

LAKE CHAMPLAIN – LAKE GEORGE REGIONAL DEVELOPMENT CORPORATION

AUDIT COMMITTEE MEETING

October 7, 2025

Immediately following the LCLGRDC Finance Committee Meeting

Meeting Locations:

Clinton County Legislative Conference Room, 137 Margaret Street #208, Plattsburgh NY 12901

Warren County Committee Room, 1340 US 9, Lake George NY 12845

AGENDA

1. Approval of March 27, 2025 meeting minutes
2. Audit Committee Charter review
3. Self-Evaluation
4. Other

MEMBERS PRESENT

Shannon Thayer (Plattsburgh)

MEMBERS ABSENT

John Strough

Beth Hunt

ALSO PRESENT

Beth Gilles

Kiersten McCane

Sam Blake

Dave O'Brien

Al Nolette

Ms. Gilles determined the committee couldn't establish quorum, so present committee members were dismissed at 2:06 pm.

Respectfully submitted by Kiersten McCane, Operations Coordinator

LAKE CHAMPLAIN – LAKE GEORGE REGIONAL DEVELOPMENT CORPORATION

ASSESSMENT OF INTERNAL CONTROLS

Objective: The importance of an adequate system of internal control is to: (a) promote effective and efficient operations so as to help the authority carry out its mission; (b) provide reasonable, but not absolute, assurance that assets are safeguarded against inappropriate or unauthorized use; (c) promote the accuracy and reliability of accounting data and financial reporting to ensure transactions are executed in accordance with management’s authorization and recorded properly in accounting records; (d) encourage adherence to management’s policies and procedures for conducting programs and operations; and (e) ensure compliance with applicable laws and regulations. Furthermore, a successful system of internal control includes performing an annual assessment to identify potential weaknesses in policies or procedures and to implement corrective actions.

The Lake Champlain – Lake George Regional Development Corporation’s Audit Committee conducts the Assessment of Internal Controls through interviews and document review.

Assigned Risk Levels

RISK FACTOR	High	Medium	Low	Notes
Processing of vouchers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Recommendations for payments of vouchers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Vendor payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Documentation of expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Deposits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Account reconciliation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Records of cash receipt and cash disbursements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Treasurer’s Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
LCLGRDC check storage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Loan Receivables	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

All high-risk factors will be evaluated quarterly
 All medium risk factors will be evaluated every six months
 All low risk factors will be evaluated annually

Assessment of Internal Controls

This statement certifies that the Lake Champlain – Lake George Regional Development Corporation followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2023. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.

Audit Committee Chair: _____

Date: _____

LAKE CHAMPLAIN-LAKE GEORGE
REGIONAL DEVELOPMENT CORPORATION

Financial Statements

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

DRAFT

LAKE CHAMPLAIN-LAKE GEORGE
REGIONAL DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Lake Champlain-Lake George Regional
Development Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lake Champlain-Lake George Regional Development Corporation (the Corporation) (a nonprofit organization) which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to note 5 in the financial statements, which describes management's plan to cease operations. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate 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 within one year after the date of the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 Government Auditing Standards will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, 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.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated _____, 2026 on our consideration of the Corporation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation’s internal control over financial reporting and compliance.

Williamsville, New York
, 2026

LAKE CHAMPLAIN-LAKE GEORGE
REGIONAL DEVELOPMENT CORPORATION
Statements of Financial Position
December 31, 2025 and 2024

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Cash and equivalents	\$ <u>12,994</u>	<u>29,762</u>
<u>Liabilities and Net Assets</u>		
Due to related entity	-	9,532
Net assets without donor restrictions	<u>12,994</u>	<u>20,230</u>
Total liabilities and net assets	\$ <u>12,994</u>	<u>29,762</u>

See accompanying notes to financial statements.

LAKE CHAMPLAIN-LAKE GEORGE
REGIONAL DEVELOPMENT CORPORATION
Statements of Activities
Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenue:		
Interest income from loans to businesses	\$ -	13
Interest income from financial instruments	6	10
Program late fees	-	39
Total revenue	6	62
Expenses:		
Administrative and operating expenses	7,242	3,900
Interest expense	-	25
Total expenses	7,242	3,925
Change in net assets without donor restrictions	(7,236)	(3,863)
Net assets without donor restrictions at beginning of year	20,230	24,093
Net assets without donor restrictions at end of year	\$ 12,994	20,230

See accompanying notes to financial statements.

LAKE CHAMPLAIN-LAKE GEORGE
REGIONAL DEVELOPMENT CORPORATION
Statements of Cash Flows
Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets without donor restrictions	\$ (7,236)	(3,863)
Adjustments to reconcile change in net assets without donor restrictions to net cash used in operating activities:		
Changes in:		
Accrued interest receivable	-	18
Accrued interest payable	-	(20)
Net cash used in operating activities	<u>(7,236)</u>	<u>(3,865)</u>
Cash flows from investing activities - collections on loans receivable	<u>-</u>	<u>2,836</u>
Cash flows from financing activities:		
Repayments on loan payable	-	(29,985)
Cash paid to related entity	<u>(9,532)</u>	<u>-</u>
Net cash used in financing activities	<u>(9,532)</u>	<u>(29,985)</u>
Net change in cash and equivalents	(16,768)	(31,014)
Cash and equivalents at beginning of year	<u>29,762</u>	<u>60,776</u>
Cash and equivalents at end of year	<u>\$ 12,994</u>	<u>29,762</u>
Supplemental schedule of cash flow information - cash paid during the year for interest	<u>\$ -</u>	<u>45</u>

See accompanying notes to financial statements.

LAKE CHAMPLAIN-LAKE GEORGE
REGIONAL DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2025 and 2024

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

The Lake Champlain-Lake George Regional Development Corporation (the Corporation) was incorporated under Sections 402 and 1411 of the Not-For-Profit Corporation Law of New York State. The Corporation's objectives are to promote commercial development within Warren, Washington, Clinton, Essex and Hamilton Counties. These objectives are primarily accomplished by the relending of Farmers Home Administration (FmHA) loans to new or existing businesses located within these five counties.

(b) Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

(c) Basis of Presentation

The Corporation reports information regarding its financial position and activities according to two classifications of net assets: net assets without donor restrictions and net assets with donor restrictions. Net asset without donor restrictions represents resources available for the general support of the Corporation's activities. Net assets with donor restrictions are those whose use has been limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by actions of the Corporation. The Corporation had only net assets without donor restrictions in 2025 and 2024.

(d) Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(e) Cash and Equivalents

For purposes of reporting cash flows, cash includes money market accounts and any highly liquid debt instruments purchased with a maturity of three months or less.

(f) Concentration of Credit Risk

Financial instruments that potentially subject the Corporation to concentration of credit risk consist principally of cash accounts in financial institutions. The Corporation maintains financial instruments at financial institutions which periodically may exceed federally insured limits. At December 31, 2025 and 2024, the Corporation had no amounts in excess of the federally insured limits.

LAKE CHAMPLAIN-LAKE GEORGE
REGIONAL DEVELOPMENT CORPORATION
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Loans Program

(i) Program Description

Loans made available through the FmHA Intermediary Relending Program (IRP). These loans are made available through the Community Economic Development Act as assistance to eligible IRP intermediaries. Under the IRP, interest and fee income earned on the loans to ultimate recipients may be used for operating expenditures of the Corporation. To qualify for a loan through this program, applicants must have applied for and been denied credit at a financial institution. In addition, all loans are required to be secured by some form of collateral.

(ii) Allowance for Credit Losses

The allowance method is derived from a review of Corporation's historical losses based on an aging of receivables and a loan is considered past due (principal and/or interest are 90 days delinquent). Historical losses have been consistent. This estimate is adjusted for management's assessment of current conditions, forecasts of future events, and other factors deemed relevant risk factors. As a result, management has determined that no allowance for credit losses is deemed necessary.

The Corporation writes off receivables when there is information that indicates that there is no possibility of collection. If any recoveries are made from loans receivable previously allowed for, they will be recognized in revenue in the year they are collected. There were no write-offs for the years ended December 31, 2025 and 2024.

(iii) Nonaccrual Status

The Corporation places loans receivable on nonaccrual status using factors similar to those described for loans receivables with an allowance for credit losses. When loans receivable are placed on nonaccrual status, any accrued interest is reversed against interest income from loans to businesses and interest is only recognized to the extent of cash received, or if a loan is taken off nonaccrual status. There were no outstanding loans receivables as of December 31, 2025 and 2024.

(iv) Loan Interest

Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. Interest accrues on loans receivable at 5.0% - 6.5% per annum as detailed in the terms of each loan agreement. Interest income on nonaccrual loans is recognized only to the extent cash payments are received.

LAKE CHAMPLAIN-LAKE GEORGE
REGIONAL DEVELOPMENT CORPORATION
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Income Taxes

The Corporation is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code (the Code). Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize tax-exempt status. GAAP requires management to evaluate tax positions taken by the Corporation and recognize a tax liability if the Corporation has taken an uncertain tax position that more than likely would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Corporation and is not aware of any events that could jeopardize its tax exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements.

(i) Subsequent Events

The Corporation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(2) Liquidity

The Corporation has \$12,994 of cash and equivalents available within one year of the statement of financial position date to meet cash needs for general expenditures.

(3) Related Party Transactions

The Lake Champlain-Lake George Regional Planning Board (the Board) shares certain members of its Board of Directors and is, therefore, considered a related party to the Corporation. In addition, the Corporation shares office space and personnel with the Board and has contracted with them to administer the IRP and to provide other services. The Corporation may be charged a fee for these items. No fees were charged during the years ended December 31, 2025 and 2024. Additionally, the Corporation mistakenly received funds for a loan held by the Board due to an error by the financial institution. This amount is reported as due to related entity in the statements of financial position and amounted to \$9,532 at December 31, 2024. This amount has been repaid during the year ended December 31, 2025.

(4) Functional Expenses

The Corporation's expenses for the years ended December 31, 2025 and 2024, are allocated as follows:

	<u>2025</u>	<u>2024</u>
Program services	\$ -	25
Supporting services	<u>7,242</u>	<u>3,900</u>
	<u>\$ 7,242</u>	<u>3,925</u>

LAKE CHAMPLAIN-LAKE GEORGE
REGIONAL DEVELOPMENT CORPORATION
Notes to Financial Statements, Continued

(5) Future Operations

In 2024, the Corporation determined that it would cease operations within the next two years as part of a planned closure. The Corporation's sole asset is cash and equivalents as of December 31, 2025. There were no liabilities as of December 31, 2025. Accordingly, management has determined that the liquidation basis of accounting is not considered necessary.

**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 Board of Directors
Lake Champlain-Lake George Regional
Development Corporation:

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 Lake Champlain-Lake George Regional Development Corporation (the Corporation) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated _____, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 the 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 Corporation'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 responses as item 2025-001.

Corporation's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Corporation's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Corporation'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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Williamsville, New York
, 2026

INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE INVESTMENT GUIDELINES

The Board of Directors
Lake Champlain-Lake George Regional
Development Corporation:

Report on Investment Compliance

Opinion on Investment Compliance

We have audited the Lake Champlain-Lake George Regional Development Corporation (the Corporation), compliance with the types of compliance requirements identified as subject to audit in Section 2925(3)(f) of the New York State Public Authorities Law (the investment guidelines) that could have a direct and material effect on its investments for the year ended December 31, 2025.

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its investments for the year ended December 31, 2025.

Basis for Opinion on Investment Compliance

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 the investment guidelines. Our responsibilities under those standards and the investment guidelines are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation 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 with the investment guidelines. Our audit does not provide a legal determination of the Corporation'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 Corporation's investments.

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 Corporation'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 investment guidelines 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 Corporation's compliance with the requirements of the investment guidelines as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the investment guidelines, 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 Corporation'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 Corporation'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 investment guidelines, but not for the purpose of expressing an opinion on the effectiveness of Corporation'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.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the investment guidelines and which is described in the accompanying schedule of findings and responses as item 2025-001. Our opinion on compliance is not modified with respect to this matter.

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

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 the investment guidelines 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 investment guidelines 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 the investment guidelines 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 investment guidelines. Accordingly, this report is not suitable for any other purpose.

Williamsville, New York
, 2026

LAKE CHAMPLAIN-LAKE GEORGE
REGIONAL DEVELOPMENT CORPORATION

Schedule of Findings and Responses

Year ended December 31, 2025

(2025-001) Investment Policy

Criteria - New York State Public Authorities Law §2925 requires public authorities to adopt, review and amend annually written investment guidelines.

Condition - The Corporation's investment guidelines do not contain provisions for reporting on the investments or for an annual audit of all investments.

Cause - Lack of a procedural checklist has resulted in the oversight of these standards and provisions missing from the policies.

Effect of Condition - The Corporation is not in compliance with all the provisions of New York State Public Authorities Law §2925.

Recommendation - We recommend management develop standards and provisions for the items missing from their investment policies.

View's of Responsible Officials and Planned Corrective Actions - Management will develop standards and provisions for those missing items and adopt the updated guidelines to be in accordance with New York State Public Authorities Law §2925 by December 31, 2026.

REPORT TO THE BOARD

, 2026

The Board of Directors
Lake Champlain-Lake George Regional
Development Corporation

Dear Board Members:

We have audited the financial statements of Lake Champlain-Lake George Regional Development Corporation (the Corporation) for the year ended December 31, 2025, and have issued our report thereon dated , 2026. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Corporation are described in note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended December 31, 2025, we evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

Significant Disclosures

The financial statement disclosures are neutral, consistent, and clear. The disclosure of future operations in note 5 to the financial statements discusses the Corporation's plans for ceasing operations in the next year.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material uncorrected misstatements detected as a result of our audit procedures.

Disagreements with Management

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Corporation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. The results of our testing disclosed an instance of noncompliance which is describes in the financial statements.

* * * * *

This information is intended solely for the use of the Board of Directors and management of Lake Champlain-Lake George Regional Development Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

EFPR GROUP, CPAs, PLLC