

Cayuga County Development Corporation FY 2019 AUDIT

AUDIT MANAGEMENT LETTER

March 18, 2020

To the Members of Management of
Cayuga County Development Corporation

In planning and performing our audit of the basic financial statements of Cayuga County Development Corporation (the Corporation), a blended component unit of the County of Cayuga, New York (the County) as of and for the year ended December 31, 2019, we considered the Corporation's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control.

During our audit, we became aware of several matters that are opportunities for strengthening compliance to applicable law and accuracy of supporting documentation. This letter does not affect our report dated March 18, 2020 on the basic financial statements of the Corporation.

We have already discussed many of these comments and suggestions with various Corporation personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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

Bonadio & Co., LLP

432 North Franklin Street, #60
Syracuse, New York 13204
p (315) 476-4004
f (315) 254-2384

www.bonadio.com

1. Observation:

Upon review of revenues and expenses for the fiscal year ending December 31, 2019, and projections of future revenues and expenses for the fiscal year ending December 31, 2020, it appears that operational expenses exceed revenue generated from the interest charged to borrowers and application fees. As a result, portions of the loan base are being used to fund annual operational costs.

Recommendation:

We recommend both management and the board review financial data and ensure consideration is given to such facts as described above. Management and/or the board should consider further consulting with Cayuga County and/or other 3rd parties to ensure any applicable compliance requirements associated with the loan base amounts are met.