



KPMG LLP
515 Broadway
Albany, NY 12207-2974

June 27, 2024

Members of the Authority
New York State Energy Research and Development Authority
Albany, NY

To the Members of the Authority:

We have audited the basic financial statements of New York State Energy Research and Development Authority and the stand-alone basic financial statements of the Authority's enterprise fund, NY Green Bank, (collectively, the Authority) as of and for the year ended March 31, 2024. Under our professional standards, we are providing you with the accompanying information related to the conduct of our audits.

Our Responsibility Under Professional Standards

We are responsible for forming and expressing opinions about whether the financial statements, that have been prepared by management with the oversight Members of the Authority, are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. We have a responsibility to perform our audit of the financial statements 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. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audits to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected. Our audits do not relieve management or Members of the Authority of their responsibilities.

In addition, in planning and performing our audits of the financial statements, we considered 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 opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

We also have a responsibility to communicate significant matters related to the financial statement audits that are, in our professional judgment, relevant to the responsibilities of Members of the Authority in overseeing the financial reporting process. We are not required to design procedures for the purpose of identifying other matters to communicate to you.

Significant Unusual Transactions

In connection with our audits of the Authority's financial statements, no significant unusual transactions were identified.



Members of the Authority
New York State Energy Research and Development Authority
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Uncorrected and Corrected Misstatements

In connection with our audits of the Authority's financial statements, no uncorrected or corrected financial statement misstatements in the Authority's books and records or financial statement presentation and disclosure omissions were identified as of and for the year ended March 31, 2024.

Auditors' Report

A draft of the auditors' report was provided and discussed with Members of the Authority on June 24, 2024.

Significant Accounting Policies and Practices

In connection with our audits of the Authority's financial statements, no new, or changes in, significant accounting policies and practices were identified.

Qualitative Aspects of Significant Accounting Practices

We have discussed with the Members of the Authority and management our judgments about the quality, not just the acceptability, of the Authority's accounting policies as applied in its financial reporting. The discussions generally included such matters as the consistency of the Authority's accounting policies and their application, and the understandability and completeness of the Authority's financial statements, which include related disclosures.

Significant Accounting Estimates and Significant Financial Statement Disclosures

The preparation of the financial statements requires management of the Authority to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

We evaluated management's estimates, including possible management bias in developing the estimates, and determined that these estimates were reasonable in relation to the financial statements as a whole.

Related Parties

There were no significant findings or issues identified during the audits in connection with the Authority's related parties.

Noncompliance with Laws and Regulations, including Illegal Acts or Fraud

In connection with our audits of the Authority's financial statements, no identified or suspected instances of non-compliance with laws and regulations, including illegal acts or fraud, have come to our attention.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management in performing our audits.

Management's Consultation with Other Accountants

To the best of our knowledge, management has not consulted with other accountants during the year ended March 31, 2024

Consultations

In connection with our audits of the Authority's financial statements, we did not consult outside of the engagement team for any difficult or contentious matters.



Members of the Authority
New York State Energy Research and Development Authority
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Disagreements with Management

There were no disagreements with management on financial accounting and reporting matters that individually or in the aggregate could be significant to the Authority's financial statements, or our reports.

Written Communications

The following summarizes written communications between management and us:

1. Engagement letter
2. Management representation letter

Independence

We are not aware of any circumstances or relationships, that in our professional judgement, may reasonably be thought to bear on independence or to which we gave significant consideration in reaching the conclusion that independence has not been impaired, other than the professional services that have been provided to the Authority.

Affirmation of Independence

In connection with our audits, KPMG and relevant KPMG professionals have complied with relevant ethical requirements regarding independence, as that term is defined by the professional standards.

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This letter to the Members of the Authority is intended solely for the information and use of the Members of the Authority and management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



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515 Broadway
Albany, NY 12207-2974

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

Members of the Authority
New York State Energy Research and Development Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New York State Energy Research and Development Authority (the Authority), a component unit of the State of New York, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Albany, New York
June 27, 2024



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515 Broadway
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Independent Accountants' Examination Report on Compliance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York

Members of the Authority
New York State Energy Research and Development Authority:

Opinion

We have examined New York State Energy Research and Development Authority's (the Authority's) compliance with Section 201.3 of Title Two of the *Official Compilation of Codes, Rules, and Regulations of the State of New York* (Specified Requirements) during the year ended March 31, 2024.

In our opinion, the Authority complied with the Specified Requirements, in all material respects, as of and for the year ended March 31, 2024.

Basis for opinion

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards* issued by the Comptroller General of the United States. We are required to be independent and to meet our other ethical requirements in accordance with relevant ethical requirements related to the engagement. We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Intended Use or Purpose

The purpose of this report is solely to describe the scope and results of our testing of the Authority's compliance with the Specified Requirements. Accordingly, this report is not suitable for any other purpose.

Our opinion is not modified in respect of this matter.

Management's responsibilities

Management of the Authority is responsible for:

- The Authority's compliance with the Specified Requirements;
- designing, implementing and maintaining internal control relevant to compliance with the Specified Requirements;
- identifying the Specified Requirements and selecting or developing suitable criteria (if applicable), including interpreting such requirements when there are varying interpretations;
- evaluating the Authority's compliance with the Specified Requirements; and
- preventing and detecting fraud.



Our responsibilities

The attestation standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards* issued by the Comptroller General of the United States require us to:

- plan and perform the examination to obtain reasonable assurance about whether the Authority complied with the Specified Requirements, in all material respects; and
- express an opinion on the Authority's compliance with the Specified Requirements, based on our examination.

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about whether the Authority complied with the Specified Requirements that is sufficient and appropriate to provide a basis for our opinion. The nature, timing, and extent of the procedures selected depended on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We identified and assessed the risks of material noncompliance through understanding the Specified Requirements and the engagement circumstances. We also obtained an understanding of the internal control relevant to the Authority's compliance with the Specified Requirements in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls. Our examination does not provide a legal determination on the Authority's compliance with the Specified Requirements.

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Albany, New York
June 27, 2024



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June 27, 2024

Members of the Authority
New York State Energy Research and Development Authority
Albany, New York

To the Members of the Authority:

In planning and performing our audit of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New York State Energy Research and Development Authority (the Authority), a component unit of the State of New York, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Authority, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

This communication is intended solely for the information and use of management, Members of the Authority, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP