

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**The Governing Board
Ogdensburg Bridge and Port Authority:**

We have audited, in accordance with the 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, the financial statements of the Ogdensburg Bridge and Port Authority (the Authority), as of and for the year ended March 31, 2024, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated _____, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 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 Authority'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Williamsville, New York
, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Governing Board
Ogdensburg Bridge and Port Authority:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ogdensburg Bridge and Port Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Williamsville, New York
, 2024

OGDENSBURG BRIDGE AND PORT AUTHORITY
Schedule of Expenditures of Federal Awards
Year ended March 31, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Transportation:				
Airport Improvement Program	20.106	N/A	\$ 2,431,172	-
Rail Infrastructure and Safety Improvements	20.325	N/A	279,387	-
Payments for Essential Air Services	20.901	N/A	<u>4,653,270</u>	<u>-</u>
Total U.S. Department of Transportation			7,363,829	-
U.S. Department of Treasury - passed through St. Lawrence County Industrial Development Agency - COVID 19 - Coronavirus State and Local Fiscal Recovery Funds				
	20.106	N/A	<u>9,679</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 7,373,508</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Notes to Schedule of Expenditures of Federal Awards

March 31, 2024

(1) Reporting Entity

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of federal financial assistance programs administered by the Ogdensburg Bridge and Port Authority (the Authority), an entity as defined in the basic financial statements.

(2) Basis of Accounting

The Schedule is presented on the accrual basis of accounting and the amounts presented are derived from the Authority's general ledger. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the Schedule up to such amounts.

(3) Indirect Costs

Indirect costs are included in the reported expenditures to the extent such costs are included in the Federal financial reports used as the source for the data presented. The Authority does use the 10% de minimis rule.

(4) Matching Costs

Matching costs, i.e., the Authority's share of certain program costs, are not included in the Schedule.

(5) Subrecipients

The Authority did not provide any funding to subrecipients during the year ended March 31, 2024.

OGDENSBURG BRIDGE AND PORT AUTHORITY
 Schedule of Findings and Questioned Costs
 Year ended March 31, 2024

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- | | | | |
|--|--------------|---------------|----------|
| 1. Material weakness(es) identified? | ___ Yes | <u>X</u> No | |
| 2. Significant deficiency(ies) identified? | ___ Yes | <u>X</u> None | Reported |
| 3. Noncompliance material to financial statements noted? | <u>X</u> Yes | ___ No | |

Federal Awards:

Internal control over major programs:

- | | | | |
|--|---------|---------------|----------|
| 4. Material weakness(es) identified? | ___ Yes | <u>X</u> No | |
| 5. Significant deficiency(ies) identified? | ___ Yes | <u>X</u> None | Reported |

Type of auditors' report issued on compliance for major programs:

Unmodified

- | | | | |
|--|---------|-------------|--|
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? | ___ Yes | <u>X</u> No | |
| 7. The Authority's major programs were: | | | |

Name of Federal Programs

Assistance Listing
Number

Rail Infrastructure and Safety Improvements	20.325
Payments for Essential Air Services	20.901

- | | |
|---|---------------------|
| 8. Dollar threshold used to distinguish between Type A and Type B programs. | \$ 750,000 |
| 9. Auditee qualified as low-risk auditee? | <u>X</u> Yes ___ No |

Part II - FINANCIAL STATEMENT FINDINGS

See page 48.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No reportable findings or questioned costs.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Schedule of Findings and Questioned Costs, Continued

Part II - FINANCIAL STATEMENT FINDINGS SECTION

Reference: 2024-001

Condition - \$89,354 in Authority funds on deposit were uninsured and uncollateralized as of March 31, 2024 through one financial institution.

Criteria - New York State General Municipal Law §10 requires the Authority to have pledged collateral in place by financial institutions for amounts in deposit in excess of Federal Deposit Insurance Corporation (FDIC) limits.

Effect - Uninsured and uncollateralized funds are at risk of loss and the Authority is not in compliance with General Municipal Law.

Cause - The Authority was unaware that the financial institution was not collateralizing uninsured balances.

Recommendation - We recommend that the Authority work with its financial institution to ensure that appropriate collateral is in place to cover the Authority's uninsured funds on deposit.

Response - See management's response on page 50.

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Status of Prior Year Audit Findings

Year ended March 31, 2024

There were no findings in the prior year financial statements (March 31, 2023).

OGDENSBURG BRIDGE AND PORT AUTHORITY

Corrective Action Plan

Year ended March 31, 2024

Name of Auditee: Ogdensburg Bridge and Port Authority

Name of Audit Firm: EFPR Group, CPAs, PLLC

Period Covered by the Audit: Year ended March 31, 2024

CAP Prepared by: Patricia Nisco, Chief Financial Officer

Phone: 315-393-4080

Audit Finding 2024-001

- (a) Comments on the finding and recommendation: The Authority agrees with the finding. The Authority also agrees with the recommendation. See below for actions taken.
- (b) Actions Taken: Management will reach out to the financial institution to ensure that collateral agreements are in place for deposits that are uninsured. Management will perform a monthly collateral analysis to determine that the collateralization is accurate.
- (c) Anticipated Completion Date: Management anticipates this finding will be resolved by March 31, 2025.