

**TOWN OF AMHERST
INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit
of the Town of Amherst, New York)**

**Communication of Matters Related to Internal Control
Over Financial Reporting and Other Matters
March 2021**

March 2021

To the Board of Directors of the
Town of Amherst Industrial Development Agency:

In planning and performing our audit of the financial statements of the Town of Amherst Industrial Development Agency (the Agency) as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
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COMMUNICATION OF MATTERS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING AND OTHER MATTERS
MARCH 2021

OTHER MATTERS FOR THE CONSIDERATION OF MANAGEMENT

1. SHARED SERVICES AGREEMENT

Observation

Per the shared services agreement between the Agency and the Town of Amherst Development Corporation (the Corporation), the Agency provides administrative and staffing services to the Corporation. The Agency is required to provide an invoice to the Corporation for these services. The agreement does not specify an exact amount or formula for calculating the amount to be invoiced.

Recommendation

We recommend that the Agency develop a mechanism to track time spent by employees on Corporation projects to provide support for invoicing the Corporation based on actual employee time spent. This will ensure that the Corporation expenses accurately reflect the value of administrative services provided by the Agency, since this represents a cost that the Corporation would need to incur if this agreement was not in place.

2. POSTING REPORTS ON PUBLIC AUTHORITY'S WEBSITE

Observation

In accordance with Section 2800 of Public Authorities Law, Authorities are required to post their most recent annual reports and financial statements, budget reports, audit reports, and any other reports provided to the authorities budget office on their own website. During our audit procedures, we noted that the most recent versions of the mission statement and performance measures report and annual report were not available on the Agency's website.

Recommendation

We recommend that the Agency ensures that the most recent version of each required report is uploaded to the Agency's website in a timely manner.