



November 20, 2023

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

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, 2023. 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 about 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 flourish at the end.

Brendan K. Kennedy, Partner

BKK/ldb

TABLE OF CONTENTS

Required Communications.....	1-2
Significant Accounting Estimates.....	3
Recorded Audit Adjustments	4
Unrecorded Audit Adjustments	5

EXHIBITS

Exhibit A - Internal Control Letter.....	6
Exhibit B - Significant Written Communications Between Management and Our Firm	7
• Representation Letter	



REQUIRED COMMUNICATIONS

Auditing standards generally accepted in the United States of America (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 basic 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 September 5, 2023. Our audit of the basic 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 4, 2023 regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under accounting principles generally accepted in the United States of America, 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 identified significant unusual transactions related to the sale of the Hydro Facility. We determined the policies and practices used to account for these transactions were acceptable.

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 Recorded Audit Adjustments.

Uncorrected misstatements are summarized in the attached list of Uncorrected Misstatements. Uncorrected misstatements or matters underlying these uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

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 or were 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.

Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Internal Control and Compliance Matters

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

Significant Written Communications Between Management and Our Firm

Copies of significant 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 summarizes the significant accounting estimates reflected in the Authority's May 31, 2023 financial statements.

Significant Accounting Estimates	
Allowance for Uncollectible Accounts	
Accounting Policy	Allowance is based on a review of outstanding amounts on a monthly basis.
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.
Depreciation Expense	
Accounting Policy	Depreciation is provided for in amounts to relate the cost of depreciable assets to operations.
Management's Estimation Process	Depreciation is provided for in amounts to relate the cost of depreciable assets to operations.
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.
Management's Estimation Process	Actuarial computations and the resulting postemployment liability as of May 31, 2023 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.
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.



RECORDED AUDIT ADJUSTMENTS

Management corrected the following material misstatements that were identified as a result of our audit procedures.

Description	Effect - Increase (Decrease)				
	Assets/ Deferred Outflows of Resources	Liabilities/ Deferred Inflows of Resources	Net Position	Revenue	Expense
To record sale of Hydro Facility	\$ (5,933,404)	\$ (6,045,874)	\$ -	\$ 112,470	\$ -
Statement of Revenues and Expenses and Changes in Net Position Effect	-	-	112,470	112,470	-
Statement of Net Position Effect	<u>\$ (5,933,404)</u>	<u>\$ (6,045,874)</u>	<u>\$ 112,470</u>		



UNCORRECTED MISSTATEMENTS

We identified the following uncorrected misstatements that management has concluded are not, individually or in the aggregate, material to the basic financial statements. We agree with management's conclusion in that regard.

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 in prior year	\$ -	\$ -	\$ 2,337	\$ -	\$ 2,337
Projected misstatement found in expenses that should have been prepaid in prior year	-	-	23,068	-	23,068
Statement of Revenues and Expenses and Changes in Net Position Effect	-	-	(25,405)	-	\$ 25,405
Statement of Net Position Effect	\$ -	\$ -	\$ -		

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, 2023, 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

Latham, New York
November 20, 2023



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 20, 2023

BST & Co. CPAs, LLP
10 British American Blvd
Latham, New York 12110

This representation letter is provided in connection with your audits of the financial statements of Green Island Power Authority (Authority), as of and for the years ended May 31, 2023 and 2022 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 20, 2023:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 5, 2023, 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 controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, 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.
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. Management has followed applicable laws and regulations in adopting, approving, and amending budgets.



9. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.

Financial Statements

10. Provisions for uncollectible receivables have been properly identified and recorded.
11. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated.
12. The government properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88.
13. Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.
14. The Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and appropriately disclosed and that net position is properly recognized under the policy.
15. 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.
16. 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 period of this audit.
17. We have reviewed the GASB Statements effective for the fiscal year ending May 31, 2023, and concluded the implementation of the following Statements did not have a material impact on the basic financial statements:
 - a. GASB Statement No. 87, *Leases*
 - b. GASB Statement No. 91, *Conduit Debt Obligations*
 - c. *GASB Statement No. 92, Omnibus 2020*
 - d. GASB Statement No. 93, *Replacement of Interbank Offered Rates*
 - e. GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Service Code 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and 84, and a Supersession of GASB Statement No. 32*
18. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

19. 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 basic financial statements such as records, documentation and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.

Information Provided - Continued

- 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 or summaries of actions of recent meetings for which minutes have not been prepared.
20. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
21. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.
22. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system 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.
23. We have no knowledge of allegations of fraud or suspected fraud affecting the Authority's basic 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 basic financial statements.
24. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.
25. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
26. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
27. We have disclosed to you the identity of all of the Authority's related parties and all the related-party relationships and transactions of which we are aware.
28. We are aware of no deficiencies in internal control over financial reporting, including significant deficiencies or 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.
29. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
30. 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.

Information Provided - Continued

31. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated plan benefits are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the actuary 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 impact on the independence or objectivity of the plan's actuary.
32. We believe that the information obtained from the audited financial statements of, and other participant information provided by, the New York State and Local Retirement System is appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the plan or its auditor in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan or its auditor.
33. During the course of your audit, 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.

Supplementary Information

34. 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.
 - a. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - b. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

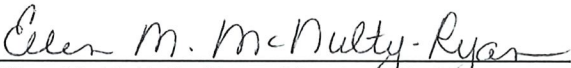
35. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
36. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
37. Is not 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.
38. 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.
39. Acknowledges its responsibility for the design, implementation, and maintenance of controls to prevent and detect fraud.
40. Has taken timely and appropriate steps to remedy identified or suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that the auditor reports.

Compliance Considerations - Continued

41. Has a process to track the status of audit findings and recommendations.
42. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.
43. Has provided views on the auditor's reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.
44. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including 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; 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