

March 25, 2024

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, 2023 and 2022, 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 25, 2024:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 17, 2024, 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.



Edward A. Sundquist
Mayor

Jamestown Local Development Corporation

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- 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



- 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, 2023 and 2022.
- 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 will be reported under the revenue replacement category. As such, 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 25, 2024, 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, 2023 and 2022. 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.



- 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 15, 2023 related to the financial statements as of and for the year ended December 31, 2022, and to the best of our knowledge and belief, no events have occurred subsequent to March 15, 2023 that would require adjustment to, or disclosure in, the aforementioned financial statements.



John Sellstrom, Financial Coordinator



**Jamestown Local Development Corporation
Proposed Adjusting Journal Entries
Year Ended December 31, 2023**

Exhibit I

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entries JE # 1			
Adjust unearned revenue at 12/31/2023.			
JLD.5001	Interest income	\$ 650,000	
JLD.5003	ARPA Income	336,819	
JLD.6800	Unearned Revenue		\$ 336,819
JLD.6800	Unearned Revenue		650,000
Total		986,819	986,819
Adjusting Journal Entries JE # 2			
Adjust accounts payable at 12/31/2023.			
JLD.6394	ARPA expenses	198,363	
JLD.6800	Unearned Revenue	198,363	
JLD.2000	Accounts Payable		198,363
JLD.5003	ARPA Income		198,363
Total		\$ 396,726	\$ 396,726

