

MANAGEMENT LETTER

Board of Directors
Schoharie County Industrial Development Agency
Cobleskill, New York

In planning and performing our audit of the financial statements of the Schoharie County Industrial Development Agency (the "IDA") as of and for the year ended June 30, 2017 in accordance with auditing standards generally accepted in the United States of America, we considered the IDA's internal control over financial reporting (internal control) as a basis for designing our audit 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 IDA's internal control. Accordingly, we do not express an opinion on the effectiveness of the IDA'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 IDA'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.

Best Practice Comment

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We noted during our audit that the IDA had a cash balance, with a financial institution, that exceeded the FDIC limits and had funds unsecured by collateral in the amount of \$43,069. We recommend the IDA invest funds with financial institutions that provide collateral for any amounts exceeding FDIC limits.

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

Mastert, Manzanero & Scott, LLP

Oneonta, New York
September 15, 2017