

Luzerne County Industrial Development Authority
Audit Results
December 31, 2021

Luzerne County Industrial Development Authority
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Required Communications

To the Board of Directors
 Luzerne County Industrial Development Authority

We have audited the financial statements of the Luzerne County Industrial Development Authority for the year ended December 31, 2021 and have issued our report thereon dated July 7, 2022. Professional standards require that we provide you with the following information related to our audit:

Area	Comments
<p>Auditors' Responsibilities Under United States Generally Accepted Auditing Standards and Government Auditing Standards</p>	
<p>In order for those charged with governance to understand the nature of assurance provided by an audit, the auditor should communicate their responsibilities under United States Generally Accepted Auditing Standards and Government Auditing Standards.</p>	<p>As stated in our engagement letter dated June 22, 2021 our responsibility as described by professional standards, is to express an opinion about whether the financial statements are fairly presented, in all material respects in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the Luzerne County Industrial Development Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p> <p>As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Luzerne County Industrial Development Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.</p>

Significant Auditing Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement contract, we will advise management about the appropriateness of accounting policies and their application.

The Authority's significant accounting policies are described in the notes to the financial statements. As part of our audit, we reviewed the accounting policies followed by management in preparing the financial statements. We believe the accounting policies of the Authority are consistent with industry practice and are in accordance with generally accepted accounting principles.

No new accounting policies of significance were adopted and the application of existing polices was not changed during 2021. We noted no transactions entered into by the Authority during 2021 for which there is a lack of authoritative guidance or consensus. In addition, we noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

There are no sensitive estimates in the financial statements.

Audit Adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Appendix A, Summary of Audit Adjustments, summarizes misstatements detected as a result of audit procedures that were corrected by management.

Appendix B, Summary of Proposed but Unrecorded Journal Entries, summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both in individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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.

Other Information in Documents Containing Audited Financial Statements

The auditor has a responsibility with respect to information in a document prepared by the Authority that contains the audited financial statements.

Our responsibility with respect to information in a document that contains the audited financial statements does not extend beyond the financial information identified in our report. We do not have an obligation to perform any procedures to corroborate other information contained in these documents.

Planned Scope and Timing of the Audit

It is the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence. However, communication with those charged with governance may assist in understanding better the consequences of the auditor's work for their oversight activities.

We performed the audit according to the planned scope and timing previously communicated to you in our letter dated June 22, 2021.

Consultation with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's 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

The auditor is required to inform those charged with governance of any major issues, including any discussions regarding the application of accounting principles or auditing standards that were discussed with management in connection with the initial or recurring retention of the auditor.

There were no such matters discussed with management prior to our initial or recurring retention as the Authority's auditors.

Difficulties Encountered in Performing the Audit

The auditor should inform those charged with governance of any difficulties encountered in dealing with management related to the performance and completion of the audit.

We encountered no significant difficulties in dealing with management in performing and completing our audit. Management of the Authority was readily available to provide all schedules and documents necessary to complete the audit.

Management Representations

The auditor is required to inform those charged with governance that certain representations are being requested from management in connection with the audit.

We have requested certain representations from management that are included in the management representation letter dated July 7, 2022.

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

If you have any questions regarding the above, please do not hesitate to call.

Sincerely yours,

Prociak & Associates, LLC

Prociak & Associates, L.L.C.
Certified Public Accountants
Wilkes-Barre, Pennsylvania

Appendix A

The following were adjustments identified by our audit procedures:

<u>Account Number</u>	<u>Description</u>	<u>DR</u>	<u>CR</u>	<u>Net Income Effect</u>
(1)	105 Certificates of deposit		\$ 19,197.49	
	103.05 Mutual funds		\$ 6,312.56	
	103.1 Government Agency bonds		\$ 90.84	
	106 Municipal bonds		\$ 9.35	
	107 Corporate bonds		\$ 138.69	
	490 Unrealized gain/loss	\$ 25,748.93		\$ (25,748.93)
	To record unrealized gain/loss			
(2)	515 Telephone	\$ 125.07		
	506 Office expense		\$ 103.72	
	210 Accounts payable		\$ 21.35	\$ (21.35)
	To record current year accounts payable			
(3)	210 Accounts payable	\$ 178.34		
	515 Telephone		\$ 124.73	
	506 Office expense		\$ 53.61	\$ 178.34
	To reverse prior year accounts payable			

Appendix B

There were no unrecorded proposed journal entries noted during the audit of the financial statements of the Luzerne County Industrial Development Authority as of December 31, 2021.