

June 10, 2020

To the Supervisor and the
Town Board of the Town of Tuxedo
Tuxedo, New York

In planning and performing our audit of the financial statements of the Town of Tuxedo, New York as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Tuxedo, New York'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 in accordance with *Government Auditing Standards* and, if applicable, the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

The management of the Town of Tuxedo, New York is responsible for establishing and maintaining an internal control structure. An internal control system consists of five elements: the control environment, risk assessment, information and communication, monitoring, and control activities. Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. This letter does not affect our report dated June 10, 2020 on the financial statements of the Town of Tuxedo, New York.

Certain matters involving the internal control structure and its operation, of a more routine nature, have been discussed verbally with the appropriate administrative personnel.

Our comments are summarized as follows:

CONTROL

The Tax Collector bank account had a balance of \$39,181 on June 30, 2019, which was after the tax collection period was completed. As of December 31, 2019, the bank account balance remained at \$39,181. The Tax Collector bank account should have no balance at the end of the year once all tax monies are turned over to the County and the Town Supervisor. We recommend the Tax Collector review the tax records to determine the reason for the remaining balance in the account and be sure to account for any amounts in the account at the end of future tax collection periods.

Management's Response – One payment of \$19,688 was an advance payment on 2020 taxes, and three other payments totaling approximately \$19,493 were related to parcels that should have had checks made out to the State, but were not issued. We are working on developing a reconciliation process for the Tax Collector going forward.

PREVIOUS RECOMMENDATIONS

The Town is required to have each employee file a Department of Homeland Security Form I-9 to certify that they are eligible to work. This form must be completely filled out and the employer must certify the proper documents were inspected at the time the employee is submitting the form. We recommend that the Town have the employees with missing Forms I-9 file a new form and certify the forms that were not completed in their entirety.

Management's Response – This item has been added to the Town checklist for new hires. It will be a point of emphasis for 2020.

Management has addressed our other previous recommendations.

We would like to thank the staff that assisted us during our examination and provided us with all the necessary records.

Very truly yours,

A handwritten signature in cursive script that reads "Cooper Arias LLP". The signature is written in black ink and is positioned above a horizontal line.

Cooper Arias, LLP