



**REGULAR MEETING OF THE
TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY**

*110 Bracken Road
Montgomery, New York 12549
www.montgomeryida.com
(845) 457-2600*

Tuesday, March 12, 2024

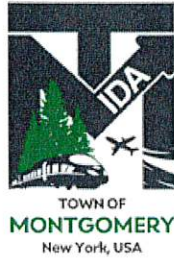
AGENDA (Draft Agenda Subject to Change*)**

1:00 PM

1. Call to Order and Declaration of Quorum
2. Approval of the January 9, 2024 Meeting Minutes
3. Public Comment on Items on the Agenda
4. 2023 Audit Report Consideration for Approval- Jeffrey Shaver, PKF O'Connor Davies
5. Executive Director's Report
6. Financial Report
7. Procurement Requests Discussion and Consideration for Approval
8. Other Business
 - a. Town Ethics Board Disclosure Documents for 2023
 - b. Milk Factory, LLC
9. Adjournment
10. Next Regular Meeting Scheduled for April 9, 2024 at 1:00 p.m. and the Governance Committee will meet April 9, 2024 at 12:30 p.m.

The meeting shall be live-streamed and be available for viewing at the following sites:

<https://acquisitionsmarketing.com/>
<https://www.facebook.com/TownofMontgomeryOfficial/>



**Town of Montgomery Industrial Development Agency Meeting Minutes
Town Hall
110 Bracken Road
Montgomery, NY 12549**

**January 9, 2024
1:00 PM**

PRESENT:

John Dickson – Chairman
J. Thomas Jones – First Vice Chair
George DeClue – Second Vice Chair
Matt Stoddard – Treasurer
Robert Santo – Member
Jose Hernandez – Member
Stacey Hillman – Member
Felicia Kalan – Executive Director TOMIDA
Lauren Rowley – Secretary TOMIDA
Jose Rojas – Livestream Services (Acquisitions Marketing)

ABSENT:

NOTE: Conference Call Line – No calls.

AGENDA

- 1. Call to Order and Declaration of Quorum**
 - 2. Approval of the December 12, 2023 Meeting Minutes**
 - 3. Public Comment on Items on the Agenda**
 - 4. Annual Housekeeping Resolution Discussion and Consideration for Approval**
 - 5. Executive Director's Report & 2024 Vision & Project Scope Presentation**
 - 6. Financial Report**
 - 7. Procurement Requests Discussion and Consideration for Approval**
 - Acquisitions Marketing
 - New York State EDC Annual Membership
 - 8. Other Business**
 - 9. Adjournment**
 - 10. Next Regular Meeting scheduled for Tuesday, February 13, 2024 at 1pm.**
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Meeting

1. Chairman John Dickson called the meeting to order and introduced the board members in attendance. A quorum was present.
2. A motion was made by Stacey Hillman to approve the December 12, 2023 meeting minutes, which was seconded by J. Thomas Jones. A roll call vote was taken. (Robert Santo had stepped out of the room prior to vote.)

Jose Hernandez – Aye
Stacey Hillman – Aye
Matt Stoddard – Aye
J. Thomas Jones – Aye
Robert Santo – Absent for vote
George DeClue – Aye
John Dickson – Aye

Motion carried.

3. Noah from The Milk Factory gave a brief update on the project. They are still wrapping things up with the planning board. They had a few hurdles they needed to work through at the end of last year, mainly with DOT, but are working towards closer on the SEQRA process. Noah is hoping that this will happen at the January 29th meeting, but it'll most likely be in February and at that point they will be back in front of the Montgomery IDA with an updated application with updated construction estimates as those have changed a little bit since they initially submitted an application.

4. Felicia Kalan stated that every year we approve the Housekeeping Resolution and asked Ashley Torre to go over that. Ashley Torre stated that what is being approved in this resolution is the different appointments, all current policies, approving meeting schedule, appointing board members to officer rolls and committees, appointing the agency staff, the accounting firm, agency council, bond council, conflicts council, and banking institutions. John Dickson asked for a motion to approve this resolution seeing as there were no comments or changes to it. A motion was made by Robert Santo, which was seconded by George DeClue. A roll call vote was taken.

Jose Hernandez – Aye
Stacey Hillman – Aye
Matt Stoddard – Aye
J. Thomas Jones – Aye
Robert Santo – Aye
George DeClue – Aye
John Dickson – Aye

Motion carried.

5. Felicia Kalan gave her Executive Director report to the board. She also presented the "2024 Strategy Session." (Both documents are attached.)

6. Matt Stoddard read the December Financial Report. Jose Hernandez made a motion to accept the December Financial Report, which was seconded by Stacey Hillman. A vote was taken by roll call.

Jose Hernandez – Aye
Stacey Hillman – Aye
Matt Stoddard – Aye
J. Thomas Jones – Aye
Robert Santo – Absent for vote
George DeClue – Aye
John Dickson – Aye

Motion carried.

7. Felicia Kalan reviewed the Acquisitions Marketing proposals. The first proposal is just basic live stream services and the second one includes live steam services as well as marketing initiatives. Billy Ibberson was present and elaborated on the services Acquisitions Marketing has provided since they started working with the IDA in 2020 including video production to improve community relations and growing social media following.

J. Thomas Jones asked if this is a single source procurement.

Felicia Kalan explained that this is part of the annual reorganization and the amount does not change from last year. If the board wanted to keep this open to receive other proposals, we could do that.

Ashley Torre also added that marketing falls under professional services, which does not require the board to get additional proposals.

The Orange County IDA just hired Acquisitions Marketing, which Billy does not feel is a conflict; it helps attract people to the area and is beneficial to all. Everyone is working together towards the same goal and everyone is on the same page.

J. Thomas Jones suggested having some kind of 'escape clause' in case there is some conflict. Felicia Kalan, Ashley Torre, and Billy Ibberson will discuss this further.

Ashley Torre stated the motion as follows: motion to approve the second proposal subject to finalizing and adding a favorable termination clause to address perceived conflict with the Orange

County IDA. Jose Hernandez made a the motion, which was seconded by George DeClue. A vote was taken by roll call.

Jose Hernandez – Aye
Stacey Hillman – Aye
Matt Stoddard – Aye
J. Thomas Jones – Aye
Robert Santo – Absent for vote
George DeClue – Aye
John Dickson – Aye

Motion carried.

Felicia Kalan also presented a procurement memo for the NYS EDC annual Membership for \$850. Jose Hernandez made a motion to approve this memo, which was seconded by Stacey Hillman. A vote was taken by roll call.

Jose Hernandez – Aye
Stacey Hillman – Aye
Matt Stoddard – Aye
J. Thomas Jones – Aye
Robert Santo – Absent for vote
George DeClue – Aye
John Dickson – Aye

Motion carried.

8. John Dickson stated that the February board meeting may potentially be cancelled, as there may not be anything to put on the agenda. Felicia Kalan stated that the Milk Factory would be the biggest agenda item for February's meeting. We will know where they stand after they go to the planning board at the end of the month and will decide then.

Felicia Kalan also reminded the board that disclosure forms are due. This need to be filled out every year and are due by May 1st. Felicia will give them to everyone today and can also email them if someone would prefer.

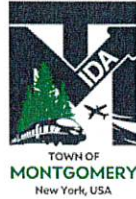
Ashley Torre added that this is required under the public authority's law. As a public authority, these forms must be filed with the town and the county.

And finally, Felicia Kalan also distributed a sign-up sheet for business tours. If there are other business you would like to see, please let Felicia know.

9. Jose Hernandez made a motion to adjourn the meeting, which was seconded by J. Thomas Jones. All board members were in favor, none opposed. Motion accepted.

10. Next regular meeting of the Montgomery IDA: Tuesday, February 13, 2024 at 1pm.

These minutes were transcribed by Lauren Rowley, Secretary of the Montgomery IDA.



Executive Director Report January 2023

This report highlights the ideas, efforts and actions taken by executive staff since the last regular board meeting December 10, 2024, as well as Executive Director operational goals for 2024.

Key Actions and Matters to Take Note Of:

- EDC Conference February 13, 14 in Albany
- Project Audit underway with PKF O' Connor Davies
- Fast NY Shovel Ready Grant- 574 State Route 416 Montgomery, NY 12549 is being submitted by Orange County IDA (owned by Aden Brook Agricultural, LLC).
- Supervisor Steve Brescia officially took office in Town Hall, working to update the Supervisor on MIDA projects and align on operational goals.

MIDA 2024 Operational Goals

Our primary goal in 2024 is attracting and closing targeted industry projects that will yield quality jobs and strategic economic development for the Town of Montgomery. With limited available sites that do not currently have site ownership, our target industries must be strategic and could include: Business Services Headquarters, Aerospace/Aeronautics/Aviation, BioTech/Medical/Life Science, R&D, Agribusiness/Craft Beverage/Tourism, Renewable Energy, Media, Data Centers, Tech.

It is crucial that we align with the Town of Montgomery Supervisor, Town Board, county state and federal elected officials, community stakeholders, and Orange County economic development leaders. Strategic measures to attract targeted industries could include:

- **Grants/Infrastructure/Shovel Ready Sites**
 - Village Of Maybrook Galaxy Park Business Park
 - Fitzpatrick Property Business Park (574 State Route 416, Montgomery, NY 12549)
 - Infrastructure Updates and Zoning Changes as needed
 - Downtown Revitalization Grants
 - Seek ways to gain site ownership to control the future of the site
- **Marketing Initiatives**

- Targeted Email Marketing to Site Selectors/REBNY and real estate professionals via LinkedIn, continued LinkedIn connection and email messaging
- Social Media Ads of Available Sites (will need to be general, not site specific for ABO compliance, unless land owned/operated by MIDA or Town Property), can also do this in partnership with OCP
- Joint email campaign with ESD and Orange Partnership on available site
- Purchase Email List of Site Selectors in Targeted Industries
- Targeted landing page for site selectors
- Targeted video highlighting Town of Montgomery (in partnership with the Town)
- **Placemaking Initiatives**
 - Hotel Needed
 - Walkkill River Enhancement
 - Walking Paths
 - Parks/Open Space
 - Tourism Attraction /Small Business
 - Housing/Senior Housing
 - Transportation/Complete Streets- bussing, e-bikes/scooters rentals
 - Education & Workforce Development and Attracting Top Talent
 - Downtown Revitalization Villages of Maybrook & Walden
 - Coworking Space/incubator
- **Business Attraction and Relationship Building**
 - Site Selector Conferences & Real Estate Events in NYC and around NY
 - Site Selectors Guild Online Networking Events- Virtual Table Talk
 - Site Selectors Guild Annual Conference in Nashville, TN April 3-5
 - REBNY Gala
 - Continued partnership with OCIDA and Orange County Partnership, ESD for Project Pipeline
- **Relationship-building with elected officials**
 - Continued relationship building with Town Board Members & Supervisor, Village Elected Officials, and county, state, and Congressional leaders, hosting roundtable discussion with all elected leaders aligning on goals/strategy in 2024.
 - Economic Leadership Summit Event in Town of Montgomery/Roundtable Discussion
 - Targeted Email Marketing to Community Stakeholders in partnership with Acquisitions Marketing
 - Touring existing businesses and relationship building initiatives with all businesses in the Town of Montgomery, looking for expansion opportunities with existing businesses
- **Community Input/presence and relationship-building with key stakeholders including but not limited to the local non-profit leaders and community organizations.**
 - Continuing to promote our Community Survey
 - Social Media engagement
 - Attending key community events

- Implementing community input from the comprehensive Corridor Study:
 - Research and Development type projects is encouraged
 - Adaptive Reuse
 - Connect Parks/Foster Tourism
 - More Entertainment
 - Agritourism- where locals can socialize
 - Recreation Center for Kids
 - Close to airport have facilities for conferences, meetings, retail, car rental, etc
 - Makers studio to help small scale businesses
 - Housing/Jobs for younger people
 - Preserve Farmland
 - Make 17K recreational
 - Create Senior Housing in Close Proximity to Village



Montgomery
INDUSTRIAL DEVELOPMENT AGENCY

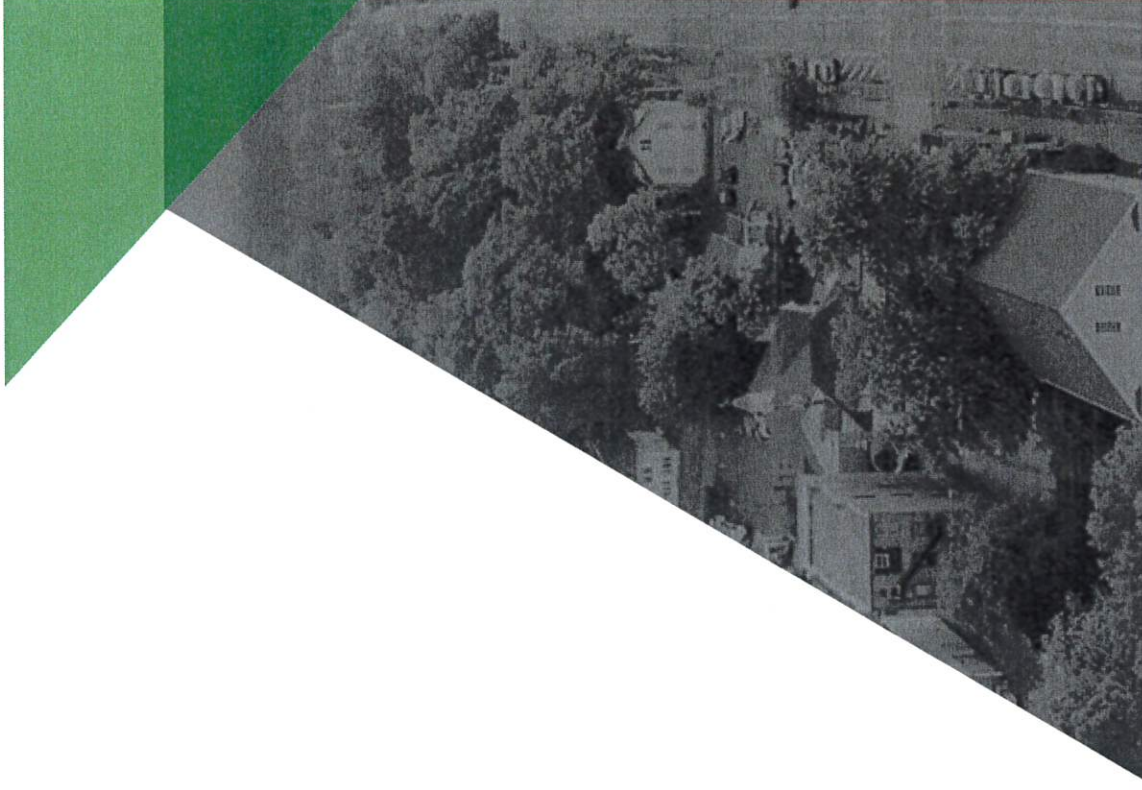
2024 Strategy Session

MISSION STATEMENT

The Town of Montgomery IDA advances the economic prosperity and quality of life of the Town of Montgomery and its residents by attracting and acting in support of economic development projects, placemaking, workforce development initiatives, energy sustainability and private investment in infrastructure through utilizing the statutory powers of the agency set forth under the provisions of the laws of New York State. Our tax incentive programs aid in the attraction, retention and expansion of businesses and job opportunities

while strategically positioning the Town of

Montgomery as the premier Hudson Valley destination to work, live and visit.



Why The Town of Montgomery?



- **Location**
 - 70 minutes from NYC
 - Orange County Airport, Stewart International Airport
 - Unrivaled access to major interstate highways of 84, 86, and 747
- **Talent**
 - Approximately 27 million people within a 100 mile radius
 - Mid-Hudson Region, home to 30+ colleges and universities
- **Quality of Life**
 - Parks & Open Spaces, Trails, Orange County Arboretum , Stewart State Forest)

What are the Economic Opportunities?

- Tourism/Agritourism/Craft Beverage
- Logistics
- Tech
- Healthcare/Pharma/R&D
- Advanced Manufacturing
- Business Services Headquarters
- Aerospace/Aeronautics/Aviation
- BioTech/Medical/Life Science
- Renewable Energy
- Media/Studio Space
- Data Centers
- Adaptive Reuse--and more!



Milk Factory, LLC

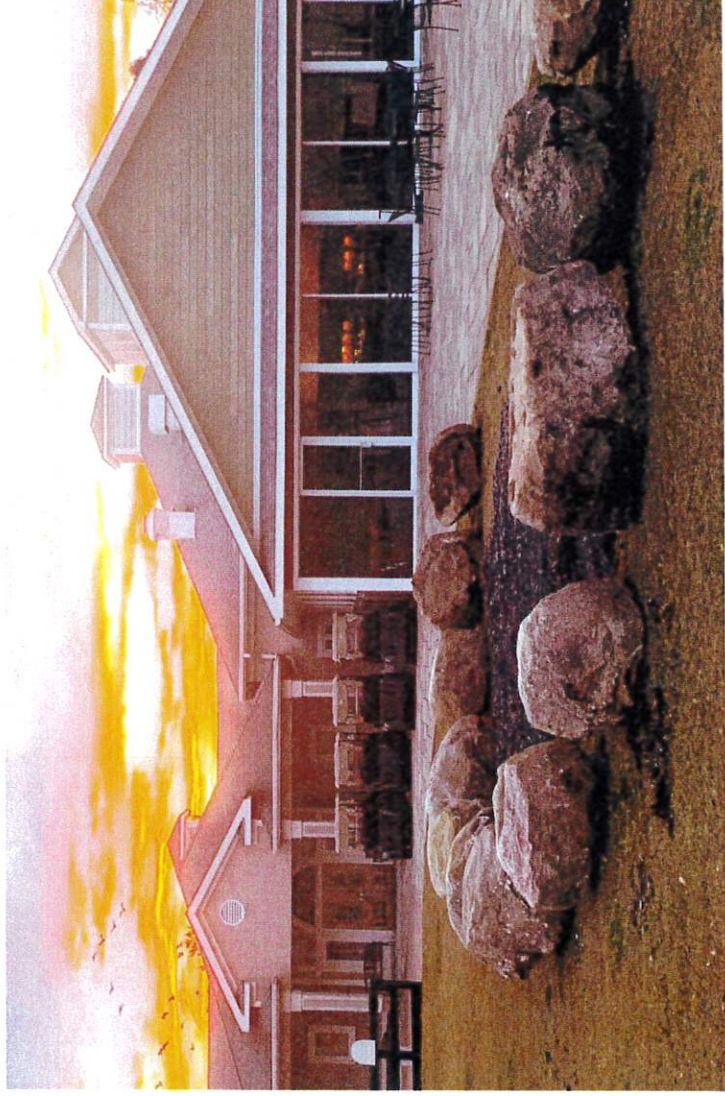
2860 State Route 208



- Total Project Cost: \$25 million
- Adaptive Reuse Project seeking 15 Year PILOT exemption
- Boutique Hotel, Co-working space, Event Space
- Projected 100 construction jobs and 100 full and part-time jobs at average \$70k
- Walkkill School District

Hudson Valley Country Club

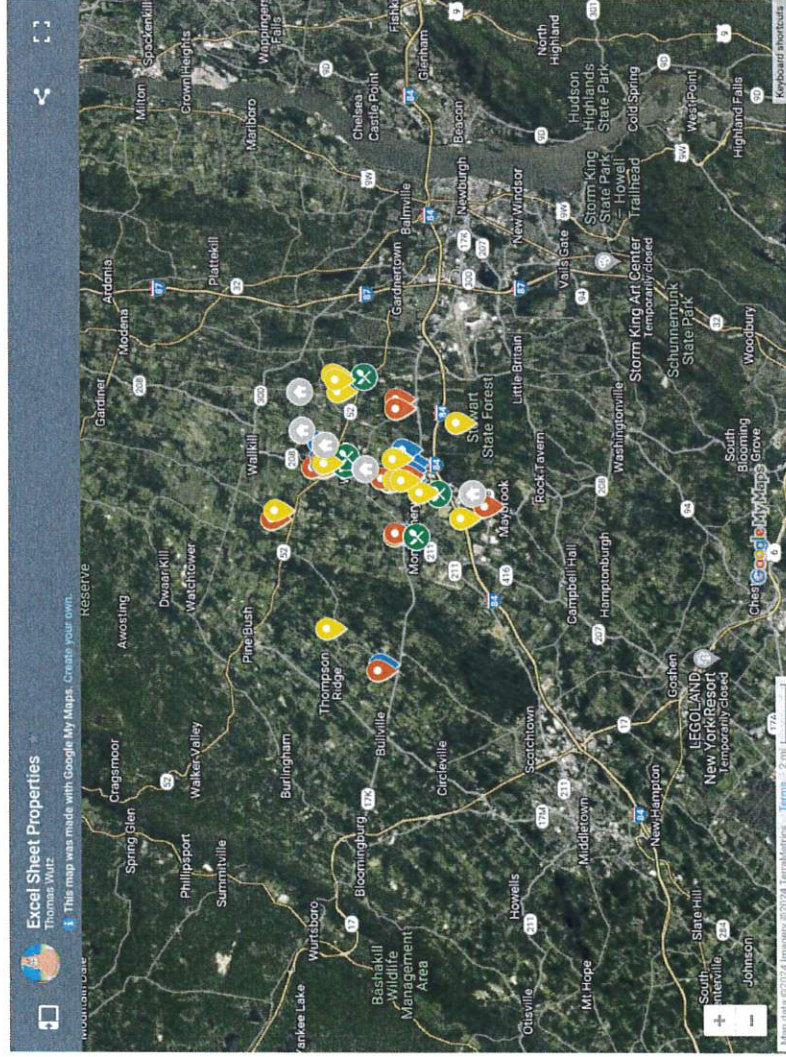
110 Country Club Rd, Walden, NY 12586



- Total Project Cost: \$3,731,000 million
- Updates to current golf course, clubhouse and facilities, no new structures under Phase 1, multiphase project approved by the MIDA for Phase 1 only
- Sales Tax Exemption only until project completion in 2026
- Estimated 19 full/part-time jobs

Hawkins Drive, LLC

(Behind Staples Distribution Facility)



- Spec Warehouse Project
- \$29,215,000 Project, 13.5 acres, 146,000 sq ft.
- Seeking Sales & Mortgage Tax Exemption Only, may entertain a Community Benefit Agreement (Local Labor Policy applied only through TMIDA)

29 Grant Street



- \$20 million project
- 34 Residential Unit Rentals, Brewery, Gym, Restaurant, 222 seat auditorium
- Requesting PILOT and \$2 million bonds (adaptive reuse)
- Estimated 45 part-time/full-time jobs created

KCE NY 2, LLC

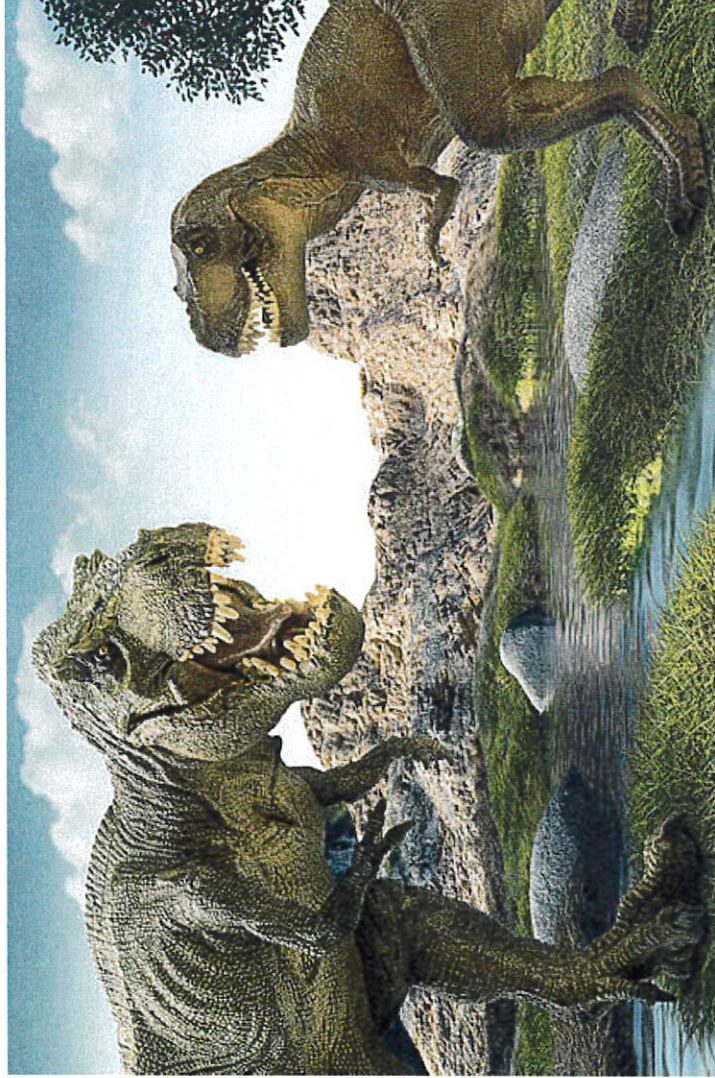
(north of Route 17K

between the intersections with Stone Castle Road and Browns Road)

- Renewable Energy Battery Storage, \$141,000,000 project
- 169 Megawatts
- Seeking full PILOT and also committed to a Community Benefit Agreement of 1.2 million
- Promote grid reliability and energy storage.
- Infrastructure is a huge need-particularly power.

Dinosaur Park, LLC

17K Barron Rd



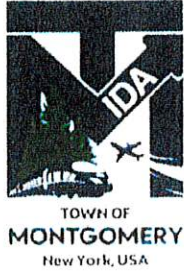
- \$18 million project
- jurassic theme amusement park, educational park on 35 acres of the former County property
- \$1 for every admission ticket to the Town
- Seeking Sales/Mortgage Recording Exemption only

Sites & Marketing Strategy

How to attract the right partners?

- **Site List Management & Marketing Initiatives to Site Selectors**
- **Grants/Infrastructure/Shovel Ready/Site Control**
- **Placemaking Initiatives**
- **Business Attraction and Relationship Building for Expansion Opportunities**

TOWN OF MONTGOMERY
INDUSTRIAL DEVELOPMENT AGENCY
110 BRACKEN ROAD
MONTGOMERY, NY 12549



Monthly Statement
12/31/2023

Orange Bank & Trust

PUBLIC FUND MUNI (3366)

	Checkbook Beginning Balance from last report-----	\$	8,983.98
<u>ADD</u>	Returned check #1841-----	\$	20,951.41
			29,935.39
<u>CHECKS</u>			
1838	Naughton & Torre, LLP----Inv #31547-----	\$	300.00
1839	Acquisitions Marketing, Inc----10/10 Meeting & Marketing-----	\$	1,050.00
1840	Acquisitions Marketing, Inc----11/4 Meeting & Marketing-----	\$	1,050.00
1841	Town Of Montgomery----Reimbursement-----	\$	20,951.41
			23,351.41
	Checking Account Balance	\$	6,583.98

SAILFISH ESCROW ACCT (8008)

	Checkbook Beginning Balance-----	\$	3,215.00
<u>ADD</u>			
<u>CHECKS</u>			
	Checking Account Balance	\$	3,215.00

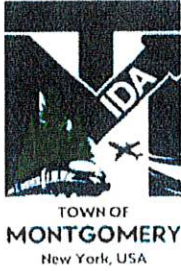
KEY CAPTURE ENERGY (4109)

	Checkbook Beginning Balance-----	\$	1,840.00
<u>ADD:</u>			
<u>CHECKS</u>			
	Checking Account Balance	\$	1,840.00

CITY WINERY ESCROW (4112)

	Checkbook Beginning Balance-----	\$	2,120.00
<u>ADD</u>			
<u>CHECKS</u>			
9999	Naughton & Torre, LLP----Inv 31361-----		\$640.00
	Checking Account Balance	\$	1,480.00

TOWN OF MONTGOMERY
INDUSTRIAL DEVELOPMENT AGENCY
110 BRACKEN ROAD
MONTGOMERY, NY 12549



Monthly Statement
 12/31/2023

Pg 2 Cont.

MMDA MUNICIPAL (4593)

	Checkbook Beginning Balance	\$	497,385.84
<u>ADD</u>	Interest-----	\$	335.42
			497,721.26
<u>CHECKS</u>	Town of Montgomery IDA-----	\$	20,951.41
		\$	20,951.41
	Checking Account Balance	\$	476,769.85

HUDSON VALLEY COUNTRY CLUB (3062)

	Checkbook Beginning Balance	\$	8,200.00
<u>ADD</u>			
		\$	8,200.00
<u>CHECKS</u>			
	Checking Account Balance	\$	8,200.00

PUBLIC FUND- BANK CARD (2940)

	Card Balance-----	\$	3,109.39
<u>ADD</u>			

WITHDRAWAL

	AW Google Subscription-----	\$	194.63
	AW Quickbooks Subscription-----	\$	32.44
		\$	227.07

	Checking Account Balance	\$	2,882.32
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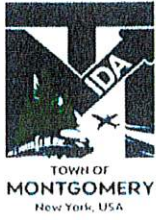
ESCROW ACCOUNT FOR HAWKINS DRIVE (3127)

	Checkbook Beginning Balance	\$	4,120.00
<u>ADD</u>			

CHECKS

	Checking Account Balance	\$	4,120.00
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TOWN OF MONTGOMERY
INDUSTRIAL DEVELOPMENT AGENCY
110 BRACKEN ROAD
MONTGOMERY, NY 12549



Monthly Statement
 12/31/2023

Pg 3 Cont.

	12/31/2023		11/30/2023	
Orange Bank & Trust (3366)-----	\$ 6,583.98	\$	8,983.98	\$ (2,400.00)
Orange Bank & Trust - Sailfish Escrow Acct (8008)-----	\$ 3,215.00	\$	3,215.00	\$ -
Orange Bank & Trust Key Capture Energy Escrow (4109)-----	\$ 1,840.00	\$	1,840.00	\$ -
Orange Bank & Trust City Winery Escrow (4112)-----	\$ 1,480.00	\$	2,120.00	\$ (640.00)
Orange Bank & Trust Money Market (4593)-----	\$ 476,769.85	\$	497,385.84	\$ (20,615.99)
Orange Bank & Trust Hudson Valley Country Club (3062)	\$ 8,200.00	\$	8,200.00	\$ -
Orange Bank & Trust-Public Fund Bank Card (2940)-----	\$ 2,882.32	\$	3,109.39	\$ (227.07)
Orange Bank & Trust - Hawkins Drive Escrow (3127)-----	\$ 4,120.00	\$	4,120.00	\$ -
TOTAL	\$ 505,091.15	\$	528,974.21	\$ (23,883.06)



Executive Director Report

This report highlights the ideas, efforts and actions taken by executive staff since the last regular board meeting on January 9, 2024.

Key Actions and Matters to Take Note Of:

- Received a letter from the state regarding our Private Activity Bond allocation is \$481,298 (attached). We do not receive these funds, they are held at the state and given directly to the applicant, however we can work with an attorney to issue up to that amount for qualifying projects.
- The 2023 Audit is complete, all projects responded with the exception of Cedar Apartments. Once approved by the MIDA Board, I will then submit to the ABO by April 1, 2024.
- Village of Montgomery received the NY Forward grant for downtown revitalization for \$4 million+ for economic development initiatives
- Fast NY Grant awarded of \$462,000 for high tech shovel ready site at Aden Brook Commerce Park; we are working in partnership with the OCIDA who will receive the grant and disperse funds on a reimbursement basis, more info to come
- Milk Factory, LLC- Anticipate SEQR Resolution/Neg Dec to be passed in late March, Approving Resolution would need to be drafted for the April 9 meeting. They are awaiting approvals on a submitted light plan and DOT review for the 2nd access point required by the Town.

Meetings and Events attended:

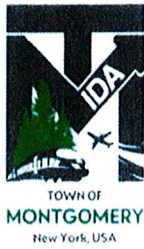
- Feb 8- Orange Chamber Legislative Breakfast "Meet your Elected Officials"
- Feb 8- HV Country Club Tour/Meeting, talk about Phase 2
- Alliance for Business Growth Meeting on sewage/infrastructure February 29, 2024
 - Key Learnings:
- Business Tours with TMIDA Board Members
 - Amazon Tour attended by TMIDA Board Members John Dickson, George Declue, and Jose Hernandez
 - 1380 employees, 40 leadership roles, philanthropic efforts- Veterans Housing, last year that donated \$231,000 to local orgs in 2023., 1 million

sq ft, \$5,200 in scholarships industry agnostic to full time employees annually, pipeline of advancement.

- Hudson Valley Country Club attended by Executive Director, Chairman, Town Engineer, and Assemblyman Brian Maher
 - Construction for Phase 1 near completion, they will be returning to the IDA Board with Phase 2 plans
- OC Airport Meeting & Tour

Business Development:

- Targeted Email and outreach is being sent to key site selectors in our targeted industries showcasing the Town of Montgomery, currently in draft mode and set to be sent out in the next week. We received one inquiry and submitted our available sites after connecting with Scout Cities.
- Dinosaur Park, LLC has begun some site clearing and has not yet submitted plans to the Planning Board, we will not receive their application until they have an initial meeting with the Planning Board and they have received comments
- Aerial Adventure Park/Forest of Fun is currently at the Planning Board, they were included in the March 6 working session. We expect to have their application by the next meeting in April for an introductory meeting; the Planning Board is ready to declare a lead agency.
- Hawkins Drive, LLC still has no confirmed tenant
- I'm working with the Town Supervisor to prepare the 112 Bracken Rd site for sale as an office building



TOWN OF MONTGOMERY
INDUSTRIAL DEVELOPMENT AGENCY
110 BRACKEN ROAD
MONTGOMERY, NY 12549

Monthly Statement
2/29/2024

Orange Bank & Trust

PUBLIC FUND MUNI (3366)

Checkbook Beginning Balance from last report----- \$ 16,023.98

ADD

Deposit-----
\$ 16,023.98

CHECKS

1848 Acquisitions Marketing, Inc.----1/9/24 meeting----- \$ 1,050.00
 1849 Times Community Newspaper----Inc A72866----- \$ 48.48

\$ 1,098.48

Checking Account Balance

\$ 14,925.50

SAILFISH ESCROW ACCT (8008)

Checkbook Beginning Balance----- \$ 3,215.00

ADD

CHECKS

Checking Account Balance **\$ 3,215.00**

KEY CAPTURE ENERGY (4109)

Checkbook Beginning Balance \$ 1,840.00

ADD:

CHECKS

Checking Account Balance **\$ 1,840.00**

CITY WINERY ESCROW (4112)

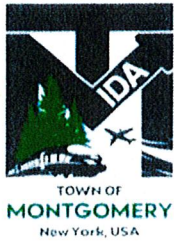
Checkbook Beginning Balance \$ 1,480.00

ADD

CHECKS

Checking Account Balance \$ 1,480.00

TOWN OF MONTGOMERY
INDUSTRIAL DEVELOPMENT AGENCY
110 BRACKEN ROAD
MONTGOMERY, NY 12549



Monthly Statement
2/29/2024

Pg 2 Cont.

MMDA MUNICIPAL (4593)

Checkbook Beginning Balance \$ 462,159.96

ADD

Interest----- \$ 312.12

\$ 462,472.08

CHECKS

\$ -

Checking Account Balance **\$ 462,472.08**

HUDSON VALLEY COUNTRY CLUB (3062)

Checkbook Beginning Balance \$ 8,200.00

ADD

\$ 8,200.00

CHECKS

Checking Account Balance **\$ 8,200.00**

PUBLIC FUND- BANK CARD (2940)

Card Balance----- \$ 2,267.81

ADD

WITHDRAWAL

AW Google----- \$ 194.63

AW OC Partnership----- \$ 150.00

\$ 344.63

Checking Account Balance **\$ 1,923.18**

ESCROW ACCOUNT FOR HAWKINS DRIVE (3127)

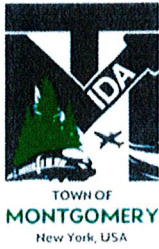
Checkbook Beginning Balance \$ 3,160.00

ADD

CHECKS

Checking Account Balance **\$ 3,160.00**

TOWN OF MONTGOMERY
INDUSTRIAL DEVELOPMENT AGENCY
110 BRACKEN ROAD
MONTGOMERY, NY 12549



Monthly Statement
2/29/2024

Pg 3 Cont.

	2/24/2024		1/31/2024		
Orange Bank & Trust (3366)-----	\$ 14,925.50	\$	16,023.98	\$	(1,098.48)
Orange Bank & Trust - Sailfish Escrow Acct (8008)-----	\$ 3,215.00	\$	3,215.00	\$	-
Orange Bank & Trust Key Capture Energy Escrow (4109)----	\$ 1,840.00	\$	1,840.00	\$	-
Orange Bank & Trust City Winery Escrow (4112)-----	\$ 1,480.00	\$	1,480.00	\$	-
Orange Bank & Trust Money Market (4593)-----	\$ 462,472.08	\$	462,159.96	\$	312.12
Orange Bank & Trust Hudson Valley Country Club (3062)	\$ 8,200.00	\$	8,200.00	\$	-
Orange Bank & Trust-Public Fund Bank Card (2940)-----	\$ 1,923.18	\$	2,267.81	\$	(344.63)
Orange Bank & Trust - Hawkins Drive Escrow (3127)-----	\$ 3,160.00	\$	3,160.00	\$	-
TOTAL	\$ 497,215.76	\$	498,346.75	\$	(1,130.99)



**New York State
Department
of Economic
Development**

January 17, 2024

Felicia Kalan, Executive Director
Town of Montgomery IDA
110 Bracken Road
Montgomery, NY 12549

Subject: Notification of Initial Allocation

Dear Director Kalan,

I am pleased to inform you that, pursuant to the Private Activity Bond Allocation Act of 2022, your initial allocation for calendar year 2024 is \$481,298. This allocation is based upon the formula prescribed in Chapter 56, Laws of 2022, utilizing the most recent official population estimates of the U.S. Bureau of the Census.

If you have any questions or need additional information, please feel free to contact George LaPointe at george.lapointe@esd.ny.gov.

Sincerely yours,

Hope Knight
President & CEO, Empire State Development
NYS Department of Economic Development

Town of Montgomery Industrial Development Agency

Report to Those Charged with Governance
December 31, 2023

March ____, 2024

Prepared by

Jeffrey Shaver, Partner
jshaver@pkfod.com



**KNOW
GREATER
VALUE**

March ____, 2024

Board of Directors
Town of Montgomery Industrial Development Agency
110 Bracken Road
Montgomery, NY 12549

We have audited the financial statements of the Town of Montgomery Industrial Development Agency ("Agency") as of and for the year ended December 31, 2023 and have issued our report thereon dated March [REDACTED], 2024.

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 engagement letter to you dated December 8, 2023. Professional standards also require that we communicate to you the following information related to our audit.

We are pleased to be of service to you and the Agency and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

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

Very truly yours,

PKF O'Connor Davies, LLP

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Appendices

- 1 – Adjusting Journal Entries
- 2 – Management Representation Letter
- 3 – About PKF O'Connor Davies, LLP

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Status of the Audit

Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been reviewed by management and issued.
- We have issued an unmodified report on the financial statements

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Required Communications and Other Matters

Required Item	Comments
Auditor's responsibility under professional standards and planned scope and timing of the audit	<p>We have communicated such information in our engagement letter to you dated December 8, 2023. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> • Forming and expressing an opinion on the financial statements. • Obtaining <i>reasonable assurance</i> that the financial statements are <i>free of material misstatements</i>, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG"). • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
Other supplementary information accompanying the financial statements	<p>Our responsibility for the other supplementary information accompanying the financial statements is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.</p>
Other information in documents containing audited financial statements	<p>Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the auditors', and we are not required to perform any procedures to determine that such other information is properly stated.</p>
Our responsibilities under the Yellow Book	<p>In connection with our audit we performed tests of the Entity's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.</p>

Required Item	Comments
Responsibilities of management and TCWG	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. • Evaluate if there are any conditions or events, considered in the aggregate that raise substantial doubt about the Entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter. • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud. <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p>
Qualitative aspects of accounting practices - Accounting Policies	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.</p> <p>The accounting policies of the Entity conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Entity's reports are based on all applicable GASB pronouncements.</p> <p>We noted no transactions entered into by the Entity during the year for which there is a lack of authoritative guidance or consensus.</p> <p>All significant transactions have been recognized in the financial statements in the proper period.</p>
Qualitative aspects of accounting practices – Significant Unusual Transactions	<p>No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.</p>

Required Item	Comments
<p>Qualitative aspects of accounting practices - <i>Accounting Estimates and Management's Judgment</i></p>	<p>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.</p> <p>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 sensitive estimates affecting the Agency's financial statements were:</p> <ul style="list-style-type: none"> • Estimates for certain operating liabilities
<p>Qualitative aspects of accounting practices - <i>Financial Statement Disclosures</i></p>	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <ul style="list-style-type: none"> • Note 2 which summarizes significant accounting policies • Note 6 which summarizes the Agency's related party transactions <p>The financial statement disclosures are consistent and clear.</p>
<p>Significant risks</p>	<p>We have identified the following significant risks in connection with our audit:</p> <p>Management override of internal controls</p> <p>The audit procedures applied as a result of the aforementioned significant risks were designed to and have reduced the risk of material misstatement to low.</p>
<p>Difficulties encountered in performing the audit</p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>

Required Item	Comments
<p>Corrected and uncorrected misstatements</p>	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit (including passed adjustments and omitted financial statement disclosures), other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.</p> <p>In addition, corrected misstatements that were brought to the attention of management as a result of our audit procedures are also included in Appendix 1.</p>
<p>Disagreements with management</p>	<p>For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.</p>
<p>Management representations</p>	<p>We have requested certain representations from management that are included in the management representation letter (see Appendix 1).</p>
<p>Management's consultations with other accountants</p>	<p>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 Entity's financial statements or a determination of the type of auditors' 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.</p>
<p>Auditor independence</p>	<p>We affirm that PKF O'Connor Davies, LLP is independent with respect to the Entity in accordance with relevant professional standards.</p>
<p>Significant issues discussed with management prior to retention</p>	<p>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 Entity's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Montgomery Industrial Development Agency's ("Agency") internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.
- A **material weakness** is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.
- A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, we share for your consideration on the following pages other observations about the internal control and operations.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

Harrison, New York
March [REDACTED], 2024

**Town of Montgomery
Industrial Development Agency**

Other Matters

- **Chart of Accounts**

During our audit, we noted the existing chart of accounts does not follow the Uniform System of Accounts as prescribed by the office of the New York State Comptroller

Recommendation

We recommend the Agency conform to the Uniform System of Accounts

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Appendix 1

Adjusting Journal Entries

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Appendix 2

Management Representation Letter

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Appendix 3

About PKF O'Connor Davies, LLP

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Founded in 1891, PKF O'Connor Davies has evolved from a regional accounting firm to an emerging national leader with more than 1,400 professionals and 18 offices in the U.S. Our team of top-notch professionals delivers a complete range of audit, tax and advisory services to a diverse and growing global client base. By bringing together a boutique firm culture with big-firm resources, we have a unique ability to connect with clients on a deeper level and create value where others can't.

REGIONAL CONNECTIONS BACKED BY GLOBAL EXPERTISE

We are the lead North American firm in the PKF International network of independent accounting and advisory firms with offices in over 400 cities, in 150 countries around the world. It's a relationship that delivers unmatched access to global expertise and strengthens our ability to serve clients anywhere in the world as their needs and their businesses continue to evolve.

PROACTIVE SERVICE MODEL, ENGAGED PARTNER BASE

With a proven, proactive service model and an engaged Partner base, PKF O'Connor Davies has built long-lasting, valuable relationships with our clients.

Our Partners are actively involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members employ a team approach to all engagements, providing clients with the utmost quality and timely services aimed at helping them succeed.

KNOW GREATER VALUE

Our unwavering focus on value has consistently driven growth and delivered strong outcomes for our clients and our Firm. PKF O'Connor Davies currently ranks 25th on *Accounting Today's* 2023 "Top 100 Firms" list and continually gains acclaim as one of the country's fastest-growing firms. With more professionals, in more places every day, our teams are on the ground, at the ready and in the know. As the world changes, PKF O'Connor Davies clients will always **Know Greater Value.**

INDUSTRY RECOGNITION

Ranked 25 of "2023's Top 100 Firms"
Accounting Today, 2023

Ranked 5 of the "Top Firms in the Mid-Atlantic"
Accounting Today, 2023

"America's Best Tax and Accounting Firms"
Forbes, 2023

"Best Accounting Firm in Westchester"
914INC., 2022

"Accounting/Due Diligence Firm of the Year"
The M&A Advisor, 2022

"Best Business Consulting Firm for Family Offices"
Private Asset Management Awards, 2022

"Best Accountancy Advisor"
Family Wealth Report Awards, 2022

"Best Family Office Management Consultancy"
Family Wealth Report Awards, 2022

"Best Places to Work in Westchester"
914INC., 2023

"Best Places to Work in New Jersey"
NJBIZ, 2022

Ranked 14 of the 50 "Best Accounting Employers to Work for in North America"
Vault, 2023

KNOW GREATER VALUE®

At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, help meet every objective and exceed expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.



ACCOUNTING AND ASSURANCE SERVICES

- Accounting Outsourcing
- Agreed-Upon Procedures (AUPs)
- Audits, Reviews and Compilations
- Elite Accounting Services
- Employee Benefit Plans
- Endowment Fund Accounting
- International Financial Reporting Standards (IFRS)
- IT Audit and Cybersecurity Reviews
- Peer Review
- Public Company Accounting Oversight Board (PCAOB)
- Public Sector Audits and Compliance



ADMINISTRATION SERVICES

- Fund Administration Services
- Outsourced CFO Services
- Outsourced Portfolio Company Accounting



ADVISORY SERVICES

- Bankruptcy and Restructuring
- Cybersecurity and Privacy Advisory Services
- Dark Web Monitoring Services
- Digital Forensic Services
- ESG, Sustainability and Impact Optimization
- Family Advisory Services
- Forensic, Litigation and Valuation Services
- Management Consulting Services
- Matrimonial Services
- Operational and Cost Effectiveness
- PPP Loan Forgiveness Services
- Private Client/Business Owner Services
- Recruiting and Human Resources Consulting
- Risk Advisory Services
- Strategy and Transformation
- System Organization Control (SOC) Reports
- Transaction and Financial Advisory Services
- Virtual Chief Information Security Officer Services (vCISO)
- Wealth Services
- Services Offered by PKF Clear Thinking – Turnaround Advisory, Performance Improvement and Creditors' Rights



FAMILY OFFICE SERVICES

- Accounting and Reporting
- Advisory
- Charitable Giving
- Family Advisory Services
- Investment Monitoring and Oversight
- Lifestyle Support
- Personal Financial Management
- Tax Planning
- Wealth Planning



INTERNATIONAL SERVICES

- China Desk
- General Data Protection Regulation (GDPR)
- German Desk
- Latin America Desk
- Transfer Pricing



INVESTMENT BANKING SERVICES

- Acquisition Advisory
- Exit Readiness and Transaction Planning
- Sell-Side Advisory



TAX COMPLIANCE AND PLANNING SERVICES

- Employee Benefit Planning and Tax Compliance
- International Tax Services
- IRS Representation and Tax Controversies
- Personal Financial Planning
- Private Client/Business Owner Services
- Private Foundation Services
- State and Local Tax (SALT)
- Tax Compliance and Reporting
- Tax Research and Strategic Planning
- Tax-Exempt Organizations
- Trust and Estate Planning

"PKF O'Connor Davies" is the brand name under which PKF O'Connor Davies LLP and PKF O'Connor Davies Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. PKF O'Connor Davies LLP is a licensed CPA firm that provides attest services and PKF O'Connor Davies Advisory LLC and its subsidiary entities provide tax and advisory services. PKF O'Connor Davies is a member of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Town of Montgomery
Industrial Development Agency
(A Discretely Presented Component Unit of the
Town of Montgomery, New York)

Financial Statements and Supplementary Information

Year Ended December 31, 2023

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Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)

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Independent Auditors' Report

**The Board of Directors of the
Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Town of Montgomery Industrial Development Agency ("Agency"), a discretely presented component unit of the Town of Montgomery, New York, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency, as of December 31, 2023 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Supplementary Information

Management is responsible for the other supplementary information included in the financial statements. The other supplementary information consists of the Schedule of Bonds and Notes and the Schedule of Straight Leases, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March [REDACTED], 2024 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
Harrison, New York
March [REDACTED], 2024

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Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)

Statement of Net Position
December 31, 2023

	<u>2023</u>
ASSETS	
Current assets	
Cash and equivalents	<u>\$ 505,091</u>
LIABILITIES	
Current liabilities	
Accrued expenses	18,682
Project escrow liability	<u>18,855</u>
Total Liabilities	<u>37,537</u>
NET POSITION	
Unrestricted	<u><u>\$ 467,554</u></u>

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See notes to financial statements.

Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)

Statement of Revenues, Expenses
and Changes in Net Position
Year Ended December 31, 2023

	<u>2023</u>
OPERATING REVENUES	
Fees charged	\$ 24,655
Miscellaneous	<u>30</u>
Total Operating Revenues	<u>24,685</u>
OPERATING EXPENSES	
Contracted services	129,059
Professional fees	31,844
Marketing/web services	22,100
Miscellaneous	<u>3,996</u>
Total Operating Expenses	<u>186,999</u>
Loss from Operations	<u>(162,314)</u>
NON-OPERATING REVENUES	
Interest income	<u>2,743</u>
Change in Net Position	(159,571)
NET POSITION	
Beginning of Year	<u>627,125</u>
End of Year	<u><u>\$ 467,554</u></u>

See notes to financial statements.

Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)

Statement of Cash Flows
Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from escrow deposits	\$ 17,360
Cash disbursed from escrow deposits	(9,080)
Cash received from fees and miscellaneous	24,685
Cash paid for administrative costs	<u>(188,702)</u>
Net Cash from Operating Activities	(155,737)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>2,743</u>
Net Change in Cash and Equivalents	(152,994)

CASH AND EQUIVALENTS

Beginning of Year	<u>658,085</u>
End of Year	<u><u>\$ 505,091</u></u>

**RECONCILIATION OF LOSS FROM OPERATIONS
TO NET CASH FROM OPERATING ACTIVITIES**

Loss from operations	\$ (162,314)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Accrued expenses	(1,703)
Project escrow liability	<u>8,280</u>
Net Cash from Operating Activities	<u><u>\$ (155,737)</u></u>

See notes to financial statements.

Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)

Notes to Financial Statements
December 31, 2023

Note 1 - Organization

The Town of Montgomery Industrial Development Agency ("Agency"), a corporate governmental agency constituting a public benefit corporation, was created to assist the Town of Montgomery, New York ("Town") in financing projects within the Town limits that would enhance the social and economic fabric of the Town. The Agency is governed by Article 18-A of the General Municipal Law of the State of New York. The Agency is exempt from Federal, State and Local income taxes.

The Agency is administered by a Board of Directors ("Board") that acts as the authoritative and legislative body of the entity. The Board is comprised of seven (7) board members who are appointed by the Town Board of the Town of Montgomery. Each Officer serves until such member dies, resigns or is replaced by resolution of the Town Board. No board members receive compensation for serving on the Board.

The Board of Directors annually appoints the Chair(person) of the Board from existing board members. The Chair responsibilities are to preside at all meetings of the Board; be the chief officer of the Agency; perform all duties commonly incident to the position of presiding officer of a board, commission or business organization and exercise supervision over the business of the Agency.

Note 2 - Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Agency has been identified as a component unit of the Town in accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 61.

B. Basis of Accounting

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Agency reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Agency's principal ongoing operation. The principle operating revenue of the Agency is administration fees. Operating expenses include contracted services, professional fees, marketing/web services and miscellaneous costs. All revenue and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. Assets, Liabilities and Net Position

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

The Agency's deposits and investment policies are governed by State statutes. The Agency has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Agency has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Agency follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Agency does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Agency does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Agency's name. The Agency's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2023.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Agency does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Agency's investment policy limits the amount on deposit at each of its banking institutions.

Project Escrow Liability - Assets held for specific projects until disbursed during the project application phase. Unspent funds are returned at the end of the application process.

Net Position - represents the difference between assets and liabilities, Net position is classified as unrestricted.

D. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

E. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March [REDACTED], 2024.

Note 3 - Industrial Development Revenue Bond Transactions

Certain industrial development revenue bonds issued by the Agency are secured by property which is leased to companies and is retired by lease payments. The bonds are not obligations of the Agency. The Agency does not record the assets or a liability resulting from completed bond issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. In addition, the Agency receives closing fees for straight lease transactions as a percentage of the total project costs. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds or closing on leases.

Note 4 - Intermunicipal Agreement

An administrative services contract exists between the Agency and the Town. The Agency and the Town agree that the Town will provide certain services of the staff of the Department of Economic Development and Planning to act as the Executive Director of the Agency. The Agency reimburses the Town for the full cost of the salary and benefits paid by the Town on behalf of the Executive Director. In addition, the Town provides, maintains and equips suitable office space for the Agency.

OTHER SUPPLEMENTARY INFORMATION

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Town of Montgomery Industrial Development Agency
 (A Discretely Presented Component Unit of the Town of Montgomery, New York)

Supplementary Information
 Statement of Indebtedness - Bonds and Notes
 December 31, 2023

<u>Project Name</u> <u>Owner Name and Address</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance at January 1, 2023</u>	<u>Retired in 2023</u>	<u>Balance at December 31, 2023</u>	<u>Project Purpose Code</u>
The Cedars Apartment Project 400 Cliff Street and 55 Main Street Walden, NY 12586	2015	07/32	4.51%	\$ 7,600,000	\$ 6,985,225	\$ 119,593	\$ 6,865,632	8

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Project Purpose Codes

- 1 - Services
- 2 - Construction
- 3 - Agriculture, Forestry and Fishing
- 4 - Wholesale Trade
- 5 - Retail Trade
- 6 - Finance, Insurance and Real Estate
- 7 - Transportation, Communication, Electric, Gas and Sanitary Services
- 8 - Other
- 9 - Manufacturing

See independent auditors' report.

Federal Tax Status	Not-for-profit	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Tax Exemptions						
				Real Property Tax			Sales Tax	Mortgage Recording	Total Exemptions	
				County	Local	School				
Exempt	No	2	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)

Supplementary Information
Statement of Indebtedness - Straight Lease
December 31, 2023

Project Name Owner Name and Address	Total Project Cost	Method of Financial Assistance, Other than the Tax Exemptions	Project Purpose Code	Not-for-profit	Original Estimate of Jobs to be Created
Goodwill Properties, LLC 2105 State Route 208 Montgomery, NY 12549	\$ 6,750,000	None	1	No	20
Kadge, LLC 36 Maybrook Road Montgomery, NY 12549	\$ 4,900,000	None	9	No	8
Montgomery Group 228 Ward Street Montgomery, NY 12549	\$ 1,175,000	None	8	No	32
Spruce Properties 2134 State Route 208 Montgomery, NY 12549	\$ 950,000	None	5	No	0
Stewart Holdings 60-90 Hawkins Drive Montgomery, NY 12549	\$ 11,471,232	None	9	No	17
United Natural Foods, Inc. 525 Neelytown Road Montgomery, NY 12549	\$ 85,000,000	None	7	No	331
USEF Sailfish, LLC 635 International Drive Montgomery, NY 12549	\$ 75,000,000	None	7	No	1100
Hudson Valley Country Club 110 Country Club Road Montgomery, NY 12549	\$ 3,731,000	None	8	No	24

Project Purpose Codes

- 1 - Services
- 2 - Construction
- 3 - Agriculture, Forestry and Fishing
- 4 - Wholesale Trade
- 5 - Retail Trade
- 6 - Finance, Insurance and Real Estate
- 7 - Transportation, Communication, Electric, Gas and Sanitary Services
- 8 - Other
- 9 - Manufacturing

See independent auditors' report.

Original Estimate of Jobs to be Retained	Tax Exemptions					Mortgage Recording	Total Exemptions
	Real Property Tax			Sales Tax			
	County	Local	School				
0	\$ 7,506	\$ 8,742	\$ 41,566	\$ -	\$ -	\$ 57,814	
36	\$ 17,313	\$ 20,164	\$ 109,494	\$ -	\$ -	\$ 146,971	
40	\$ 5,026	\$ 5,854	\$ 32,471	\$ -	\$ -	\$ 43,351	
0	\$ 1,785	\$ 2,079	\$ 7,690	\$ -	\$ -	\$ 11,554	
1	\$ 28,028	\$ 32,642	\$ 181,065	\$ -	\$ -	\$ 241,735	
0	\$ 59,316	\$ 69,082	\$ 328,453	\$ -	\$ -	\$ 456,851	
800	\$ 148,050	\$ 172,425	\$ 956,436	\$ -	\$ -	\$ 1,276,911	
19	\$ -	\$ -	\$ -	\$ 27,794	\$ -	\$ 27,794	

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

**The Board of Directors of the
Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Montgomery Industrial Development Agency ("Agency"), a discretely presented component unit of the Town of Montgomery, New York as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated March [REDACTED], 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report On Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Harrison, New York

March , 2024

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Town of Montgomery Industrial Development Agency

(A Discretely Presented Component Unit of the
Town of Montgomery, New York)

Schedule of Cash and Investments

Year Ended December 31, 2023

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Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)

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Independent Auditors' Report

The Board of Directors of the Town of Montgomery Industrial Development Agency

Report on the Audit of the Schedule of Cash and Investments

Opinion

We have audited the Schedule of Cash and Investments (the "Schedule") of the Town of Montgomery Industrial Development Agency (a discretely presented component unit of the Town of Montgomery, New York) ("Agency"), as of December 31, 2023, and the related notes.

In our opinion, the accompanying Schedule of Cash and Investments and related notes referred to above presents fairly, in all material respects, the cash and investments of the Agency as of December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March ____, 2024 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters with respect to the Schedule. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance with respect to the Schedule.

PKF O'Connor Davies, LLP
Harrison, New York
March _____, 2024

Town of Montgomery Industrial Development Agency

(A Discretely Presented Component Unit of the Town of Montgomery, New York)

Schedule of Cash and Investments

As of December 31, 2023

Cash and equivalents

\$ 505,091

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See accompanying notes to schedule of cash and investments.

Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)

Notes to Schedule of Cash and Investments
Year Ended December 31, 2023

Note 1 - Organization and Purpose

The Town of Montgomery Industrial Development Agency ("Agency"), a corporate governmental agency constituting a public benefit corporation, was created to assist the Town of Montgomery, New York ("Town") in financing projects within the Town limits that would enhance the social and economic fabric of the Town. The Agency is governed by Article 18-A of the General Municipal Law of the State of New York. The Agency is exempt from Federal, State and Local income taxes.

The Agency is administered by a Board of Trustees ("Board") that acts as the authoritative and legislative body of the entity. The Board is comprised of seven (7) board members who are appointed by the Town Board of the Town of Montgomery. Each Officer serves until such member dies, resigns or is replaced by resolution of the Town Board. No board members receive compensation for serving on the Board.

The Board of Trustees annually appoints the Chair(person) of the Board from existing board members. The Chair responsibilities are to preside at all meetings of the Board; be the chief officer of the Agency; perform all duties commonly incident to the position of presiding officer of a board, commission or business organization and exercise supervision over the business of the Agency.

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Agency's deposits and investment policies are governed by New York State statutes. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Agency follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The Agency does not have any investments at December 31, 2023.

Town of Montgomery Industrial Development Agency
(A Discretely Presented Component Unit of the Town of Montgomery, New York)

Notes to Schedule of Cash and Investments (Concluded)
Year Ended December 31, 2023

Note 1 - Organization and Purpose (Continued)

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Agency does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Agency does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Agency's name. The Agency's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2023.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Agency does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Agency's investment policy limits the amount on deposit at each of its banking institutions.

* * * *

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Schedule of Cash and Investments Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

**The Board of Directors of the
Town of Montgomery Industrial Development Agency**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Schedule of Cash and Investments ("Schedule") of the Town of Montgomery Industrial Development Agency (a discretely presented component unit of the Town of Montgomery, New York) ("Agency") as of December 31, 2023 and the related notes to the Schedule, and have issued our report thereon dated March ____, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the Schedule, we considered the Agency's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's Schedule will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, investment policies established by the Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the Schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP
Harrison, New York
March _____, 2024

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