

March 18, 2021

To the Board of Directors
Nassau County Local Economic Assistance Corporation
Mineola, New York

Re: Auditors' Communication with Those Charged with Governance

We have audited the financial statements of the business-type activities of the Nassau County Local Economic Assistance Corporation (the "Corporation"), a component unit of Nassau County, New York, as of and for the year ended December 31, 2020, and have issued our report thereon dated March 18, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America ("US GAAP"), *Government Auditing Standards and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Uniform Guidance")*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated October 22, 2020. This letter provides additional required communications related to our audit.

Our responsibility under professional standards

Our responsibility is to form and express an opinion about whether the financial statements, which are the responsibility of management, are presented fairly, in all material respects, in conformity with US GAAP. Those individuals charged with governance of the Corporation are responsible for the oversight of the financial reporting process, and our audit does not relieve management and those charged with governance of their respective responsibilities.

Our responsibility for the supplementary information accompanying the financial statements is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

With respect to such supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with US GAAP, 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.

In connection with our audit we performed tests of the Corporation's compliance with certain provisions of laws, regulations, contracts, and grants, 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. Also in accordance with *Uniform Guidance*, we examined, on a test basis, evidence about the Corporation's compliance with the types of compliance requirements described in the "*Uniform Guidance*" applicable to each of its major federal programs for the purpose of expressing an opinion on the Corporation's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on the Corporation's compliance with those requirements.

Qualitative aspects of significant accounting practices

Significant accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the reporting period that had a significant impact on the financial statements. No matters have come to our attention that would require us 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 made by management are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Actual results could differ from those estimates.

Certain accounting estimates are particularly sensitive because of their significance to financial statements and their susceptibility to change. We noted no significant accounting estimates in the financial statements.

Financial statement disclosures

The financial statement disclosures are consistent and clear.

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

Professional standards 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.

We are required to communicate to you misstatements that remain uncorrected, including any related to prior periods, and the effect, if any, that they may have on the opinion in our report, and request their correction. There are no such financial statement misstatements that remain uncorrected.

In addition, we are required to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations requested from management

We have requested certain written representations from management in a separate letter date March 18, 2021.

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 the best of our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other matters discussed with management

We generally discuss with management a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Corporation, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed and our responses thereto were a condition to our retention as auditors.

Auditor independence

We affirm that PKF O'Connor Davies, LLP is independent with respect to the Corporation in accordance with the AICPA's *Code of Professional Conduct*.

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

Yours sincerely,

PKF O'Connor Davies, LLP
Hauppauge, New York
March 18, 2021