



March 26, 2024

To the Board of Directors
County of Chautauqua Industrial Development Agency
Jamestown, New York

We have completed our audit of the Agency's financial statements for the year ended December 31, 2023 and have issued our report thereon dated March 26, 2024. Our audit report expressed an opinion which states that the Agency's financial statements are in accordance with generally accepted accounting principles for governments located in the United States of America. In addition, we have issued a separate report on internal controls over financial reporting and compliance with laws and regulations as required by *Government Auditing Standards*.

In planning and performing our audit of the financial statements of the *County of Chautauqua Industrial Development Agency* for the year ended December 31, 2023, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure and its operation. Except as noted within the body of such report, the Agency generally was in compliance with laws and regulations and maintains a reasonable system of accounting internal controls.

Below is a summary of additional comments which we desire to bring to the board of directors and management's attention involving various matters. Although such matters were not of sufficient nature to be disclosed

Service Contracts

During the current year and previous years, the Agency receives funding from Chautauqua County to foster economic development, some of which originated from the Federal government. It is our understanding that the County has determined the Agency to be a contractor versus a subrecipient under such arrangements. This determination under Uniform Guidance is significant given that contractors are not subject to compliance requirements of the Federal program (remains with the County), whereas a subrecipient is responsible for adherence to applicable Federal program requirements specified in the Federal award. We recommend the two parties continue to review Federal guidelines and consider whether any requirements would apply to the funding given their close relationship.

We would like to take this opportunity to thank the management and staff of the Agency for their assistance and cooperation during the course of our fieldwork. It has been a pleasure to be of service to the *County of Chautauqua Industrial Development Agency*.

Sincerely,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.