

Green Island Power Authority

Report to the Board of Trustees
May 31, 2025



November 3, 2025

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 2025 audit of the Green Island Power Authority's (Authority) financial statements. Our 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 underline that extends to the right.

Brendan K. Kennedy, Partner

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REQUIRED COMMUNICATIONS

The following required communications summarize our responsibilities regarding the financial statement audit as well as observations from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities

We described 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 to you in our arrangement letter dated September 5, 2023. 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.

Planned Scope and Timing of the Audit

We previously issued a separate communication dated July 14, 2025 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 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 attached list of 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.

Significant Matters That Required Consultation

We did not encounter any difficult or contentious matters that required consultation outside the engagement team and that are, in our professional judgment, significant and relevant to your responsibility to oversee the financial reporting process.

Shared Responsibilities for Independence

Independence is a **joint responsibility** and managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and Government Accountability Office (GAO) independence rules. For BST & Co. CPAs, LLP (BST) to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Trustees, and BST each play an important role.



REQUIRED COMMUNICATIONS (CONTINUED)

Our Responsibilities

- AICPA and GAO rules require independence, both of mind and in appearance, when providing audit and other attestation services. BST is to ensure that the AICPA's and the GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The Authority's Responsibilities

- Timely inform BST, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers.
 - Changes in the organizational structure or the reporting entity.
- Understand and conclude on the permissibility prior to the Authority and its officers, directors, or people in a decision-making capacity engaging in business relationships with BST.
- Not entering into arrangements of non-audit services resulting in BST being involved in making management decisions on behalf of the Authority.
- Not entering into relationships resulting in close family members of BST-covered people temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the Authority.

Internal Control and Compliance Matters

We have separately communicated on internal control and compliance over financial reporting identified during our audit of the financial statements as required by *Government Auditing Standards*. This communication, which identified a significant deficiency, is attached as Exhibit A.

Significant Written Communications Between Management and Our Firm

A copy of significant written communications between our firm and the management of the Authority, specifically the representation letter provided to us by management, is 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 its 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, 2025 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 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	Management determines depreciation based on asset groups on a straight-line basis over the estimated useful lives of the property as prescribed by the New York State Department of Public Service, ranging from five to 50 years.
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, 2025 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.



Significant Accounting Estimates (Continued)

Net Pension Liability

Accounting Policy	The Authority recognizes its proportionate share of the New York State and Local Retirement System net pension liability and the related deferred inflows and 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 ADJUSTMENTS

Management corrected the following material misstatement that was identified as a result of our audit procedures:

Description	Effect - Increase (Decrease)				
	Assets/ Deferred Outflows of Resources	Liabilities/ Deferred Inflows of Resources	Net Position	Revenues	Expenses
To record unbilled revenues for May	\$ 223,595	\$ -	\$ -	\$ 223,595	\$ -
Statement of revenues, expenses, and changes in net position effect			223,595	\$ 223,595	\$ -
Statement of net position effect	\$ 223,595	\$ -	\$ 223,595		



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	Revenues	Expenses
To reclassify overpayments	\$ 33,414	\$ 33,414	\$ -	\$ -	\$ -
To record net position impact related to restatement for not recording 2024 unbilled revenues	-	-	62,510	(62,510)	-
Statement of revenues, expenses, and changes in net position effect			(62,510)	<u>\$ (62,510)</u>	<u>\$ -</u>
Statement of net position effect	<u>\$ 33,414</u>	<u>\$ 33,414</u>	<u>\$ -</u>		



Exhibit A
Internal Control Matters





November 3, 2025

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, 2025, 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:

Segregation of Duties

Finding: During our current-year 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 that 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.

Board of Trustees
Green Island Power Authority
November 3, 2025
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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



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 3, 2025

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

This representation letter is provided in connection with your audit of the financial statements of the Green Island Power Authority (Authority), as of and for the year ended May 31, 2025, 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 3, 2025:

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 the 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. The Authority either followed its established accounting policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or followed paragraph 18 of Governmental Accounting Standards Board (GASB) Statement No. 54 to determine the fund balance classifications for financial reporting purposes.
7. 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.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.



9. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
10. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
11. Provisions for uncollectible receivables have been properly identified and recorded.
12. Capital assets, including infrastructure, intangible assets, and right-of-use assets are properly capitalized, reported and, if applicable, depreciated.
13. 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, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*.
14. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
15. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
16. Expenses have been appropriately classified in, or allocated to, functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
17. 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 are available is appropriately disclosed, and net position is properly recognized under the policy.
18. In the audit engagement letter dated September 5, 2023, we requested that you perform the following non-audit services in connection with your audit:
 - a. Draft the financial statements; and
 - b. Prepare the New York Power Authority Report.

With respect to these services:

- a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
19. 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.

20. We have complied with all aspects of laws, regulations, and provisions of contracts and grant 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.
21. We have reviewed the GASB statements effective for the fiscal year ended May 31, 2025 and concluded that the implementation of the following statement did not have a material impact on the basic financial statements:
 - a. GASB Statement No. 101, *Compensated Absences*
22. We have informed you of all uncorrected misstatements.

As of and for the year ended May 31, 2025, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are quantitatively and qualitatively immaterial, both individually and in the aggregate, to the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their 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	Revenues	Expenses
To reclassify overpayments	\$ 33,414	\$ 33,414	\$ -	\$ -	\$ -
To record net position impact related to restatement for not recording 2024 unbilled revenues	-	-	62,510	(62,510)	-
Statement of revenues, expenses, and changes in net position effect			(62,510)	\$ (62,510)	\$ -
Statement of net position effect	\$ 33,414	\$ 33,414	\$ -		

Information Provided

23. 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 audit.
 - c. Unrestricted access to people 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 yet been prepared.
24. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
25. 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.

26. 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.
27. 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.
28. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
29. We are not aware of any pending or threatened litigation, claims or assessments; unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with GASB Codification Section C50, *Claims and Judgments*; or other matters, including gain or loss contingencies, whose effects should be considered when preparing the financial statements.
30. We have disclosed to you the identity of all of the Authority's related parties and all of the related-party relationships and transactions of which we are aware.
31. We have informed you of all 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.
32. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
33. We agree with the findings of the 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 instructions, or cause any instructions to be given, to the 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 impact on the independence or objectivity of the specialists.
34. 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 its work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the actuary.
35. We believe that the information obtained from the audited financial statements of the New York State and Local Retirement System (System) and other participant information provided by the 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.
36. 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

37. With respect to the Schedule of Other Postemployment Benefits Liability, the Schedule of the Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Pension Contributions presented as required by the 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 or presentation have not changed from those used in the prior period.

Compliance Considerations

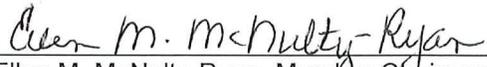
In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

38. Is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
39. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the Authority.
40. Is not aware of any instances of identified or suspected fraud or noncompliance with laws, regulations, provisions of contracts and grant agreements that have a material effect on the financial statements.
41. 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.
42. Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
43. Has a process to track the status of audit findings and recommendations.
44. Has identified for the auditor previous audits, attestation engagements and other studies related to the objectives of the audit and whether related recommendations have been implemented.

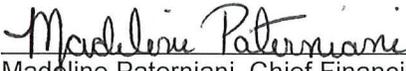
45. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.

Very truly yours,

GREEN ISLAND POWER AUTHORITY



Ellen M. McNulty-Ryan, Member Chairperson



Madeline Paterniani, Chief Financial Officer