



November 24, 2021

Board of Trustees
Green Island Power Authority
69 Hudson Avenue
Green Island, New York 12183

Dear Members of the Board:

We are pleased to present this report related to our audit of the financial statements of the Green Island Power Authority (Authority) as of and for the year ended May 31, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

This report is intended solely for the information and use of the Board of Trustees and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Authority.

Very truly yours,

BST & Co. CPAs, LLP

A handwritten signature in black ink that reads 'Brendan K. Kennedy'. The signature is written in a cursive style with a long, sweeping tail on the final 'y'.

Brendan K. Kennedy, Partner

BKK/hmk

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REQUIRED COMMUNICATIONS

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated May 3, 2018. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated September 3, 2021 regarding the planned scope and timing of our audit and identified to significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the Summary of Significant Accounting Estimates.



REQUIRED COMMUNICATIONS - CONTINUED

Audit Adjustments and Uncorrected Misstatements

Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the Authority are shown in the list of Recorded Audit Adjustments.

Uncorrected misstatements are summarized in the list of Uncorrected Misstatements.

Observations About the Audit Process

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed with or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Internal Control and Compliance Matters

We have separately communicated significant deficiencies and material weaknesses in internal control over financial reporting identified during our audit of the financial statements, as required by *Government Auditing Standards*. This communication is attached as Exhibit A.

Significant Written Communications Between Management and Our Firm

Copies of material written communications between our firm and the management of the Authority, including the representation letter provided to us by management, are attached as Exhibit B.



SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Authority's May 31, 2021 financial statements:

Significant Accounting Estimates

Allowance for Uncollectible Accounts

Accounting policy	Allowance is based on a review of outstanding amounts on a monthly basis.
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Management's estimation process	Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts.
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Depreciation Expense

Accounting policy	Depreciation is provided for in amounts to relate the cost of depreciable assets to operations.
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Management's estimation process	Depreciation is provided for in amounts to relate the cost of depreciable assets to operations.
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Postemployment Benefits

Accounting policy	Postemployment benefits are reported under the accrual basis, where the expected value of the benefit is actuarially calculated and recognized as a cost over the working lifetime of employees.
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Management's estimation process	Actuarial computations and the resulting postemployment liability as of May 31, 2021 were provided by Armory Associates, LLC, the Authority's independent actuary. These computations were prepared using various assumptions related to retirement age, marital status, mortality, termination rates, healthcare cost trends, and amortization methods.
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Significant Accounting Estimates

Net Pension Liability

Accounting policy

The Authority recognizes its proportionate share of the New York State and Local Employees' Retirement System net pension liability, the related deferred inflows of resources, and the related deferred outflows of resources.

Management's estimation process

The Authority's net pension liability is estimated by the New York State Office of the State Comptroller using census data supplied by participating employers and various actuarial assumptions, including but not limited to, rate of return, mortality, and inflation. The Authority's proportionate percentage of the liability is determined on an annual basis.

We have evaluated management's significant accounting estimates noted above as part of our audit and concluded that management's estimates and the estimation process appear reasonable in the context of the financial statements taken as a whole.



RECORDED AUDIT ADJUSTMENT

Description	Effect - Increase (Decrease)				
	Assets/ Deferred Outflows of Resources	Liabilities/ Deferred Inflows of Resources	Net Position	Revenue	Expense
To correct sale of assets not included in listing	\$ 75,000	\$ -	\$ -	\$ 75,000	\$ -
To adjust postretirement benefit liability	321,121	569,691	-	-	248,570
To adjust net pension liability	39,775	3,766	-	-	(36,009)
To remove penalties charged in error	(50,135)	-	-	(50,135)	-
Statement of Revenues and Expenses and Changes in Net Position Effect	-	-	(187,696)	\$ 24,865	\$ 212,561
Statement of Net Position Effect	\$ 385,761	\$ 573,457	\$ (187,696)		



UNRECORDED AUDIT ADJUSTMENTS

Description	Effect - Increase (Decrease)				
	Assets/ Deferred Outflows of Resources	Liabilities/ Deferred Inflows of Resources	Net Position	Revenue	Expense
Factual misstatement found in expenses that should have been prepaid	\$ 2,337	\$ -	\$ -	\$ -	\$ (2,337)
Projected misstatement found in expenses that should have been prepaid	23,068	-	-	-	(23,068)
Statement of Revenues and Expenses and Changes in Net Position Effect	-	-	25,405	\$ -	\$ (25,405)
Statement of Net Position Effect	\$ 25,405	\$ -	\$ 25,405		



EXHIBIT A
INTERNAL CONTROL MATTERS





Board of Trustees
Green Island Power Authority
Green Island, New York

In planning and performing our audit of the financial statements of the Green Island Power Authority (Authority) as of and for the year ended May 31, 2021, in accordance with 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, we considered the Authority'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 deficiency in design exists when: (a) a control necessary to meet the control objective is missing; or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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.

Following is a description of an identified deficiency in internal control that we determined constitutes a significant deficiency:

Inventory Pricing

Finding: During the current audit it was noted that inventory prices were not being updated as new inventory items were purchased, in accordance with regulations prescribed by the Public Service Commission and U.S. GAAP and as outlined in Note 1i to the financial statements.

Recommendation: To accurately determine and maintain inventory assets in accordance with regulations, we recommend management upgrade the software currently in use to track inventory and related unit costs or develop a manual process to perform this function.

Following is a description of an identified deficiency in internal control that we determined did not constitute a significant deficiency or a material weakness:



Segregation of Duties

Finding: During our current and prior year audits, it was noted that due to limited members of management of the Authority, critical duties are combined and assigned to certain individuals. At the present time, a member of management prepares and signs checks, reconciles bank accounts, and maintains the general ledger. During our audit procedures, we noted that while the majority of cash disbursements are approved by the Board of Trustees prior to payment, certain cash disbursements requiring immediate payment, in addition to certain recurring expenditures, do not require the authorization of the Board of Trustees.

Recommendation: To maintain strong internal control over the cash disbursement process, we recommend at least one member of the Board of Trustees authorize all cash disbursements prior to payment. The Authority should implement controls over expenditures requiring immediate payment, such as a process whereby invoices are approved remotely by a member of the Board of Trustees.

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

BST + Co. CPAs, LLP

Albany, New York
November 24, 2021



EXHIBIT B
SIGNIFICANT WRITTEN COMMUNICATIONS
BETWEEN MANAGEMENT AND OUR FIRM

Representation Letter



GREEN ISLAND POWER AUTHORITY

BILLING OFFICE

20 Clinton Street
Green Island, New York 12183
(518) 272-4790 (Office)
(518) 271-1924 (Fax)

EXECUTIVE OFFICES

69 Hudson Avenue
Green Island, New York 12183
(518) 271-9397 (Office)
(518) 689-9700 (Fax)

ELECTRICAL FACILITIES CENTER

50 Cohoes Avenue
Green Island, New York 12183
(518) 274-5125 (Office)
(518) 274-9040 (Fax)

November 24, 2021

BST & Co. CPAs, LLP
26 Computer Drive West
Albany, New York 12205

This representation letter is provided in connection with your audits of the financial statements of the Green Island Power Authority (Authority), which comprise the statements of net position as of May 31, 2021 and 2020, the related statements of revenues and expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of November 24, 2021:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated May 3, 2018, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectible amounts.
 - b. To reduce obsolete, damaged, or excess inventories to their estimated net realizable values.
 - c. For postretirement benefits other than pensions attributable to employee services rendered through May 31, 2021. As of May 31, 2021, the postretirement obligation was actuarially determined with the assistance of Armory Associates, LLC, the Authority's independent actuary.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.



6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. Arrangements involving restrictions on cash balances have been properly disclosed.
9. We agree with the findings of specialists in evaluating the accrued postretirement benefits and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instruction to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.
10. The net pension liability as of May 31, 2021 and 2020, was actuarially determined by the New York State & Local Retirement System, and subject to audit by KPMG LLP for the verification of employer allocations as of and for the years ended March 31, 2020 and 2019. Management believes that the actuarial methods and assumptions used in the 2020 and 2019 calculations of net pension liability were reasonable, and the related calculations were accurate and in accordance with U.S. GAAP.
11. We have not completed the process of evaluating the effect that will result from adopting the guidance in GASB Statements as discussed in Note 9 to the financial statements. The Authority is, therefore, unable to disclose the effect that adopting the guidance of these GASB statements will have on its net position and the changes in net position when such guidance is adopted.
12. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
13. We have complied with all aspects of laws, regulations, and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the periods of these audits.
14. We have informed you of all uncorrected misstatements.

As of and for the year ended May 31, 2021, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate, to the financial statements. For purposes of this representation, we consider items to be material, regardless of size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Description	Effect - Increase (Decrease)				
	Assets/ Deferred Outflows of Resources	Liabilities/ Deferred Inflows of Resources	Net Position	Revenue	Expense
Factual misstatement found in expenses that should have been prepaid	\$ 2,337	\$ -	\$ -	\$ -	\$ (2,337)
Projected misstatement found in expenses that should have been prepaid	23,068	-	-	-	(23,068)
Statement of Revenues and Expenses and Changes in Net Position Effect	-	-	25,405	\$ -	\$ (25,405)
Statement of Net Position Effect	\$ 25,405	\$ -	\$ 25,405		

Information Provided

15. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audits.
 - c. Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Trustees and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
16. All transactions have been recorded in the accounting records and are reflected in the financial statements.
17. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
18. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
19. We have no knowledge of allegations of fraud or suspected fraud affecting the Authority's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
20. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements received in communications from employees, former employees, analysts, regulators, or others.
21. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
22. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
23. We have disclosed to you the identity of the Authority's related parties and all the related-party relationships and transactions of which we are aware.
24. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Authority's ability to record, process, summarize, and report financial data.

25. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
26. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
27. With respect to the Schedule of Other Postemployment Benefits Liability, the Schedule of Proportionate Share of Net Pension Liability, and the Schedule of Pension Contributions presented as required by GASB to supplement the financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP
 - c. The methods of measurement and presentation have not changed from those used in a prior period.

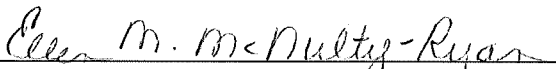
Compliance Considerations

28. In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:
 - a. Is responsible for the preparation and fair presentation of the financial statements in accordance with the U.S. GAAP.
 - b. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the Authority.
 - c. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.
 - d. Is not aware of any programs and related activities subject to the compliance audit.
 - e. Is not aware of any instances laws, regulations, rules, and provisions of contracts or grant agreements that have a direct and material effect on other financial data significant to audit objectives.
 - f. Is not aware of any violations (and possible violations) of laws, rules, and provisions of contracts or grant agreements whose effects should be considered for disclosure in the auditor's report on noncompliance.
 - g. Is responsible 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.
 - h. Acknowledges its responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud.
 - i. Has a process to track the status of audit findings and recommendations.

- j. Has identified for you previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- k. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.
- l. Has provided views on your reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.
- m. Acknowledges its responsibilities as they relate to non-audit services performed by you, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management,, who possesses suitable skill, knowledge, or experience; that it evaluates the adequacy and results of the services performed; that it evaluates the non-attest services of drafting of financial statements and related notes to the financial statements; and that it accepts responsibility for the results of the services.

Very truly yours,

GREEN ISLAND POWER AUTHORITY


Ellen M. McNulty-Ryan, Member Chairperson


Madeline Paterniani, Chief Fiscal Officer