

February 25, 2025

Board of Directors and Management
Herkimer Local Development Corporation

We have audited the financial statements of Herkimer Local Development Corporation for the year ended December 31, 2024, and we will issue our report thereon dated February 25, 2025. 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 13, 2025. 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 Local Development Corporation 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 2024. We noted no transactions entered into by the Organization 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 financial statements were:

Management's estimate of the functional expense allocation is based on an analysis of the Organization's operating activities. We evaluated the methods, assumptions, and data used to develop the functional expenses allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

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 misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following schedule of 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 disagreement on 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 25, 2025.

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 Organization'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.

Board of Directors and Management
Herkimer Local Development Corporation
February 25, 2025
Page 3

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Herkimer Local Development Corporation 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 dark ink and is positioned below the "Very truly yours," text.

Adjusting Journal Entries JE # 1
To adjust draw request #6 to revenue.

1500	Site Development - Masonic	2,605.00	
4001	Masonic Funding from HCIDA		2,605.00
Total		<u>2,605.00</u>	<u>2,605.00</u>

Adjusting Journal Entries JE # 2
To record funding from Herkimer IDA for formation of LDC.

4001	Masonic Funding from HCIDA	148,795.00	
5002	Professional Fee-Masonic Legal	41,399.00	
2000	Due to Herkimer IDA		41,399.00
2000	Due to Herkimer IDA		148,795.00
Total		<u>190,194.00</u>	<u>190,194.00</u>

Adjusting Journal Entries JE # 3
To record masonic site transferred from HCIDA.

1500	Site Development - Masonic	59,339.00	
2000	Due to Herkimer IDA		59,339.00
Total		<u>59,339.00</u>	<u>59,339.00</u>