

# CUDDY & WARD, LLP

Certified Public Accountants

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

In planning and performing our audit of the financial statements of Cayuga County Industrial Development Agency as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered Cayuga County Industrial Development 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 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.

A significant deficiency is a deficiency, or a 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.

This communication is intended solely for the information and use of management, the board of directors, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We would like to take this opportunity to thank the bookkeeper for her cooperation with us during the course of our examination. If we can be of further assistance, please contact us at your convenience.

Respectfully Submitted,

*Cuddy & Ward, LLP*

CUDDY & WARD, LLP  
Certified Public Accountants  
Auburn, New York

January 30, 2015  
Auburn, New York

**Cayuga County Industrial Development Agency, Inc.**  
Memorandum of Significant Deficiencies  
December 31, 2014

**1. Preparation of Financial Statements.**

Under current accounting standards, it is considered an internal control deficiency if the Organization cannot prepare its financial statements, including full footnote disclosures. Currently, the Organization does not have staff with the expertise to prepare the financial statements. The Organization is aware of this issue and feels that it is not cost effective to have this control in place and will continue to rely on the auditor prepared financial statements.