

## **DRESCHER & MALECKI LLP**

2721 Transit Road, Suite 111  
Elma, New York 14059  
Telephone: 716.565.2299  
Fax: 716.389.5178



March 24, 2025

To the Board of Directors of the  
Jamestown Local Development Corporation:

We have audited the financial statements of the Jamestown Local Development Corporation (the “Corporation”), a component unit of the City of Jamestown, New York, as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated March 24, 2025. Professional standards require that we advise you of the following matters relating to our audits.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated January 14, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Corporation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding material weaknesses in internal control over financial reporting noted during our audit in separate communications to you dated March 24, 2025.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate; and our firm have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Corporation is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended December 31, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates and Related Disclosures*

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements for the years ended December 31, 2024 and 2023 is the allowance for doubtful accounts.

Management's estimate of the allowance for doubtful accounts is based on past experience, historical trends of collections, and current economic factors. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts and determined that it is reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Corporation's financial statements relate to the allowance for doubtful accounts, related party transactions, and contingencies as described in Notes 7, 9, and 10, respectively.

## **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We encountered no significant unusual transactions throughout our audit.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified material misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The proposed adjusting journal entries for the year ended December 31, 2024, including those material misstatements that we identified as a result of our audit procedures, were brought to the attention of, and corrected by management, are attached to the management representation letter dated March 24, 2025 as Exhibit I (copy attached).

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Corporation's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated March 24, 2025.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings or Issues**

In the normal course of our professional association with the Corporation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Corporation's auditors.

\* \* \* \* \*

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

*Drescher & Malecki LLP*  
March 24, 2025



Kimberly A. Ecklund  
Mayor

March 24, 2025

Drescher & Malecki LLP  
2721 Transit Road, Suite 111  
Elma, NY 14059

This representation letter is provided in connection with your audit of the financial statements of the Jamestown Local Development Corporation (the "Corporation"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities 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").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 24, 2025:

**Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 14, 2025, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
- 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control to prevent and detect fraud.
- 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.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 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.



- There are no identified material uncorrected misstatements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- We have complied with all contractual agreements, grants, and donor restrictions.
- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.
- We have accurately presented the entity's position regarding taxation and tax-exempt status.
- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the financial statements all assets and liabilities under the entity's control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Reclassifications between net asset classes are proper.
- The governing board's interpretations concerning whether laws place restrictions on net appreciation of donor-restricted endowments are reasonable and have been disclosed to you.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.

#### **Information Provided**

- We have provided you with:
  - 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;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the Corporation's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or



Kimberly A. Ecklund  
Mayor

- Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing the financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

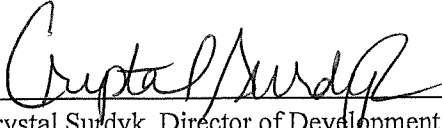
#### Other Specific Representations


- Management has not identified any assets with donor restrictions received by the Corporation during the years ended December 31, 2024 and 2023.
- Management believes that all expenses from grant proceeds are for eligible costs. The grant program is subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenses resulting from such audits could become a liability to the Corporation. While the amount of any expense that may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.
- All Coronavirus State and Local Fiscal Recovery Funds provided by the City of Jamestown, New York (the "City") to the Corporation represents amounts reported under the City's revenue replacement category. As such, management believes no subrecipient relationship exists between the City and the Corporation based on *Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions* (as of March 5, 2024) 13.14.
- We have received and approved the adjusting journal entries that were proposed by you for recording in our books and recorded in the financial statements. We have posted these adjusting journal entries to our records. The proposed adjusting journal entries are presented in Exhibit I.
- Management has evaluated subsequent events through March 24, 2025, which is the date the financial statements are available for issuance, and have determined there are no subsequent events, that require disclosure under generally accepted accounting principles.
- In addition to the audit services, Drescher & Malecki LLP has assisted the Corporation in preparing the Corporation's financial statements for the years ended December 31, 2024 and 2023. With respect to the nonattest services provided, the Corporation has performed the following:
  - Made all management decisions and performed all management functions.
  - Designated John Sellstrom, Financial Coordinator, who we believe has suitable skill, knowledge, and/or experience to oversee this service.



Kimberly A. Ecklund  
Mayor

- Evaluated the adequacy and results of the services performed.
- Evaluated and accepted responsibility for the results of the services performed.
- Established and maintained internal controls, including a process to monitor the system of internal control.
- The Corporation's management understands that Drescher & Malecki LLP has not performed any management functions or made management decisions on behalf of the Corporation. Any nonattest services were performed in accordance with the applicable professional standards issued by the American Institute of Certified Public Accountants.
- We affirm the representation made to you in our letter dated March 25, 2024 related to the financial statements as of and for the year ended December 31, 2023, and to the best of our knowledge and belief, no events have occurred subsequent to March 25, 2024 that would require adjustment to, or disclosure in, the aforementioned financial statements.

  
\_\_\_\_\_  
Crystal Surdyk, Director of Development

  
\_\_\_\_\_  
John Selstrom, Financial Coordinator

**Jamestown Local Development Corporation**  
**Proposed Adjusting Journal Entries**  
**Year Ended December 31, 2024**

**Exhibit I**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Adjusting Journal Entries JE # 1</b>			
Adjust accounts receivable at 12/31/2024.			
JLD.1502	Accounts Receivable	\$ 88,235	
JLD.5003	ARPA Income		\$ 88,235
<b>Total</b>		<b><u>88,235</u></b>	<b><u>88,235</u></b>
<b>Adjusting Journal Entries JE # 2</b>			
Adjust accounts payable at 12/31/2024.			
JLD.6394	ARPA expenses	48,827	
JLD.6800	Unearned Revenue	48,827	
JLD.2000	Accounts Payable		48,827
JLD.5003	ARPA Income		48,827
<b>Total</b>		<b><u>97,654</u></b>	<b><u>97,654</u></b>
<b>Adjusting Journal Entries JE # 3</b>			
To write off stale check and deposite in transit.			
JLD.1000	Cash	44	
JLD.6394	ARPA expenses		44
<b>Total</b>		<b><u>44</u></b>	<b><u>44</u></b>
<b>Adjusting Journal Entries JE # 4</b>			
To record interest income not recorded during the year.			
JLD.1404	Cash - Evans bank	31,480	
JLD.5001	Interest income		31,480
<b>Total</b>		<b><u>31,480</u></b>	<b><u>31,480</u></b>
<b>Adjusting Journal Entries JE # 5</b>			
To adjust unearned revenue at 12/31/2024.			
JLD.6800	Unearned Revenue	1,540,893	
JLD.5003	ARPA income		1,540,893
<b>Total</b>		<b><u>\$ 1,540,893</u></b>	<b><u>\$ 1,540,893</u></b>