



MEETING OF THE TOWN OF ISLIP
ECONOMIC DEVELOPMENT CORPORATION

February 13, 2024

Minutes

1. Call the meeting of the **Town of Islip Economic Development Corporation** to order on a motion by Angie Carpenter and seconded by Jorge Guadron. Chairwoman Angie Carpenter acknowledges that said motion passed and that a quorum was present. Members also present in addition to Chairwoman Angie Carpenter were, James O'Connor, Jorge Guadron, John Lorenzo and Michael McElwee.
2. To consider the **Adoption of a Resolution** on Behalf of the **Town of Islip Economic Development Corporation** to approve the **Minutes** from the Meeting of the Members of the Town of Economic Development Corporation on January 23, 2024. On a motion by Angie Carpenter and seconded by Michael McElwee said motion was approved 5-0.
3. To consider the **Adoption of an Authorizing Resolution** on behalf of the **Town of Islip Economic Development Agency** to execute a one-year agreement with **PKF O'Connor Davies** to perform the audit for the year ending December 31, 2023. On a motion by James O'Connor and seconded by John Lorenzo said motion was approved 5-0.
4. To consider any other business that may come before the Corporation, there being none the meeting adjourned by a motion by Angie Carpenter and seconded by Michael McElwee.



MEETING OF THE TOWN OF ISLIP
ECONOMIC DEVELOPMENT CORPORATION

January 23, 2024

Minutes

1. Call the meeting of the Town of Islip Economic Development Corporation to order on a motion by James O'Connor and seconded by Jorge Guadron. Chairwoman Angie Carpenter acknowledged that the motion passed and that quorum was present. Members in addition to Chairwoman Angie Carpenter were James O'Connor, Jorge Guadron, John Lorenzo and Michael McElwee.
2. To consider the adoption of a Resolution on Behalf of the Town of Islip Economic Development Corporation to approve the **Minutes** from the Meeting of the Members of the Town of Economic Development Corporation on **October 17, 2023**. On a motion by Jorge Guadron and seconded by John Lorenzo said motion was approved.
3. To consider the **Adoption of a Resolution approving** the **2024 EDC Meeting Schedule** of the Town of Islip Economic Development Corporation. On a motion by Angie Carpenter and seconded by James O'Connor said motion was approved 5-0.
4. To consider the adoption of a **Resolution to Appointing Officers** of the Town of Islip Economic Development Corporation as follows: *John M. Lorenzo., Secretary to the Corporation, James P. O'Connor, Treasurer of the Corporation, John G. Walser Assistant Secretary of the Corporation, John G. Walser, Compliance Officer of the Corporation.* On a motion by Jorge Guadron and seconded by James O'Connor said motion was approved 5-0.
5. To consider the **Adoption of a Resolution** on behalf of the Town of Islip Economic Development Corporation to adopt an **Audit Committee** in compliance with the Public Authority Accountability Act ("PAAA") and to appoint *Michael J. Mc Elwee, John Lorenzo, and Anne Danziger* to that committee. On a motion by John Lorenzo and seconded by Michael McElwee said motion was approved 5-0.
6. To consider the **Adoption of a Resolution** on Behalf of the Town of Islip Economic Development Corporation to adopt a **Finance Committee** in compliance with the Public Authority Accountability Act ("PAAA") and to appoint *John M. Lorenzo., James O'Connor and Robert Kordic* to that committee. On a motion by Jorge Guadron and seconded by James O'Connor said motion was approved 5-0.
7. To consider the **Adoption of a Resolution** on behalf of the Town of Islip Economic Development Corporation to adopt a **Governance Committee** in compliance with the Public Authority Accountability Act ("PAAA") and to appoint *Jorge Guadron, John*

Lorenzo and Taryn Jewell Esq. to that committee. On a motion by John Lorenzo and seconded by Michael McElwee said motion was approved 5-0.

8. To consider the **Adoption of a Resolution** on behalf of the Town of Islip Economic Development Corporation to adopt a **Code of Ethics Policy** in compliance with the Public Authority Accountability Act ("PAAA") and to appoint the Board of Ethics of the Economic Development Corporation as its Ethics Officer. On a motion by James O'Connor and seconded by Jorge Guadron said motion was approved 5-0.
9. To consider the **Adoption of a Resolution** on behalf of the Town of Islip Economic Development Corporation to adopt an **Investment Policy** in compliance with the Public Authority Accountability Act ("PAAA") which shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of the Corporation. On a motion by Jorge Guadron and seconded by Michael McElwee said motion was approved 4-1.
10. To consider the **Adoption of a Resolution** on behalf of the Town of Islip Economic Development Corporation to adopt a **Procurement Policy** in compliance with the Public Authority Accountability Act ("PAAA") which will apply to the procurement for goods and services not subject to the competitive bidding requirements set forth in General Municipal Law Section 103 and which goods and services are paid for and used by the Corporation. On a motion by Jorge Guadron and seconded by James O'Connor said motion was approved 5-1.
11. To consider the **Adoption of a Resolution** on behalf of the Town of Islip Economic Development Corporation to adopt a **Conflict-of-Interest Policy** in compliance with the Public Accountability Act ("PAAA") and amending the by-laws of the Corporation. On a motion by James O'Connor and seconded by Jorge Guadron said motion was approved 5-0.
12. To consider the **Adoption a Resolution** on behalf of the Town of Islip Economic Development Corporation to adopt a **Property Disposition Policy** in compliance with the Public Authority Accountability Act ("PAAA"). On a motion by John Lorenzo and seconded by Michael McElwee said motion was approved 5-0.
13. To consider the **Adoption of a Resolution** on behalf of the Town of Islip Economic Development Corporation to adopt the **Travel Authorization and Mileage Reimbursement** guidelines as stated in the Town of Islip Administrative Procedures Manual, Section 303, as recommended by the New York State Authorities Budget Office. On a motion by Angie carpenter and seconded by James O'Connor said motion was approved 5-0.
14. To consider any other business that may come before the corporation, there being none the meeting adjourned on a motion by James O'Conner and seconded by Jorge Guadron.

February 13, 2024

WHEREAS, the Town of Economic Development Corporation (“EDC”) has identified a need to secure professional auditing and accounting services; and

WHEREAS, the EDC along with the Industrial Development Agency and the Foreign Trade Zone prepared and advertised an RFP for Professional Auditing and Accounting Services; and

WHEREAS, proposals were opened on February 24, 2022, after due public notice and advertising; and

WHEREAS, upon review of the proposals, PFK O’Connor Davies, LLP, located at 25 Suffolk Court, Hauppauge, New York 11788, was the apparent lowest responsible proposer with a proposal price of \$5,000.00 for an audit of the year ending December 31, 2023; and

WHEREAS, PFK O’Connor Davies, LLP, has been determined to be a responsible proposer; and

WHEREAS, the Executive Director of the IDA, John Walser, hereby recommends awarding the proposal to PFK O’Connor Davies, LLP.

NOW, THEREFORE, on a motion by, James O’Connor and seconded by John Lorenzo, said motion was approved.

RESOLVED, that the Town of Islip EDC Board hereby approves the selection of PFK O’Connor Davies, LLP, to provide professional auditing and accounting services for the EDC for an amount of \$5,000.00 for an audit of the year ending December 31, 2023, and authorizes the

Supervisor as Chairman of the EDC Board to execute all documents attendant thereto; and be it

FURTHER RESOLVED, that the Comptroller is authorized to make the account entries necessary to amend the budget in accordance with the terms of this resolution.

UPON A VOTE BEING TAKEN, Approved 5-0

January 8, 2024

Board of Directors
Town of Islip Economic Development Corporation
Islip, New York

This letter sets forth our understanding of the terms and objectives of our engagement, and the nature and scope of the services we will provide to the Town of Islip Economic Development Corporation (the "Corporation"), a component unit of the Town of Islip, New York.

Audit Scope and Objectives

We will audit the Corporation's statements of the business-type activities, which collectively comprise the basic financial statements of the Corporation as of and for the year ended December 31, 2023 and issue our report thereon as soon as reasonably possible after completion of our work.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the Corporation's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Corporation's RSI in accordance with auditing standards generally accepted in the United States of America, ("US GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The following RSI is required by accounting principles generally accepted in the United States ("US GAAP") and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud, error, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Corporation or to acts by management or employees acting on behalf of the Corporation; and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP.

PKF O'CONNOR DAVIES, LLP
878 Veterans Memorial Highway, 4th Floor, Hauppauge, NY 11788 | Tel: 631.434.9500 | Fax: 631.434.9518 | www.pkfod.com

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Audit Scope and Objectives (continued)

Because the determination of abuse is subjective, *Government Auditing Standards* issued by the Comptroller General of the United States ("GAGAS") do not expect auditors to provide reasonable assurance of detecting abuse. 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 and GAGAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct the audit in accordance with US GAAS and GAGAS and will include tests of accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with US GAAS and GAGAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may exist and not be detected by us even though the audit is properly planned and performed in accordance with US GAAS and GAGAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets and any material abuse that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

The objective for our audit also includes reporting on:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with GAGAS.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Corporation's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to GAGAS.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also include, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement when required based on our professional judgement.

After our planning is complete, we will communicate to management and those charged with governance, the significant risk(s) of material misstatement identified in our audit planning.

Audit Procedures – Internal Control

We will obtain an understanding of the Corporation and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to prevent and detect misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to GAGAS. An audit is also not designed to identify significant deficiencies or material weaknesses. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Corporation's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report.

Reporting

We will issue a written report upon completion of our audit of the Corporation's financial statements and written reports required with audits performed in accordance with GAGAS. Our reports will be addressed to those charged with governance of the Corporation. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by GAGAS.

We will also communicate with those charged with governance any (a) fraud involving senior management and other fraud that causes a material misstatement of the financial statements; (b) violations of laws or governmental regulations that come to our attention (unless they are clearly inconsequential); (c) disagreements with management and other serious difficulties encountered in performing the audit; and, (d) various matters related to the Corporation's accounting policies and financial statements.

Other Services

We will also assist in preparing the financial statements of the Corporation in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements, including all disclosures, and RSI, in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Responsibilities of Management for the Financial Statements (continued)

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management's responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the RSI in accordance with US GAAP; (2) you believe the RSI, including its form and content, is fairly presented in accordance with US GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the RSI.

Management is responsible for management decisions and assuming all management responsibilities; for designating an individual with suitable skill, knowledge, and/or experience to oversee assistance with preparing the financial statements, proposed journal entries, other non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Corporation involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Corporation received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the Corporation complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

In order to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements, management is responsible for establishing and maintaining effective internal control, including internal control over compliance, and for evaluating and monitoring ongoing activities.

Management's responsibilities also include identifying any significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations, as applicable. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the audit objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies.

Responsibilities of Management for the Financial Statements (continued)

The Corporation is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

It is expected that a portion of the audit will be conducted remotely. Management is responsible for ensuring that all electronically provided documents and records are complete and accurate reproductions of the original documents and records. For any part of the engagement performed on premises, management is responsible for ensuring that all applicable safeguards are in place in accordance with Centers for Disease Control guidance and any state and local regulations and guidelines. PKF O'Connor Davies holds the right to not perform work onsite if we consider the onsite conditions unsafe for any reason. Management, in coordination with PKF O'Connor Davies, is responsible to arrange for alternative methods for audit procedures that must be performed on the Corporation's or a third-party's premises.

At the conclusion of the engagement, we will request from management written confirmation concerning representations made to us in connection with the audit. The representation letter, among other things, will confirm management's responsibility for: (1) the preparation of the financial statements in conformity with US GAAP, (2) the availability of financial records and related data, and (3) the completeness and availability of all minutes of board meetings. Management's representation letter will further confirm that: (1) the effects of any uncorrected misstatements aggregated by us during the engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole, and (2) we have been informed of, or that there were no incidences of, fraud involving management or those employees who have significant roles in the Corporation's internal control. You will also be required to acknowledge in the management representation letter, when applicable, our assistance with preparation of the financial statements, RSI and that you have reviewed and approved the financial statements, and RSI, and related notes prior to their issuance and have accepted responsibility for them. We will place reliance on these representations in issuing our report.

In the event that we become obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, as a direct or indirect result of an intentional, knowing or reckless misrepresentation or provision to us of inaccurate or incomplete information by the Corporation or, any elected official, member of management or employee thereof in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us against such obligations.

To the best of your knowledge, you are unaware of any facts which might impair our independence with respect to this engagement.

The financial statements are the property of the Corporation and can be reproduced and distributed as management desires. However, you must notify us in advance and obtain our approval if you intend to make reference to our firm in a document that includes our auditors' report on the financial statements. Because our engagement does not contemplate the foregoing, there may be an additional fee in connection with our review of any such documents. In the event our auditor/client relationship has been terminated when the Corporation seeks such consent, we will be under no obligation to grant such consent or approval.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Responsibilities of Management for the Financial Statements (continued)

We understand that your accounting department personnel will assist us to the extent practicable in completing the audit. They will provide us with detailed trial balances, supporting schedules, and other information we deem necessary. A list of these schedules and other items of information will be furnished to you before we begin the audit. The timely and accurate completion of this information is an essential condition to our completion of the audit and the issuance of the audit report.

We keep documents related to this engagement in accordance with our records retention policy and applicable regulations or for any additional period requested by the applicable cognizant agency. If we are aware that the Corporation is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. We do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. It is our understanding that management has designated qualified individuals with the necessary expertise to be responsible and accountable for overseeing the acceptance and processing of such journal entries.

Non-Reliance on Oral Advice

It is our policy to put all advice on which a client intends to rely in writing. We believe that is necessary to avoid confusion and to make clear the specific nature and limitations of our advice. You should not rely on any advice that has not been put in writing by our firm after a full supervisory review.

Electronic and Other Communication

During the course of the engagement, we may communicate with you or with Corporation personnel via fax or e-mail. You should be aware that communication in those media may be unsafe to use and contains a risk of misdirection and/or interception by unintended third parties, or failed delivery or receipt. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail or other electronic transmissions, including any consequential, incidental, direct, indirect or special damages.

Access to Working Papers

During the course of this engagement, we will develop files of various documents, schedules and other related engagement information known as our working papers. As we are sure you can appreciate, these working papers may contain confidential information and our firm's proprietary data. You understand and agree that these working papers are, and will remain, our exclusive property. Except as discussed below, any requests for access to our working papers will be discussed with you before making them available to requesting parties:

- (1) Our firm, as well as other accounting firms, participates in a peer review program covering our audit and accounting practices. This program requires that once every three years we subject our system of quality control to an examination by another accounting firm. As part of this process, the other firm will review a sample of our work. It is possible that the work we perform for you may be selected for review. If it is, the other firm is bound by professional standards to keep all information confidential.

Access to Working Papers (continued)

- (2) We may be requested to make certain working papers available to regulators pursuant to authority given to them by law, regulation or subpoena. Such regulators may include (i) a federal agency providing direct or indirect funding or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities; (ii) the American Institute of Certified Public Accountants; and (iii) the State Board of Accountancy. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to them. The regulator may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

Fees and Billing

We agree that our fee including expenses will not exceed \$5,500. The fee is based on anticipated cooperation from your personnel, audit condition of the books and records and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

The fee is based on anticipated cooperation from your personnel, audit condition of the books and records and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Our fees for these services are due and payable upon presentation. Invoices for additional amounts that may be incurred for these, and other services will be rendered as such work progresses and are also payable upon presentation.

Liability

Any and all claims by the Corporation arising under this engagement must be commenced by the Corporation within one year following the date on which our firm delivered our report on the financial statements associated with this engagement, or the date the Corporation is informed of the engagement's termination in the event our report is not delivered, for any reason.

Our firm's maximum liability to the Corporation for any reason relating to the services under this letter shall be limited to three times the fees paid to the firm for the services or work product giving rise to liability, except to the extent it is finally determined that such liability resulted from the willful or intentional misconduct or fraudulent behavior of the firm. In no event shall the firm be liable to the Corporation, whether a claim be in tort, contract or otherwise, for any consequential, indirect, lost profit or similar damages.

You agree to reimburse our firm, its partners, principals and employees, to the fullest extent permitted by law for any expense, including compensation for our time at our standard billing rates and reimbursement for our out-of-pocket expenses and reasonable attorneys' fees, incurred in complying with or responding

Liability (continued)

to any request (by subpoena or otherwise) for testimony, documents or other information concerning the Corporation by any governmental agency or investigative body or by a party in any litigation or dispute other than litigation or disputes involving claims by the Corporation against the firm. This agreement will survive termination of this engagement.

Dispute resolution

Any claim or controversy ("dispute") arising out of or relating to this engagement, the services provided thereunder, or any other services provided by or on behalf of the firm or any of its subcontractors or agents to the Corporation or at its request (including any dispute involving any person or entity for whose benefit the services in question are or were provided), shall first be submitted in good faith for mediation administered by the American Arbitration Association ("AAA") under its Mediation Rules. Each party shall bear its own costs in the mediation. Absent an agreement to the contrary, the fees and expenses of the mediator shall be shared equally by the parties.

If the dispute is not resolved by mediation within 90 days of its submission to the mediator, then, and only then, the parties shall submit the dispute for arbitration administered by the American Arbitration Association under its Professional Accounting and Related Services Dispute Resolution Rules (the "Rules"). The arbitration will be conducted before a single arbitrator selected from the AAA's Panel of Accounting Professionals and Attorneys and shall take place in New York, New York.

Any discovery sought in connection with the arbitration must be expressly approved by the arbitrator upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitrator may disclose the existence, content or result of the arbitration only as expressly provided by the Rules.

The arbitrator shall issue his or her final award in a written and reasoned decision to be provided to each party. In his or her decision, the arbitrator will declare one party the prevailing party. The arbitrator shall have the power to award to the prevailing party reasonable legal fees associated with the arbitration and prior mediation. The arbitrator shall have no authority to award non-monetary or equitable relief of any sort. The arbitrator shall not have authority to award damages that are punitive in nature, or that are not measured by the prevailing party's actual compensatory loss.

The award reached as a result of the arbitration will be binding on the parties and confirmation of the arbitration award may be sought in any court having jurisdiction.

Any claim by our firm seeking payment of our fees and disbursements related to this engagement and the services provided hereunder shall be brought in a federal or state court of appropriate jurisdiction sitting without a jury. **YOU AND OUR FIRM IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING RELATED TO NON-PAYMENT OF ANY OF OUR FEES AND DISBURSEMENTS.**

This engagement will be governed by the laws of the State of New York, without giving effect to any provisions relating to conflict of laws that would require the laws of another jurisdiction to apply.

Corporate Transparency Act/Beneficial Ownership Reporting

Assisting you with compliance with the Corporate Transparency Act ("CTA"), if applicable, including beneficial ownership information ("BOI") reporting, is not within the scope of this engagement. You have sole responsibility for determining whether compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information, is applicable, and if so, for your compliance. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

Hosting Services

In order to maintain our independence in accordance with the AICPA's Code of Professional Conduct, we cannot host or maintain any client information. You are expected to retain all financial and non-financial information including anything you upload to a portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time.

You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

Employment of Firm Partner or Professional Employee

The Corporation acknowledges that hiring current or former PKF O'Connor Davies personnel participating in the engagement may be perceived as compromising our objectivity, and depending on the applicable professional standards, impairing our independence in certain circumstances. Accordingly, prior to entering into any employment discussions, with such known individuals, you agree to discuss the potential employment, including any applicable independence ramifications, with the engagement partner responsible for the services.

In addition, during the term of this Engagement Letter and for a period of one (1) year after the services are completed, we both agree not to solicit, directly or indirectly, or hire the other's personnel participating in the engagement without express written consent. If this provision is violated, the violating party will pay the other party a fee equal to the hired person's annual salary in effect at the time of the violation to reimburse the estimated costs of hiring and training replacement personnel.

Confirmation and other

Brian Petersen is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

GAGAS require that we provide you with a copy of our most recent external peer review report, and any subsequent peer review reports received during the period of the contract. Our latest peer review report accompanies this letter.

We will provide copies of our reports to the Corporation; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Town of Islip Economic Development Corporation
January 8, 2024

Confirmation and other (continued)

Our audit engagement for each year ends on delivery of our audit report covering that year. Requests for services other than those included in this engagement letter will be agreed upon separately.

PKF O'Connor Davies LLP ("LLP") and PKF O'Connor Davies Advisory LLC ("Advisory") practice in an alternative practice structure in accordance with applicable law, regulations and professional standards. LLP provides attest services to its clients. Advisory is not a registered CPA firm and does not provide audit or attest services. LLP has a contractual arrangement with Advisory, whereby Advisory provides LLP with professional and support personnel to perform professional services on behalf of LLP. In connection with our services, we may share information that we currently have and/or receive in the future between LLP and Advisory.

Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent for LLP, Advisory and its employees to share confidential information between LLP and Advisory. LLP and Advisory have policies in place that require their employees to maintain as confidential all client information that is not otherwise publicly available.

All rights and obligations set forth herein shall become the rights and obligations of any successor firm to PKF O'Connor Davies, LLP by way of merger, acquisition or otherwise.

If this letter correctly expresses your understanding of the terms of our engagement, including our respective responsibilities, please sign the enclosed copy where indicated and return it to us.

We are pleased to have this opportunity to serve you.

Very truly yours,

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Enc.

The services and terms described in the foregoing letter are in accordance with our requirements and are acceptable to us.

Town of Islip Economic Development Corporation
January 8, 2024

TOWN OF ISLIP ECONOMIC DEVELOPMENT CORPORATION

MANAGEMENT SIGNATURE: _____

TITLE: _____

DATE: _____

GOVERNANCE SIGNATURE: _____

TITLE: _____

DATE: _____

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

January 8, 2024

Board of Directors
Town of Islip Economic Development Corporation
Islip, New York

This letter sets forth our understanding of the terms and objectives of our engagement, and the nature and scope of the services we will provide to the Town of Islip Town of Islip Economic Development Corporation (the "Corporation").

Audit Scope and Objectives

We will audit the Corporation's Schedule of Cash and Investments and related notes, which collectively comprise the Schedule of the Corporation as of December 31, 2023 and issue our report thereon as soon as reasonably possible after completion of our work.

The objectives of our audit are to obtain reasonable assurance as to whether the Schedule is free from material misstatement, whether due to fraud, error, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Corporation or to acts by management or employees acting on behalf of the Corporation; and issue an auditors' report that includes our opinion about whether your Schedule is fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Because the determination of abuse is subjective, *Government Auditing Standards* issued by the Comptroller General of the United States ("GAGAS") do not expect auditors to provide reasonable assurance of detecting abuse. 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 auditing standards generally accepted in the United States ("US GAAS") and GAGAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the Schedule.

Auditors' Responsibilities for the Audit of the Schedule

We will conduct the audit in accordance with US GAAS and GAGAS and will include tests of accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with US GAAS and GAGAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the Schedule, including the disclosures, and determine whether the Schedule represents the underlying transactions and events in a manner that achieves fair presentation.

PKF O'CONNOR DAVIES, LLP
878 Veterans Memorial Highway, Hauppauge, NY 11788 | Tel: 631.434.9500 | Fax: 631.434.9518 | www.pkfod.com

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Auditors' Responsibilities for the Audit of the Schedule (continued)

We will plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Corporation or to acts by management or employees acting on behalf of the Corporation.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may exist and not be detected by us even though the audit is properly planned and performed in accordance with US GAAS and GAGAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the Schedule. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets and any material abuse that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

The objective for our audit also includes reporting on:

- Internal control related to the Schedule and compliance with certain provisions of laws, regulations, contracts, and grant agreements, investment policies established by the Corporation and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the Schedule, in accordance with GAGAS.

As part of obtaining reasonable assurance about whether the Schedule is free of material misstatement, we will perform tests of the Corporation's compliance with the provisions of applicable laws, regulations, contracts, agreements, grants, and investment policies established by the Corporation and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities for the year ending December 31, 2023*. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to GAGAS.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also include, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, compliance with collateral requirements, and may include direct confirmation of cash correspondence with selected creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement when required based on our professional judgement.

After our planning is complete, we will communicate to management and those charged with governance, the significant risk(s) of material misstatement identified in our audit planning.

Audit Procedures – Internal Control

We will obtain an understanding of the Corporation and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the Schedule, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and GAGAS.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the Schedule and to prevent and detect misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the Schedule. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to GAGAS. An audit is also not designed to identify significant deficiencies or material weaknesses. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the Schedule that we have identified during the audit.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the Schedule is free of material misstatement, we will perform tests of the Corporation's compliance with the provisions of applicable laws, regulations, contracts, agreements, grants and investment policies established by the Corporation and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report.

Reporting

We will issue a written report upon completion of our audit of the Corporation's Schedule. Our report will be addressed to those charged with governance. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the Schedule and compliance with certain provisions of laws, regulations, contracts, and grant agreements, investment policies established by the Corporation and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the Schedule, noncompliance with which could have a material effect on the Schedule as required by GAGAS.

Reporting (continued)

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. The report will also state that the report is not suitable for any other purpose.

We will also communicate with those charged with governance any (a) fraud involving senior management and other fraud that causes a material misstatement of the Schedule; (b) violations of laws or governmental regulations that come to our attention (unless they are clearly inconsequential); (c) disagreements with management and other serious difficulties encountered in performing the audit; and, (d) various matters related to the Corporation's accounting policies and Schedule.

Other Services

We will also assist in the preparation of the Schedule in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services defined above. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Schedule

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the Schedule, including all disclosures, in conformity with US GAAP.

Management is responsible for making drafts of the Schedule, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the Schedule, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the Schedule and related matters.

Your responsibilities include adjusting the Schedule to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Schedule.

Management is responsible for management decisions and assuming all management responsibilities; for designating an individual with suitable skill, knowledge, and/or experience to oversee the assistance with preparation of the Schedule and proposed adjustments and any other non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Responsibilities of Management for the Schedule (continued)

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Corporation involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the Schedule. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Corporation received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the Corporation complies with applicable laws, regulations, contracts, agreements, grants and investment policies established by the Corporation and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities* and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

In order to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements, management is responsible for establishing and maintaining effective internal control, including internal control over compliance, and for evaluating and monitoring ongoing activities.

Management's responsibilities also include identifying any significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the audit objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Corporation is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

It is expected that a portion of the audit will be conducted remotely. Management is responsible for ensuring that all electronically provided documents and records are complete and accurate reproductions of the original documents and records. For any part of the engagement performed on premises, management is responsible for ensuring that all applicable safeguards are in place in accordance with Centers for Disease Control guidance and any state and local regulations and guidelines. PKF O'Connor Davies, LLP holds the right to not perform work onsite if we consider the onsite conditions unsafe for any reason. Management, in coordination with PKF O'Connor Davies, LLP, is responsible to arrange for alternative methods for audit procedures that must be performed on the Corporation's or a third-party's premises.

At the conclusion of the engagement, we will request from management written confirmation concerning representations made to us in connection with the audit. The representation letter, among other things, will confirm management's responsibility for: (1) the preparation of the Schedule in conformity with US GAAP, (2) the availability of financial records and related data, and (3) the completeness and availability of all minutes of board meetings. Management's representation letter will further confirm that: (1) the effects of any uncorrected misstatements aggregated by us during the engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate to the Schedule, and (2) we have been informed of, or that there were no incidences of, fraud involving management or those employees who have significant roles in the Corporation's internal control.

Responsibilities of Management for the Schedule (continued)

You will also be required to acknowledge in the management representation letter, when applicable, our assistance with preparation of the Schedule and that you have reviewed and approved the Schedule and related notes prior to their issuance and have accepted responsibility for them. We will place reliance on these representations in issuing our report.

In the event that we become obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, as a direct or indirect result of an intentional, knowing or reckless misrepresentation or provision to us of inaccurate or incomplete information by the Corporation or, any elected official, member of management or employee thereof in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us against such obligations.

To the best of your knowledge, you are unaware of any facts which might impair our independence with respect to this engagement.

The Schedule is the property of the Corporation and can be reproduced and distributed as management desires. However, you must notify us in advance and obtain our approval if you intend to make reference to our firm in a document that includes our auditors' report on the Schedule. Because our engagement does not contemplate the foregoing, there may be an additional fee in connection with our review of any such documents. In the event our auditor/client relationship has been terminated when the Corporation seeks such consent, we will be under no obligation to grant such consent or approval.

With regard to the electronic dissemination of the audited Schedule, including the Schedule published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We understand that your accounting department personnel will assist us to the extent practicable in completing the audit. They will provide us with detailed trial balances, supporting schedules, and other information we deem necessary. A list of these schedules and other items of information will be furnished to you before we begin the audit. The timely and accurate completion of this information is an essential condition to our completion of the audit and the issuance of the audit report.

We keep documents related to this engagement in accordance with our records retention policy and applicable regulations or for any additional period requested by the New York State. If we are aware that New York State or the Corporation is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. We do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. It is our understanding that management has designated qualified individuals with the necessary expertise to be responsible and accountable for overseeing the acceptance and processing of such journal entries

Non-Reliance on Oral Advice

It is our policy to put all advice on which a client intends to rely in writing. We believe that is necessary to avoid confusion and to make clear the specific nature and limitations of our advice. You should not rely on any advice that has not been put in writing by our firm after a full supervisory review.

Electronic and Other Communication

During the course of the engagement, we may communicate with you or with Corporation personnel via fax or e-mail. You should be aware that communication in those media may be unsafe to use and contains a risk of misdirection and/or interception by unintended third parties, or failed delivery or receipt. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail or other electronic transmissions, including any consequential, incidental, direct, indirect or special damages.

Access to Working Papers

During the course of this engagement, we will develop files of various documents, schedules and other related engagement information known as our working papers. As we are sure you can appreciate, these working papers may contain confidential information and our firm's proprietary data. You understand and agree that these working papers are, and will remain, our exclusive property. Except as discussed below, any requests for access to our working papers will be discussed with you before making them available to requesting parties:

- (1) Our firm, as well as other accounting firms, participates in a peer review program covering our audit and accounting practices. This program requires that once every three years we subject our system of quality control to an examination by another accounting firm. As part of this process, the other firm will review a sample of our work. It is possible that the work we perform for you may be selected for review. If it is, the other firm is bound by professional standards to keep all information confidential.
- (2) We may be requested to make certain working papers available to regulators pursuant to authority given to them by law, regulation or subpoena. Such regulators may include (i) a federal Corporation providing direct or indirect funding or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities; (ii) the American Institute of Certified Public Accountants; and (iii) the State Board of Accountancy. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to them. The regulator may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

Fees and Billing

The fee for the services described above is incorporated into the overall fee stated in the engagement letter dated January 8, 2024 pertaining to the audit of the Corporation's financial statements as of and for the year ended December 31, 2023.

The fee is based on anticipated cooperation from your personnel, audit condition of the books and records and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Liability

Any and all claims by the Corporation arising under this engagement must be commenced by the Corporation within one year following the date on which our firm delivered our report on the Schedule associated with this engagement, or the date the Corporation is informed of the engagement's termination in the event our report is not delivered, for any reason.

Our firm's maximum liability to the Corporation for any reason relating to the services under this letter shall be limited to three times the fees paid to the firm for the services or work product giving rise to liability, except to the extent it is finally determined that such liability resulted from the willful or intentional misconduct or fraudulent behavior of the firm. In no event shall the firm be liable to the Corporation, whether a claim be in tort, contract or otherwise, for any consequential, indirect, lost profit or similar damages.

Reimbursement

You agree to reimburse our firm, its partners, principals and employees, to the fullest extent permitted by law for any expense, including compensation for our time at our standard billing rates and reimbursement for our out-of-pocket expenses and reasonable attorneys' fees, incurred in complying with or responding to any request (by subpoena or otherwise) for testimony, documents or other information concerning the Corporation by any governmental Corporation or investigative body or by a party in any litigation or dispute other than litigation or disputes involving claims by the Corporation against the firm. This agreement will survive termination of this engagement.

Dispute Resolution

Any claim or controversy ("dispute") arising out of or relating to this engagement, the services provided thereunder, or any other services provided by or on behalf of the firm or any of its subcontractors or agents to the Corporation or at its request (including any dispute involving any person or entity for whose benefit the services in question are or were provided), shall first be submitted in good faith for mediation administered by the American Arbitration Association ("AAA") under its Mediation Rules. Each party shall bear its own costs in the mediation. Absent an agreement to the contrary, the fees and expenses of the mediator shall be shared equally by the parties.

If the dispute is not resolved by mediation within 90 days of its submission to the mediator, then, and only then, the parties shall submit the dispute for arbitration administered by the American Arbitration Association under its Professional Accounting and Related Services Dispute Resolution Rules (the "Rules"). The arbitration will be conducted before a single arbitrator selected from the AAA's Panel of Accounting Professionals and Attorneys and shall take place in New York, New York.

Any discovery sought in connection with the arbitration must be expressly approved by the arbitrator upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitrator may disclose the existence, content or result of the arbitration only as expressly provided by the Rules.

The arbitrator shall issue his or her final award in a written and reasoned decision to be provided to each party. In his or her decision, the arbitrator will declare one party the prevailing party. The arbitrator shall have the power to award to the prevailing party reasonable legal fees associated with the arbitration and prior mediation. The arbitrator shall have no authority to award non-monetary or equitable relief of any sort. The arbitrator shall not have authority to award damages that are punitive in nature, or that are not measured by the prevailing party's actual compensatory loss.

Dispute Resolution (continued)

The award reached as a result of the arbitration will be binding on the parties and confirmation of the arbitration award may be sought in any court having jurisdiction.

Any claim by our firm seeking payment of our fees and disbursements related to this engagement and the services provided hereunder shall be brought in a federal or state court of appropriate jurisdiction sitting without a jury. YOU AND OUR FIRM IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING RELATED TO NON-PAYMENT OF ANY OF OUR FEES AND DISBURSEMENTS.

This engagement will be governed by the laws of the State of New York, without giving effect to any provisions relating to conflict of laws that would require the laws of another jurisdiction to apply.

Corporate Transparency Act/Beneficial Ownership Reporting

Assisting you with compliance with the Corporate Transparency Act ("CTA"), if applicable, including beneficial ownership information ("BOI") reporting, is not within the scope of this engagement. You have sole responsibility for determining whether compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information, is applicable, and if so, for your compliance. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

Hosting Services

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Employment of Firm Partner or Professional Employee

The Corporation acknowledges that hiring current or former PKF O'Connor Davies, LLP personnel participating in the engagement may be perceived as compromising our objectivity, and depending on the applicable professional standards, impairing our independence in certain circumstances. Accordingly, prior to entering into any employment discussions, with such known individuals, you agree to discuss the potential employment, including any applicable independence ramifications, with the engagement partner responsible for the services.

In addition, during the term of this Engagement Letter and for a period of one (1) year after the services are completed, we both agree not to solicit, directly or indirectly, or hire the other's personnel participating in the engagement without express written consent. If this provision is violated, the violating party will pay the other party a fee equal to the hired person's annual salary in effect at the time of the violation to reimburse the estimated costs of hiring and training replacement personnel.

Town of Islip Economic Development Corporation
January 8, 2024

Confirmation and Other

Brian Petersen is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

GAGAS require that we provide you with a copy of our most recent external peer review report, and any subsequent peer review reports received during the period of the contract. Our latest peer review report accompanies this letter.

We will provide copies of our reports to the Corporation; however, management is responsible for distribution of the reports and the Schedule. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Our audit engagement for each year ends on delivery of our audit report covering that year. Requests for services other than those included in this engagement letter will be agreed upon separately.

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All rights and obligations set forth herein shall become the rights and obligations of any successor firm to PKF O'Connor Davies, LLP by way of merger, acquisition or otherwise.

If this letter correctly expresses your understanding of the terms of our engagement, including our respective responsibilities, please sign the enclosed copy where indicated and return it to us.

We are pleased to have this opportunity to serve you.

Very truly yours,

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Enc.

Town of Islip Economic Development Corporation
January 8, 2024

The services and terms described in the foregoing letter are in accordance with our requirements and are acceptable to us.

TOWN OF ISLIP ECONOMIC DEVELOPMENT CORPORATION

MANAGEMENT SIGNATURE:

TITLE:

DATE:

GOVERNANCE SIGNATURE:

TITLE:

DATE:

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