrease Other Office expense by \$10,208.

Disagreements with Management

For the purposes of this letter, a disagreement with management is 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 31, 2021.

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 involved application of an accounting principle to the CCIDA'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 prior to retention as the CCIDA'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 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 the audit of the basic financial statements. We did audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Public Authorities Reporting Information System, December 31, 2020 Annual Report – IDA Projects, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

Martindale Keyser & Co., PLLC

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March 31, 2021