

OTHER INTERNAL CONTROL MATTERS

December 27, 2016

The Board of Directors of the
Utica Urban Renewal Agency:

Dear Board Members:

We have completed our audit of the financial statements of the Utica Urban Renewal Agency (Agency) as of March 31, 2016, and have issued our report thereon, dated December 27, 2016.

In planning and performing our audit of the financial statements of the Agency for the year ended March 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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.

The financial statements include all required communications regarding internal control. During our audit, we became aware of other matters that are not necessary to be reported in the required reports, however, we are presenting them here for your consideration.

Board Member Training

During our audit, we noted that not all Board members have attended training required by the Public Authorities Law. We recommend the Agency implement a protocol to ensure training requirements. This is a repeat comment from 2015.

Indirect Cost Allocations

The City Comptroller annually posts indirect costs based upon a budgeted allocation to the Agency's general ledger and transfers funds without express approval of the Agency Board. We recommend that prior to the allocation being transferred by the City Comptroller's Office, that the Agency officially approve the transaction. This is a repeat comment from 2015.

We would like to acknowledge the cooperation and the professional conduct of the Agency's and Comptroller's Office personnel and thank all of the Agency personnel for the courtesy received during the course of our audit. Should you have any questions regarding the matters presented, we would be pleased to discuss them at your convenience.

Very truly yours,

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