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# JOHN S. TRUSSALO

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## Management Letter

April 26, 2019

To the Members of the Board of Directors  
Jamestown Urban Renewal Agency  
City of Jamestown, New York

In planning and performing the audit of the financial statements of the governmental activities of the Jamestown Urban Renewal Agency, a blended component unit of the City of Jamestown, New York, as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, I 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 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.

My 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 the audit, I did not identify any deficiencies in internal control that I 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, members of the Agency's Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

The following are my comments and suggestions concerning those matters. This letter does not affect my report dated April 26, 2019, on the financial statements of the Jamestown Urban Renewal Agency.

### **OTHER MATTERS**

During the audit, I became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes my comments and suggestions concerning those matters. This letter does not affect my report dated April 26, 2019, on the financial statements of Jamestown Urban Renewal Agency.

I have already discussed these comments and suggestions with management and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

**Long-Range Budget**

Currently, the Agency prepares extensive and well documented annual budgets. The annual budget is a useful tool in helping management guide the Agency toward its objectives during the coming year. However, with the scheduled future budget cuts in federal funding, the Agency's administration revenues will be decreasing. Management should prepare its future expenditure budgets to coincide with the decreased federal funding.

**Recommendation**

A long-range budget should be prepared for periods beyond one year. The preparation of a long range budget will assist management in developing an operational plan to accommodate the decrease in federal funding.

I appreciate the outstanding cooperation received from Agency personnel during the audit process. If you have any questions, or need further assistance regarding implementation of any of the aforementioned items, please feel free to contact me.

Respectfully submitted,

Handwritten signature of John S. Trussalo in black ink, followed by the text "CPA P.C." in a similar script.

**John S. Trussalo, CPA, P.C.**  
**Jamestown, New York**