

May 17, 2019

To the Supervisor and the
Town Board of the Town of North Salem
266 Titicus Road
North Salem, NY 10560

In planning and performing our audit of the financial statements of the Town of North Salem as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of North Salem's internal control over financial reporting 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*, 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 of North Salem's internal control.

The management of the Town of North Salem 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 May 17, 2019 on the financial statements of the Town of North Salem. Our comments are summarized as follows:

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

PREVIOUS RECOMMENDATIONS

During our review of the Town's Trust and Agency account balances we noted funds being held in escrow with no identifiable project. All escrow balances should have a corresponding schedule that details the individual amounts being held. We were informed that the Town is in the process of identifying the source of these funds and dispersing as required.

Management's Response - This refers to the old Wetlands Escrow account which the Planning Board Chairman is currently reviewing to determine the status of any outstanding monies owed.

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In conclusion, we would like to thank the Staff who assisted us during our examination, and provided us with all the necessary records.

Very truly yours,



Cooper Arias, LLP