

## DRESCHER & MALECKI LLP

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July 6, 2023

Board of Directors of the  
Jamestown Urban Renewal Agency:

In planning and performing our audit of the basic financial statements of the Jamestown Urban Renewal Agency (the “Agency”), a component unit of the City of Jamestown, New York, as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Agency’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control over financial reporting.

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 significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 over financial reporting, 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. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We communicated the material weaknesses identified during our audit in a separate communication dated July 6, 2023.

In addition, during our audit we identified certain matters involving the internal control, other operational matters and future reporting requirements that are presented for your consideration. This letter does not affect our report dated July 6, 2023 on the financial statements of the Agency. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized in Exhibit I.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

*Drescher & Malecki LLP*

July 6, 2023

### ***Real Estate Held for Sale***

The Agency holds title to several real estate properties throughout the City of Jamestown, New York. A listing of these properties was not maintained by the Agency.

We recommend that the Agency develop a policy and procedures to maintain the real estate held for sale listing. This policy should designate an individual from the Agency responsible for tracking acquisitions and sales of real estate during the year. Also, the policy should include the basis for which properties will be recorded on the Agency's records to ensure a consistent and accurate listing.

### **Future Reporting Requirements**

The Governmental Accounting Standards Board ("GASB") has adopted several new pronouncements which may have a future impact upon the Agency. These should be evaluated to determine the extent the Agency will be impacted in future years.

***GASB Statement No. 94***—The Agency is required to implement GASB Statement No. 94, *Public-Public and Public-Private Partnerships and Availability Payment Arrangements*, effective for the fiscal year ending December 31, 2023. The objectives of this Statement are to improve financial reporting by addressing issued related to public-private and public-public partnerships arrangements ("PPPs").

***GASB Statement No. 96***—The Agency is required to implement GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the fiscal year ending December 31, 2023. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users.

***GASB Statement No. 99***—The Agency is required to implement GASB Statement No. 99, *Omnibus 2022*, a portion effective for the fiscal year ending December 31, 2023 and the remaining portion effective for the fiscal year ending December 31, 2024. The objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

***GASB Statement No. 100***—The Agency is required to implement GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the fiscal year ending December 31, 2024. The objectives of this Statement are to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

***GASB Statement No. 101***—The Agency is required to implement GASB Statement No. 101, *Compensated Absences*, effective for the fiscal year ending December 31, 2024. The objectives of this Statement are to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.