

## OTHER INTERNAL CONTROL MATTERS

June 24, 2019

The Board of Directors  
New York State Olympic Regional Development Authority  
Lake Placid, New York

Dear Board Members:

We have completed our audit of the financial statements of New York State Olympic Regional Development Authority (ORDA) for the year ended March 31, 2019, and have issued our report thereon, dated June 24, 2019.

In planning and performing our audit of the financial statements of New York State Olympic Regional Development Authority for the year ended March 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered New York State Olympic Regional Development Authority'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 ORDA's internal control. Accordingly, we do not express an opinion on the effectiveness of ORDA's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control that we consider to be a material weakness.

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.

The financial statements and required report include all required communications regarding internal control. During our audit, we became aware of other matters that present opportunities for ORDA to improve and we are presenting them here for your consideration.

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**Depreciation Policy – repeat comment**

ORDA manages property, plant and equipment with a software package that is not able to be merged into ORDA's general ledger. At the time an asset is placed into service, the software accounts for depreciation expense on the last day of the fiscal year rather than the date placed in service. Management noted that currently a review is being performed of the accounting process and it is their intent to utilize the capital asset module of ORDA's general ledger software package to ensure proper accounting treatment in the current year.

**Journal Entries**

During our testing of journal entries, we noted that there was not a formal process in place. There are four employees who can make journal entries and the individuals perform review of each other's work; however, evidence of review is not always documented.

To ensure journal entries are accurate and appropriate, we recommend a formal approval process of all journal entries be implemented.

**Future Changes to Accounting Standards**

The Governmental Accounting Standards Board (GASB) is the standard setting body for generally accepted accounting principles for state and local governments. The GASB has issued the following significant statements that may affect ORDA in future years:

**GASB 87 – Leases** – This GASB changes the accounting for all leases. It will require recording of a leased asset and related liability. Effective for the year ending March 31, 2021.

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

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

Very truly yours,

*Bonadio & Co., LLP*

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