

March 26, 2019

To the Chairman and Members of the
County of Sullivan Industrial Development Agency
Monticello, New York 12701

In planning and performing our audit of the financial statements of the County of Sullivan Industrial Development Agency as of and for the years ended December 31, 2018 and 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the County of Sullivan Industrial Development Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements in accordance with *Government Auditing Standards*, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

The management of the County of Sullivan Industrial Development Agency is responsible for establishing and maintaining an internal control structure. An internal control system consists of five elements: the control environment, risk assessment, information and communication, monitoring, and control activities. Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. This letter does not affect our report dated March 26, 2019 on the financial statements of the County of Sullivan Industrial Development Agency. Certain matters involving the internal control structure and its operation have been discussed verbally with the appropriate administrative personnel. Our comments are summarized as follows:

COMPLIANCE

During our review of the Agency's disbursements we noted two employees who received reimbursements for their health insurance premiums. These payments were not included in the Agency's payroll reports and did not have applicable payroll taxes withheld. This type of transaction should be included in the employees' wages and be subject to all applicable payroll taxes. We recommend that the Agency address this issue with their new payroll service to ensure that it is being reported properly.

Management's Response – The Board is addressing the issue.

Page 2
March 26, 2019

Management has addressed our previous recommendations.

In conclusion, we would like to thank the Staff who assisted us during our examination, and provided us with all the necessary records.

Very truly yours,

A handwritten signature in black ink that reads "Cooper Arias LLP". The signature is written in a cursive, flowing style.

Cooper Arias, LLP