



LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITOR’S 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**

Board of Directors  
Dutchess County Water & Wastewater Authority  
1 Lagrange Avenue  
Poughkeepsie, New York 12603

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 (“*Government Auditing Standards*”), the financial statements of the Dutchess County Water & Wastewater Authority, a component unit of Dutchess County, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Dutchess County Water & Wastewater Authority’s basic financial statements, and have issued our report thereon dated September 25, 2025.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Dutchess County Water & Wastewater Authority’s internal control over financial reporting (internal control) to determine the 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 Dutchess County Water & Wastewater Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of Dutchess County Water & Wastewater 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Dutchess County Water & Wastewater 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 determination of financial statement amounts. 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 did not disclose any 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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RBT CPAs, LLP*

Newburgh, New York  
September 25, 2025

**DUTCHESS COUNTY WATER & WASTEWATER AUTHORITY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2024**

A. Internal Control Findings

2024-001 Financial Software and Adjustments

Condition: During the fiscal year, the Authority implemented new financial software. Initial conversion of data by the software integrator resulted in misclassifications and errors that caused financial records to be out of alignment with prior-year balances. In order to correct this issue, Authority staff reperformed the conversion by backing out the initial integrator entries and realigning opening balances to the prior system.

Criteria: According to generally accepted accounting principles (GAAP) and sound internal control practices, financial statements should be prepared accurately and supported by reliable schedules and documentation. Management is responsible for ensuring accounting systems are configured properly and produce complete, timely, and accurate financial information.

Cause: The condition arose because the software integrator’s initial conversion was not fully aligned with the Authority’s chart of accounts and reporting needs. In addition, Authority staff had limited training on the software at implementation.

Effect: The Authority’s records were misstated following the initial conversion and at the time the financial statement audit commenced. However, staff performed corrective adjustments and re-established alignment between the new system and prior records before audit testing was completed. The corrections to the system resulted in a significant volume of journal entries to adjust the financial data originally provided to the auditors. As a result of the time required to reperform the conversion and reconcile the account balances, the audit was significantly delayed.

Recommendation: We recommend the Authority (1) continue to refine the financial software configuration to ensure full alignment with GAAP reporting requirements, (2) expand staff training on the system’s reporting and reconciliation features, and (3) continue the progress made in document tracking and reconciliation procedures implemented during the conversion process.

B. Compliance Findings

None Noted