

February 27, 2024

**To the Board of Directors of  
Herkimer County Industrial Development Agency**

We have audited the financial statements of Herkimer County Industrial Development Agency for the year ended December 31, 2023 and have issued our report thereon dated February 27, 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 letter to you dated January 8, 2024. 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 Herkimer County Industrial Development Agency 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 2023. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the consolidated financial statements were:

Management's estimate of the depreciation is based on the straight-line method over the capital asset's useful life. We evaluated the key factors and assumptions used to develop the depreciation calculations in determining that it is reasonable in relation to the financial statements taken as a whole.

Management estimates actuarial assumptions that are used to determine pension liabilities and annual pension costs for the year in accordance with GASB Statement No. 68.

Management estimates actuarial assumptions that are used to determine annual postretirement cost for the year in accordance with GASB Statement No. 75.

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

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements:*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached material misstatements detected as a result of audit procedures were corrected by management.

*Disagreements with Management*

For 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 February 27, 2024.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company'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.

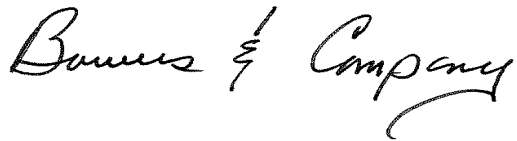
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*Other Matters*

We applied certain limited procedures to Management's Discussion and Analysis, Agency's total OPEB liability and related ratios, schedule of the Agency's proportionate share of the net pension liability – NYSLRS Pension Plan, and the schedule of the Agency's Contributions – NYSLRS Pension Plan which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Very truly yours,

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in black ink and is positioned above the printed name of the firm.

Bowers & Company CPA's, PLLC

*Material Adjusting Journal Entries Made:*

<b>Adjusting Journal Entries JE # 1</b>			
To record lease amortization.			
180500	LT Lease Liability-Finance	16,728.00	
300049	Accounts Payable - Temporary	40.00	
400000-1	Amortization Expense	14,673.00	
400005-1	Interest Expense - Financing Lease	2,418.00	
150600	ROU Asset-Accumulated Amortizat		14,673.00
180550	ST Lease Liability-Finance		115.00
400012	Office Build Out		5,100.00
400013	Office Expense		1,371.00
400014	Office Rent		12,600.00
<b>Total</b>		<b>33,859.00</b>	<b>33,859.00</b>

<b>Adjusting Journal Entries JE # 2</b>			
To record depreciation for the current year.			
400000	Depreciation Expense	114,936.00	
155000	Accum. Depreciation - All Prop.		114,936.00
<b>Total</b>		<b>114,936.00</b>	<b>114,936.00</b>

<b>Adjusting Journal Entries JE # 3</b>			
To adjust Dolgeville grant.			
300057	Grant Income-Dolgeville BOA	31,332.00	
136000	Grant Receivables		31,332.00
<b>Total</b>		<b>31,332.00</b>	<b>31,332.00</b>

<b>Adjusting Journal Entries JE # 4</b>			
To adjust deferred revenue to 0.			
300057	Grant Income-Dolgeville BOA	12,652.00	
111111	Grant Deferred Revenue		12,652.00
<b>Total</b>		<b>12,652.00</b>	<b>12,652.00</b>

<b>Adjusting Journal Entries JE # 6</b>			
To record the GASB 68 ERS.			
130000	Deferred Outflows	978.00	
130003	Prepaid Expense	2,521.00	
195000	Deferred Inflows	156,861.00	
400029	Pension	21,627.00	
195002	Pension liability assessment		181,987.00
<b>Total</b>		<b>181,987.00</b>	<b>181,987.00</b>

*Material Adjusting Journal Entries Made – Continued*

<b>Adjusting Journal Entries JE # 7</b>			
To record net OPEB liability activity at 12/31/23.			
130000	Deferred Outflows	423,085.00	
195000	Deferred Inflows		64,243.00
195001	OPEB Liability		298,038.00
400036	Retiree Health Insurance		60,804.00
<b>Total</b>		<b>423,085.00</b>	<b>423,085.00</b>