

March 14, 2019

To the Members of Management of
Binghamton Urban Renewal Agency

In planning and performing our audit of the basic financial statements of Binghamton Urban Renewal Agency (the Agency), a blended component unit of the City of Binghamton, New York (the City) as of and for the year ended December 31, 2018, we considered the Agency's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control.

During our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated March 14, 2019 on the basic financial statements of the Agency.

We have already discussed many of these comments and suggestions with various Agency personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This letter is intended solely for the information and use of the Board of Binghamton Urban Renewal Agency and management, and is not intended to be and should not be used by anyone other than these specified parties.

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1. Observation:

Current process for the reconciliation of bank accounts includes the City of Binghamton's Payroll Supervisor recording transactions in Excel and the City of Binghamton's Staff Accountant reconciling that information with bank statements. At this time, no signoffs are maintained to serve as evidence of this key control.

Recommendation:

We recommend that bank reconciliations be performed on a timely basis and signed and dated upon completion. Additionally, an independent individual should review the bank reconciliation on a monthly basis and sign off to indicate the completion of their review. Evidence of this should be documented and retained.