



BUSINESS
ADVISORS
AND CPAS

May 30, 2023

Board of Directors
Town of Bolton Local Development Corporation

We have audited the consolidated financial statements of Town of Bolton Local Development Corporation as of and for the year ended December 31, 2022, and have issued our report thereon dated May 30, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 17, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the consolidated financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and *Government Auditing Standards*. Our audit of the consolidated financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement. An audit of consolidated financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Town of Bolton Local Development Corporation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control deficiencies and material weaknesses noted during our audit in our 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 dated May 30, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Safeguards are in place to eliminate or reduce threats to independence to an acceptable level include a skilled, knowledgeable and experienced members of the Board of Directors who review draft consolidated financial statements prior to issuance and accepts responsibility for them.

Significant Risks Identified

We have identified the following significant risks:

Management override: The concern is that management could manipulate financial reporting.

Revenue recognition: The concern is that revenue will not be properly recognized. This is a significant risk as it would have a material impact on the information that is being presented in the financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Town of Bolton Local Development Corporation is included in Note 2 to the consolidated financial statements. As described in Note 2, the Town of Bolton Local Development Corporation adopted Financial Accounting Standards Board ASU 2016-02 Leases (Topic 842), the adoption of this new ASU had no impact the consolidated financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. We evaluated the key factors and assumptions used by management in determining that accounting estimates are reasonable in relation to the consolidated financial statements taken as a whole.

Financial Statement Disclosures

The consolidated financial statements disclosures are neutral, consistent, and clear.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No such transactions were identified as a result of our audit procedures and brought to the attention of management.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the consolidated financial statements as a whole. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current, as determined by management, are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period consolidated financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the consolidated financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

Other receivables	Overstated	\$15,048
Bad debt expenses	Understated	15,048

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Town of Bolton Local Development Corporation's consolidated financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested and received certain written representations from management, which are included in the letter dated May 30, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with Town of Bolton Local Development Corporation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Town of Bolton Local Development Corporation's auditors.

Other Matters – *as applicable*

With respect to the consolidating information accompanying the consolidated 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 standards 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 consolidated financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

This report is intended solely for the information and use of the board of directors, and management of Town of Bolton Local Development Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Mengel, Metzger, Barw & Co. LLP

Town of Bolton Local Development Corporation
Summary of Audit Differences
December 31, 2022

	<u>Current Year Over (Under) Statement</u>
Consolidated Statement of Operations and Accumulated Deficit	
Bank charges and merchant fees	<u>\$ 2,475</u>
Cumulative effect on excess of revenue over expenses (before effect of prior year differences)	2,475
Prior year differences	<u>-</u>
Cumulative effect on excess of revenue over expenses (after effect of prior year differences)	<u><u>\$ 2,475</u></u>
 Balance Sheet Misstatements	
Current assets	<u>\$ -</u>
Total Assets	<u><u>\$ -</u></u>
Long-Term liabilities	<u>\$ 2,475</u>
Total Liabilities	<u>2,475</u>
Net Deficit	
Beginning	<u>\$ -</u>
Ending	<u>(2,475)</u>
Total Liabilities and Net Deficit	<u><u>\$ -</u></u>