

REPORT TO THE BOARD

April 27, 2020

The Board of Directors
County of Orleans Industrial Development
Agency and Affiliates

Dear Board Members:

We have audited the financial statements of County of Orleans Industrial Development Agency and Affiliates (collectively, the Agency) for the year ended December 31, 2019, and have issued our report dated April 27, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you 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 the Agency are described in note 1 to the financial statements. We noted no transactions entered into by the Agency 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 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. The most sensitive estimate affecting the Agency's financial statements were:

- Management's estimate of the collectability accounts receivable is based on historical trends and current aging of its accounts.
- Pension liability

We evaluated the key factors and assumptions used to develop these estimates in determining that these estimates are reasonable in relation to the financial statements taken as a whole.

Sensitive Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most significant disclosures affecting the financial statements is related party transactions in note 11.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant 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 material misstatements and audit adjustments detected as a result of our audit. These were conveyed to and accepted by management and have been recorded.

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 come 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 the Agency'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 the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. However, we do not express an opinion or provide any assurance on the information.

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This information is intended solely for the use of the Audit Committee, Board of Directors and management of the County of Orleans Industrial Development Agency and Affiliates 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

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