

Town of Mount Pleasant
Industrial Development Agency

(A Component Unit of the
Town of Mount Pleasant, New York)

Independent Auditors' Report on Communication of
Internal Control Matters Identified in the Audit

December 31, 2010



O'Connor Davies Munns & Dobbins, llp

Chartered Accountants of New York

Independent Auditors' Report on Communication of Internal Control Matters Identified in the Audit

To The Town Board of the
Town of Mount Pleasant
Industrial Development Agency, New York
One Town Hall Plaza
Valhalla, New York 10595

In planning and performing our audit of the basic financial statements of the Town of Mount Pleasant Industrial Development Agency, New York (the "Agency") (a component unit of the Town of Mount Pleasant, New York) as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency'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, 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 Agency's internal control.

A deficiency in internal control 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 and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose of conducting your Agency's audit and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

However, as indicated in the attached Addendum A, we identified certain deficiencies in internal control that we consider to be control deficiencies.

It is important to note that control deficiencies are not necessarily issues the Town Supervisor or Members of the Town Board will choose to address, however, control deficiencies may represent potential risks. Our responsibility as your auditor is to ensure that the Town Supervisor and Members of the Town Board are aware of these deficiencies or weaknesses so that you can make informed business decisions on how best to respond to these risks.

This report, summary of communications and addendums are intended for the information and use of the Town Supervisor and Members of the Town Board. However, this report is a matter of public record and its distribution is not limited. We will be pleased to discuss these comments in further detail at your convenience, or to assist you in implementing the recommendations.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP

March 28, 2011

Town of Mount Pleasant
Industrial Development Agency

Summary of Communications

- Auditors' Responsibility Under Auditing Standards Generally Accepted in the United States of America
 - Unqualified opinion on financial statements
 - No change in scope of the audit
 - No material errors
 - No fraud or illegal acts identified
 - No instances/suspicion or allegations of fraud were noted during the conduct of the audit
- Internal Accounting Controls
 - Reviewed to extent necessary to render our opinion on the financial statements
 - No material weaknesses noted
- Significant Accounting Policies
 - Accounting policies appear appropriate
 - Significant accounting policies included in Note 1 to the financial statements
 - No changes in accounting policies during the year
- Management's Judgments and Accounting Estimates
 - Estimates used deemed adequate
- Audit Adjustments
 - No significant unrecorded adjustments
- Other Information in Documents Containing Audited Financial Statements
 - Management's Discussion and Analysis appears reasonable
- Disagreements with Management
 - None
- Unresolved Difficulties Encountered in Performing the Audit
 - None

Town of Mount Pleasant
Industrial Development Agency

Summary of Communications

- Consultation by Management with Other Accountants
 - None of which we were made aware
- Independence
 - O'Connor Davies Munns & Dobbins, LLP is independent in all respects
- Irregularities or Illegal Acts
 - Nothing to report

Town of Mount Pleasant
Industrial Development Agency

Addendum A

- **By-Laws**

The by-laws of the Mount Pleasant Industrial Development Agency call for an annual meeting on the first Thursday in January or such other date as the Chairman of the Agency may set. We noted during our audit that there were no minutes of such a meeting in 2010.

Recommendation

We recommend that annual meetings be held and recorded in accordance with the Agency's by-laws.