Introduction
The Cayuga County Development Corporation (CCDC) annually conducts an independent financial audit in compliance with the PAAA and PARA. This CCDC Annual Independent Financial Audit looks closely at the finances, internal controls and investments of the CCDC and reports its findings within the CCDC financial audit report that is reviewed by, and approved by the CCDC Board of Directors.

The FY2014 CCIDA Financial Report is presented here and includes:

- FY2014 Audited Financial Statements
- FY2014 Management Discussion & Analysis (also posted separately on the CCDC webpage)
- FY2014 Assessment and Report on Internal Controls (also posted separately on the CCDC webpage)
February 4, 2015

To the Board of Directors
Cayuga County Development Corporation

We have audited the financial statements of Cayuga County Development Corporation for the year ended December 31, 2014, and have issued our report thereon dated February 4, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 12, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Cayuga County Development Corporation are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.
Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 4, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

Very truly yours,

Cuddy & Ward, LLP
Certified Public Accountants
The Board of Directors  
Cayuga County Development Corporation, Inc.  
Auburn, New York

In planning and performing our audit of the financial statements of Cayuga County Development Corporation, Inc. 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 Development Corporation, Inc.’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 would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed following, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 a combination of control deficiencies, that adversely affects the organization’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 organization’s financial statements that is more than inconsequential will not be prevented or detected by the organization’s internal control. We consider the attached to be significant deficiencies in internal control.

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 Executive Director and his staff for their cooperation with us during the course of our examination. If we can be of further assistance, please contact us at your convenience.

Respectfully Submitted,

[Signature]

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

February 4, 2015
Auburn, New York
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.
INDEPENDENT AUDITORS’ REPORT ON FINANCIAL STATEMENTS

To the Board of Directors
Cayuga County Development Corporation, Inc.

We have audited the accompanying financial statements of Cayuga County Development Corporation, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cayuga County Development Corporation, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Report on Summarized Comparative Information

We have previously audited the Cayuga County Development Corporation’s 2013 financial statements, and our report dated February 16, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Respectfully submitted,

[Signature]

CUDDY & WARD, LLP
Certified Public Accountants

Auburn, New York
February 4, 2015
February 4, 2015

Cuddy & Ward, LLP
Certified Public Accountants
110 Genesee Street, Suite 230
Auburn, NY 13021

This representation letter is provided in connection with your audit of the financial statements of Cayuga County Development Corporation, which comprise the statements of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 4, 2015, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 12, 2014, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

- The financial statements referred to above are fairly presented in conformity with U.S. GAAP.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.

- Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
Information Provided

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
  - Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.

- All material transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.

- We have no knowledge of any allegations of fraud or suspected fraud affecting the organization’s financial statements communicated by employees, former employees, grantors, regulators, or others.

- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

- We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.

- We have disclosed to you the identity of the organization’s related parties and all the related party relationships and transactions of which we are aware.

- The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

- Cayuga County Development Corporation is an exempt organization under Section 501(c)3 of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization’s tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

Signature:  
Title: Executive Director

Signature:  
Title: Treasurer
Cayuga County Development Corporation, Inc.

Audited Financial Statements
For the Year Ending December 31, 2014
Independent Auditors' Report on Financial Statements ................................................................. 1

Audited Financial Statements
  Statement of Financial Position................................................................. 3
  Statement of Activities............................................................................. 4
  Statement of Cash Flows......................................................................... 5
  Notes to Financial Statements................................................................. 6
INDEPENDENT AUDITORS’ REPORT ON FINANCIAL STATEMENTS

To the Board of Directors
Cayuga County Development Corporation, Inc.

We have audited the accompanying financial statements of Cayuga County Development Corporation, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cayuga County Development Corporation, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Report on Summarized Comparative Information

We have previously audited the Cayuga County Development Corporation’s 2013 financial statements, and our report dated February 16, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Respectfully submitted,

[Signature]

CUDDY & WARD, LLP
Certified Public Accountants

Auburn, New York
February 4, 2015
CAYUGA COUNTY DEVELOPMENT CORPORATION, INC.
Statement of Financial Position
December 31, 2014
(With Comparative Totals At December 31, 2013)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 235,580</td>
<td>$ 254,764</td>
</tr>
<tr>
<td>Total current assets</td>
<td>235,580</td>
<td>254,764</td>
</tr>
<tr>
<td><strong>OTHER ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments - certificate of deposit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total other assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 235,580</td>
<td>$ 254,764</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>$ 235,580</td>
<td>$ 254,764</td>
</tr>
<tr>
<td>Total net assets</td>
<td>235,580</td>
<td>254,764</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$ 235,580</td>
<td>$ 254,764</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements and accountants’ report -3-
CAYUGA COUNTY DEVELOPMENT CORPORATION, INC.
Statement of Activities
For the Year Ended December 31, 2014
(With Comparative Totals For the Year Ended December 31, 2013)

<table>
<thead>
<tr>
<th>SUPPORT AND REVENUES</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service fees</td>
<td>$</td>
<td>$103,050</td>
</tr>
<tr>
<td>Interest income</td>
<td>$108</td>
<td>$140</td>
</tr>
<tr>
<td>TOTAL SUPPORT AND REVENUES</td>
<td>$108</td>
<td>$103,190</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside contract services</td>
<td>15,000</td>
<td>-</td>
</tr>
<tr>
<td>Legal fees</td>
<td>3,767</td>
<td>7,100</td>
</tr>
<tr>
<td>Registration fees</td>
<td>525</td>
<td>60</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>19,292</td>
<td>7,160</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(19,184)</td>
<td>96,030</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS AT BEGINNING OF YEAR</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>254,764</td>
<td>158,734</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS AT END OF YEAR</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$235,580</td>
<td>$254,764</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements and accountants’ report
CAYUGA COUNTY DEVELOPMENT CORPORATION, INC.
Statement of Cash Flows
For the Year Ended December 31, 2014
(With Comparative Totals For the Year Ended December 31, 2013)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$(19,184)</td>
<td>$96,030</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>$(19,184)</td>
<td>$96,030</td>
</tr>
<tr>
<td>CASH FLOWS FROM INVESTING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash transferred from (invested) in certificates of deposit</td>
<td>-</td>
<td>150,618</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>-</td>
<td>150,618</td>
</tr>
<tr>
<td>NET INCREASE (DECREASE) IN CASH</td>
<td>$(19,184)</td>
<td>246,648</td>
</tr>
<tr>
<td>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</td>
<td>254,764</td>
<td>8,116</td>
</tr>
<tr>
<td>CASH AND CASH EQUIVALENTS AT END OF YEAR</td>
<td>$235,580</td>
<td>$254,764</td>
</tr>
</tbody>
</table>

SUPPLEMENTAL DISCLOSURES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid - cash basis</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Taxes paid - cash basis</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements and accountants’ report

-5-
NOTE A  ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
The Cayuga County Development Corporation, Inc. is a local development corporation, registered under nonprofit law. The purpose of the corporation is to relieve and reduce unemployment; promote and provide for additional employment and maintain job opportunities; lessen the burden of government and act in the public interest. The corporation is a separate legal entity, whose sole member is the County of Cayuga, which appoints the Corporation’s Board.

Basis of Accounting
The financial statements of Cayuga County Development Corporation, Inc. have been prepared on the accrual basis of accounting and reflect all significant receivables, payables and other liabilities.

Basis of Presentation
The Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted and Unrestricted Revenue and Support
Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. There were no temporarily or permanently restricted net assets at December 31, 2013.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Income Taxes
The Organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and is not classified as a private foundation. The Organization does not have any unrelated business income that would be subject to Federal and New York State income taxes.

Comparative data
The financial information for the year ended December 31, 2013, presented for comparative purposes, is not intended to be a complete financial statement presentation.
NOTE B  UNCERTAIN TAX POSITIONS

The Corporation is exempt from federal income taxes under section 501 (c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization does not conduct activities subject to tax for unrelated business income. The Organization believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Corporation’s federal Return of Organization Exempt from Income Tax (Form 990) is generally subject to examination by the Internal Revenue Service (IRS) for a period of three years after it is filed. The tax years ended December 31, 2013, 2012, and 2011 are open for examination by the IRS.

NOTE C  SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 4, 2015, the date on which the financial statements were available to be issued.