

## INTERNAL CONTROL MATTERS

March 19, 2020

To Board of Directors  
New Rochelle Industrial Development Agency

We have completed our audit of the financial statements of the New Rochelle - Industrial Development Agency (the Agency) for the year ended December 31, 2019 and have issued our report thereon, dated March 19, 2020.

In planning and performing our audit of the financial statements of New Rochelle Industrial Development Agency for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered New Rochelle Industrial Development Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

The financial statements and required report include all required communications regarding internal control. During our audit, we became aware of other matters that present opportunities for the organization to improve and we are presenting them here for your consideration.

### **Current year findings**

No new current year findings were noted.

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**Findings reported in the previous year audit**

*Compliance with Public Authorities Accountability Act*

*Observation: The Agency is considered a public authority as defined by New York State; therefore, management is responsible for ensuring compliance with the Public Authorities Accountability Act (PAAA).*

*During the audit, it was noted that the following PAAA requirements were not adhered to;*

*Section 2825(3), Public Authorities Law. Only a political subdivision that is required to adopt a financial disclosure policy under Article 18 of the General Municipal Law is required to establish and follow a financial disclosure policy under the Public Authorities Accountability Act. Article 18 applies to a county, city, town or village with a population of 50,000 or more. These political subdivisions are to adopt a local law, ordinance or resolution setting forth the form of financial disclosure required and identifying the positions and offices to which this disclosure requirement applies. For purposes of financial disclosure, members, officers and employees of a local public authority are considered to be employees of the political subdivision. Public authorities established to benefit a political subdivision with a population of 50,000 or less are exempt from the requirements of Article 18, although such a political subdivision may voluntarily adopt a financial disclosure policy.*

During our testing, we noted that the Agency was unable to provide documentation of the required financial disclosure statement for one board member.

We recommend that the Agency continue to review their compliance with the requirements of the PAAA and monitor adherence to each requirement throughout the year.

**Status at December 31, 2019**

During our testing in the current year, we noted that documentation of the financial disclosure statement form for one board member was not available for our review.

This communication is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the cooperation and the professional conduct of the business office personnel and thank all of the Agency's personnel for the courtesy received during the course of our audit. Should you have any questions regarding the matters presented, we shall be pleased to discuss them at your convenience.

Very truly yours,

BONADIO & CO., LLP