

John H. Dietershagen, C.P.A.  
Jerry E. Mickelson, C.P.A.  
Thomas K. Van Derzee, C.P.A.  
Debbie Conley Jordan, C.P.A.  
Patrick S. Jordan, C.P.A.  
Duane R. Shoen, C.P.A.  
Lesley L. Horner, C.P.A.  
D. Leslie Spurgin, C.P.A.



**Ciaschi • Dietershagen • Little • Mickelson  
& Company, LLP**

*Certified Public Accountants and Consultants*

---

Frederick J. Ciaschi, C.P.A.

Board of Directors  
Cayuga County Industrial  
Development Agency  
Auburn, New York

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the discretely presented component unit of the Cayuga County Industrial Development Agency for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Cayuga County Industrial Development Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cayuga County Industrial Development Agency's internal control.

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.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Cayuga County Industrial Development Agency's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Cayuga County Industrial Development Agency's financial statements that is more than inconsequential will not be prevented or detected by the Cayuga County Industrial Development Agency's internal control. We identified a certain deficiency in internal control that we consider to be a material weakness, which we communicated in our Report on Internal Control over Financial Reporting and on Compliance and other matters based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards*.

In addition we noted other opportunities for strengthening internal control over financial reporting.

## **OTHER MATTERS**

### **Prior Year Comments**

#### Centralized Filing

##### Issue:

During our 2006 audit we experienced some difficulty in obtaining information, particularly regarding the Agency's land and building inventory. In most cases, the documents were eventually found. We believe this was due to the turnover in personnel of the Treasurer and Executive Director.

##### Recommendation:

We recommended the Agency consider maintaining Agency files in a central location to ensure proper recording and execution of future transactions.

---

### **CORTLAND**

39 Church Street  
Cortland, New York 13045  
607-753-7439  
fax 607-753-7874

### **ITHACA**

401 East State Street ~ Suite 500  
Ithaca, New York 14850  
607-272-4444  
fax 607-273-8372  
[www.cdlim.com](http://www.cdlim.com)

### **WATKINS GLEN**

108 West Fourth Street  
Watkins Glen, New York 14891  
607-535-4443  
fax 607-535-6220

Current Status:

During the current year audit, we were able to obtain the information needed to complete the audit.

Accounting for Land and Building Inventory

Issue:

During our review of sales of land and building inventory in 2006, we noted the Agency owned property without a cost basis. This was property that had been acquired at no or nominal cost to the Agency and, therefore, the transaction was not recorded. However, when the property was acquired, the Agency received an asset with a fair market value on the acquisition date that should have been recognized in the accounting records, per generally accepted accounting principles.

Recommendation:

We recommended the Agency determine the fair market value of any property that is donated and record the asset, along with the contribution, in the accounting records.

Current Status:

There were no acquisitions and dispositions of land and building inventory during the current year.

**DISCUSSION ISSUE**

Compliance with Public Authority Accountability Act

On January 15, 2006, the Public Authority Accountability Act of 2005 was signed into law. Not-for-profit corporations affiliated with, sponsored by, or created by a county, city, town, or village government and local industrial development agencies or authorities or other local public benefit corporations are subject to the requirements under the Act.

Current Status:

The Agency is in the process of implementing the Act and expects to be fully compliant by December 31, 2008.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

We would like to thank you and your staff for the cooperation and support given to us during the course of the audit. We appreciate the opportunity to be of service to you and look forward to our continued involvement.

This information is intended solely for the use of the, management, Board of Directors, the County of Cayuga, and New York State and is not intended to be and should not be used by anyone other than these specified parties.

April 11, 2008  
Ithaca, New York