

# CUDDY & WARD, LLP

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of the Cayuga County Industrial Development Agency, and its component unit, the Cayuga County Development Corporation, as of and for the year ended December 31, 2009. These basic financial statements are the responsibility of the Cayuga County Industrial Development Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit of the primary government in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cayuga County Industrial Development Agency and its component unit, the Cayuga Development Corporation, as of December 31, 2009, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 9, 2010 on our consideration of the Cayuga County Industrial Development Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements or other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cayuga County Industrial Development Agency's basic financial statements. The supplementary financial information on pages 11 to 22 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Cayuga County Industrial Development Agency. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,

*Cuddy & Ward, LLP*

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Auburn, New York  
June 9, 2010