

**CAYUGA COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**

**Auburn, New York**

**FINANCIAL REPORT**

**For the Year Ended  
December 31, 2007**

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FOR THE YEAR ENDED DECEMBER 31, 2007

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Cayuga County Industrial Development Agency  
Ithaca, New York

We have audited the accompanying financial statements of the Cayuga County Industrial Development Agency, a component unit of the County of Cayuga, and its component unit, the Cayuga County Development Corporation, as of and for the year ended December 31, 2007. 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 basic 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 basic 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 County Development Corporation, as of December 31, 2007, 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 April 11, 2008 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.

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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 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Cayuga County Industrial Development Agency. The supplementary 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.

April 11, 2008  
Ithaca, New York

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007

The Cayuga County Industrial Development Agency was created in 1970 to encourage economic welfare, recreation opportunities and prosperity for the inhabitants of Cayuga County. The Cayuga County Industrial Development Agency is a component unit of the County of Cayuga.

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Agency's financial position as of December 31, 2007, and the results of its operations for the year then ended. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the Agency, which directly follow the MD&A.

#### FINANCIAL HIGHLIGHTS

- Total expenses exceeded revenues by \$477 in 2007 compared to 2006 when revenues exceeded expenses by \$275,008. This is primarily due to a gain on the sale of land and building inventory of \$281,662 in 2006.
- Net assets for the year ended December 31, 2007 amounted to \$1,395,619, compared to \$1,396,096 at December 31, 2006.
- Total revenues of \$64,087 in 2007 decreased from total revenues of \$321,259 in 2006, primarily due to the gain on the sale of land and building inventory that occurred in 2006 noted above. Included in 2007 revenues is a grant from New York State of \$21,207.
- Total expenses of \$64,564 in 2007 increased by 39.6% from total expenses of \$46,251 in 2006, primarily due to grant expenses of \$21,207 incurred in 2007.

#### Overview of the Basic Financial Statements

The financial statements of the Cayuga County Industrial Development Agency have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements consist of a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, a Statement of Cash Flows, and accompanying notes. These statements provide information on the financial position of the Agency and the financial activity and results of its operations during the year. A description of these statements follows:

The **Statement of Net Assets** presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the Agency is improving or deteriorating.

The **Statement of Revenues, Expenses, and Changes in Net Assets** presents information showing the change in the Agency's net assets during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses reported in this statement include all items that will result in cash received or disbursed in future fiscal periods.

The **Statement of Cash Flows** provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used from operating, non-capital financing, capital financing, and investing activities.

The Agency includes the Cayuga County Development Corporation, a separate legal entity, as a discretely presented component unit because the Agency is financially accountable for it.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2007

**FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE**

The Agency's total net assets for fiscal year ended December 31, 2007 decreased by \$(477). Our analysis below focuses on the net assets (*Figure 1*) and changes in net assets (*Figure 2*) of the Agency's activities.

*Figure 1*

<b>Condensed Statement of Net Assets</b>	<b>Total Agency</b>		<b>Total Dollar Change</b>
	<b>Restated (See Note 11)</b>		<b>2006 - 2007</b>
	<b>2006</b>	<b>2007</b>	
<i>Current assets:</i>			
Cash	\$ 441,796	\$ 299,490	\$ (142,306)
Accounts receivable	2,558	2,000	(558)
PILOT payments receivable	13,037	242,956	229,919
Restricted cash	57,273	58,848	1,575
Notes receivable-due in one year	47,570	28,029	(19,541)
Due from other governments	39,560	39,560	-0-
<b>Total current assets</b>	<b>601,794</b>	<b>670,883</b>	<b>69,089</b>
<i>Noncurrent assets:</i>			
Investment in certificates of deposit	404,250	420,885	16,635
Notes receivable-due after one year	91,723	65,816	(25,907)
Land and building inventory	539,839	539,839	-0-
<b>Total noncurrent assets</b>	<b>1,035,812</b>	<b>1,026,540</b>	<b>(9,272)</b>
<b>Total assets</b>	<b>1,637,606</b>	<b>1,697,423</b>	<b>59,817</b>
<i>Current liabilities:</i>			
PILOT payments payable	84,237	242,956	158,719
Due to Cayuga County	100,000	-0-	(100,000)
Deferred revenue	57,273	58,848	1,575
<b>Total liabilities</b>	<b>241,510</b>	<b>301,804</b>	<b>60,294</b>
<i>Unrestricted net assets</i>	1,396,096	1,395,619	(477)
<b>Total net assets</b>	<b>\$ 1,396,096</b>	<b>\$ 1,395,619</b>	<b>\$ (477)</b>

The decrease in cash is due to a timing difference in the payment of PILOT payments to other governments, the payment of amounts due to Cayuga County, and the repayment of notes receivable. The Agency acts as an agent in the collection and remittance of PILOTS to other local governments and records a receivable for PILOTS not yet received and a payable for the amounts not yet remitted.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2007

Our analysis in Figure 2 considers the operations of the Agency's activities.

Figure 2

<b>Changes in Net Assets</b>	<b>Business-type Activities and Total Agency</b>		<b>Total Dollar Change</b>
	<b>2006</b>	<b>2007</b>	<b>2006 - 2007</b>
<i>Operating revenues:</i>			
<i>Fees for services</i>	\$ 13,250	\$ 3,000	\$ (10,250)
<i>Rental fees</i>	6,300	5,863	(437)
<i>Interest on notes receivable</i>	3,314	2,580	(734)
<i>Grant revenue</i>	-0-	21,207	21,207
<i>Other</i>	832	2,625	1,793
<i>Gain on sale of land and building inventory</i>	281,662	-0-	(281,662)
<b>Total operating revenues</b>	<b>305,358</b>	<b>35,275</b>	<b>(270,083)</b>
<i>Operating expenses:</i>			
<i>General operating</i>	15,810	31,424	(1,255)
<i>Local economic development</i>	4,375	8,728	4,353
<i>Grant expenses</i>	-0-	21,207	21,207
<i>Property taxes on investment in land and building</i>	9,197	3,205	(5,992)
<b>Total operating expenses</b>	<b>46,251</b>	<b>64,564</b>	<b>18,313</b>
<b>Total operating (loss) income</b>	<b>259,107</b>	<b>(29,289)</b>	<b>(288,396)</b>
<i>Nonoperating revenues/expenses:</i>			
<i>Interest and earnings</i>	12,389	26,000	13,611
<i>Gas well leases</i>	3,512	2,812	(700)
<b>Total non-operating income</b>	<b>15,901</b>	<b>28,812</b>	<b>12,911</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ 275,008</b>	<b>\$ (477)</b>	<b>\$ (275,485)</b>

Total revenues for the Agency's activities decreased by \$257,172. Revenues in 2006 were higher primarily due to the gain on sale of a portion of its land and building inventory that occurred in 2006. Total expenses for the Agency increased by \$18,313 primarily due to expenses associated with a New York State grant.

#### FACTORS BEARING ON THE AGENCY'S FUTURE

- The Agency does not anticipate any significant changes in revenues or expenses for the year ended December 31, 2007.
- There are no known factors that would have an impact on the economic climate of the community in the foreseeable future.

#### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Agency's clients, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Cayuga County Industrial Development Agency, at 160 Genesee St., 5th Floor, Auburn, New York 13021.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2007

		Cayuga County Development Corporation
<b><u>ASSETS</u></b>	Primary Government	
Current Assets:		
Cash and cash equivalents - Unrestricted	\$ 299,490	\$ 79,170
Accounts receivable	2,000	
PILOT payments receivable	242,956	
Restricted cash and cash equivalents	58,848	
Notes, mortgages, and capitalized leases receivable in one year	28,029	3,125
Due from other governments	39,560	
	<hr/>	<hr/>
Total Current Assets	670,883	82,295
	<hr/>	<hr/>
Noncurrent Assets:		
Investments - Certificate of deposit	420,885	
Restricted investments - Certificate of deposit		141,765
Notes, mortgages, and capitalized leases receivable in more than one year	65,816	2,500
Land and building inventory	539,839	
	<hr/>	<hr/>
Total Noncurrent Assets	1,026,540	144,265
	<hr/>	<hr/>
Total Assets	\$ 1,697,423	\$ 226,560
	<hr/>	<hr/>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
PILOT payments payable	\$ 242,956	\$
Deferred revenue	58,848	
	<hr/>	<hr/>
Total Liabilities	301,804	-0-
	<hr/>	<hr/>
Restricted net assets		141,765
Unrestricted net assets	1,395,619	84,795
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 1,697,423	\$ 226,560
	<hr/>	<hr/>

See Independent Auditor's Report and Notes to Financial Statements



CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Primary Government	Cayuga County Development Corporation
Operating Revenues:		
Fees for services	\$ 3,000	\$
Rental fees	5,863	
Interest on loans and leases	2,580	599
Other income	2,625	
Grants - Pass-through	<u>21,207</u>	<u></u>
Total Operating Revenues	<u>35,275</u>	<u>599</u>
Operating Expenses:		
Administration	18,492	
Legal	12,403	
Local economic development	8,728	
Property taxes	3,205	
Grant expense - Pass-through	21,207	
Other operating - Utilities	529	
Write-off of loan receivable	<u></u>	<u>7,851</u>
Total Operating Expenses	<u>64,564</u>	<u>7,851</u>
Operating Income	<u>(29,289)</u>	<u>(7,252)</u>
Nonoperating Revenues (Expenses):		
Interest and earnings	26,000	10,800
Gas well lease	<u>2,812</u>	<u></u>
Total Nonoperating Revenues	<u>28,812</u>	<u>10,800</u>
Net Increase in Net Assets	(477)	3,548
Unrestricted Net Assets, January 1, 2006, as Restated	<u>1,396,096</u>	<u>223,012</u>
Unrestricted Net Assets, December 31, 2007	<u>\$ 1,395,619</u>	<u>\$ 226,560</u>

See Independent Auditor's Report and Notes to Financial Statements

## CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Primary Government	Unaudited Cayuga County Development Corporation
Cash Flows from Operating Activities:		
Cash received from providing services	\$ 6,183	\$
Cash received from rental of property	5,863	
Cash received from interest on loans and leases	2,580	599
Cash received from grants	21,207	
Cash received from payment of notes, mortgages, and capitalized leases	45,448	2,500
Cash payments - Contractual expenses	(64,564)	
Net Cash Provided by Operating Activities	16,717	3,099
Cash Flows from Noncapital Financing Activities:		
PILOT payments received	38,137	
PILOT payments paid	(109,337)	
Payment of amount due to Cayuga County	(100,000)	
Interest income on deferred revenue	1,575	
Net Cash (Used) Provided by Noncapital Financing Activities	(169,625)	-0-
Cash Flows from Capital and Related Financing Activities	-0-	-0-
Cash Flows from Investing Activities:		
Interest income received	26,000	10,800
Cash received on gas well leases	2,812	
Cash invested in certificates of deposit	(16,635)	(8,894)
Net Cash Provided by Investing Activities	12,177	1,906
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(140,731)	5,005
Cash and Cash Equivalents, January 1, 2007	499,069	74,165
Cash and Cash Equivalents, December 31, 2007	\$ 358,338	\$ 79,170
Reconciliation of net income to net cash provided by operating activities:		
Operating gain	\$ (29,289)	\$ (7,252)
Adjustments to reconcile net income to net cash provided by operating activities:		
Write-off of Loan Receivable		7,851
Decrease in accounts receivable	558	
Decrease in notes, mortgages, and capitalized leases	45,448	2,500
Net Cash Provided by Operating Activities	\$ 16,717	\$ 3,099

See Independent Auditor's Report and Notes to Financial Statements

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Cayuga County Industrial Development Agency have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Agency has the option to apply FASB pronouncements issued after that date to its Business-type Activities and has elected to do so. The more significant of the Agency's accounting policies are described below.

A. Financial Reporting Entity

The Cayuga County Industrial Development Agency is a public benefit corporation organized in May 1970 under the provisions of New York State general municipal law Article 18-A. The Agency was created to promote economic welfare, recreation opportunities and prosperity for the inhabitants of Cayuga County. Cayuga County provides economic support and appoints the members of the Agency, consequently, the Agency is part of the Cayuga County reporting entity.

The financial reporting entity consists of (a) the primary government which is the Cayuga County Industrial Development Agency, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units."

The decision to include a potential component unit in the Agency's reporting entity is based on several criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is included as a discretely presented component unit:

1. Cayuga County Development Corporation

During 2004, the Agency organized a local development corporation to accept funds from the liquidation of the Industrial Development Foundation of Auburn and Cayuga County, New York. The purpose of the corporation is to provide low interest loans to local businesses. The corporation is a separate legal entity, whose sole member is the Agency, which appoints the Corporation's Board.

B. Basis of Accounting

The accounts of the Agency are maintained on the accrual basis of accounting.

C. Cash and Cash Equivalents

The Agency considers all highly liquid investments having an original maturity of three months or less to be cash equivalents.

D. Investments

Investments are stated at cost, which approximates market value.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2007

E. Notes, Mortgages, Capitalized Leases, and Allowances for Uncollectible Accounts

These receivables include notes, mortgages and capitalized leases issued to businesses which are approved by resolution of the Agency. Receivables are deemed uncollectible when the Agency institutes foreclosure procedures. Capitalized leases are shown at present value and interest is recorded as revenue.

F. Operating Revenue

Operating revenues of the Agency consist of administrative fees, interest notes, mortgages, and capitalized leases, and rental on real property owned by the Agency for purposes of economic development. Investment earnings are reported as non-operating income.

G. Land and Building Inventory

The Agency has acquired real property for the purpose of selling or leasing the assets to further economic development in Cayuga County. Improvements made by the Agency have been added to the cost basis of the inventory. Because these assets are held as inventory, no provision for depreciation has been made.

H. Deferred Revenue

The Agency was the lead agency for a water project funded by the County of Cayuga. Such grants received are shown as revenues when earned as expenses are incurred. Funds remaining are reported as deferred revenue.

I. Equity Classifications

Statement of Net Assets

- Restricted Net Assets

Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

- Unrestricted Net Assets

Consists of all other net assets that do not meet the definition of "restricted."

Note 2 - Basis of Accounting/Measurement Focus

All funds are accounted for on an "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned. Material revenues accrued include administrative fees and interest on notes, mortgages, and capitalized leases. Expenses are recorded when the liability is incurred.

Note 3 - Deposits and Investments

State statutes govern the Agency's investment policies. In addition, the Agency has its own written investment policy. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2007

Total bank balances of the primary government of \$720,375 at December 31, 2007 are covered by FDIC insurance up to \$282,180 with the remaining \$438,195 collateralized with securities held by the Agency's financial institution pledged in the name of Cayuga County Industrial Development Agency. The carrying value of deposits at December 31, 2007 totaled \$779,223. Included in these balances is a 184 day certificate of deposit in the amount of \$420,885 at an interest rate of 4.45%. Restricted cash of \$58,848 consists of grant funds that have been deferred.

Total bank balances of the component unit of \$220,935 at December 31, 2007 are covered by FDIC insurance up to \$179,170, with the remaining \$41,765 collateralized with securities held by the Agency's financial institution pledged in the name of Cayuga County Industrial Development Agency. The carrying value of deposits at December 31, 2007 totaled \$220,935. Included in the balance is a six month certificate of deposit in the amount of \$132,871, at an interest rate of 4.5%. These funds are restricted for the purpose of economic development loans.

**Note 4 - Note Receivable**

**A. Primary Government**

The following notes receivable are recorded at December 31, 2007:

Description	Issued	Maturity	Interest Rate	Balance 12/31/07
Note secured by land	1997	2011	2.0%	\$ 86,890
Note secured by land	2005	2008	5.0%	6,945
Net Outstanding				<u>\$ 93,845</u>

Repayments on the note receivable are scheduled as follows:

Year	Amount
2008	\$ 28,029
2009	21,506
2010	21,936
2011	<u>22,374</u>
Total	<u>\$ 93,845</u>

**B. Component Unit**

The Corporation wrote off a note receivable in the amount of \$7,851 in 2007. The following notes receivable are recorded at December 31, 2007:

Description	Issued	Maturity	Interest Rate	Balance 12/31/07
Note	2000	2009	75% of prime	<u>\$ 5,625</u>

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2007

Repayments on the note receivable are scheduled as follows:

<u>Year</u>	<u>Amount</u>
2008	\$ 3,125
2009	<u>2,500</u>
Total	<u>\$ 5,625</u>

**Note 5 - PILOT Payments Receivable/Payable**

The Agency acts as an agent in collecting Payment In Lieu Of Tax (PILOT) Payments from participating companies and remitting them to local governmental entities. The Agency reports PILOT Payments Receivable for amounts due from companies and PILOT Payments Payable for amounts to be remitted to local government entities at year end.

**Note 6 - Land and Building Inventory**

Activity in land and building inventory during the year ended December 31, 2007 is as follows:

<u>Balance at 12/31/06</u>	<u>Additions</u>	<u>Sales</u>	<u>Balance at 12/31/07</u>
\$ <u>539,839</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>539,839</u>

**Note 7 - Due to Cayuga County**

Per agreement with the County of Cayuga on July 22, 1992, the County funded an Agency project with the understanding that the Agency would reimburse the County \$500,000, as funds generated by the project became available. The balance of this liability at December 31, 2006 was paid in 2007.

**Note 8 - Related Party Transactions**

The Agency paid the County of Cayuga \$10,000 for certain administrative services and use of County property during 2007.

**Note 9 - Industrial Revenue Bond and Note Transactions**

Certain industrial development revenue bonds and notes issued by the Agency are secured by property that is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the Agency or the State.

The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts, because its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2007

Note 10 - Commitments and Contingencies

General

The Agency is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

The Agency is involved in a lawsuit seeking damages of \$150,000 for an alleged breach of contract to see certain real property. At this time, the merit of the suit cannot to be effectively evaluated. The Agency intends to vigorously defend the claim.

DECEMBER 31, 2007See Independent's Auditor's Report



Project Code 0520 03 04A

Please Specify: Bond Project ☐ Lease Project ☒

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project:  
BASS PRO

Project Owner and Address:  
FINGER LAKES MALL  
124 JOHNSON FERRY RD  
ATLANTA, GA 30328

Project Purpose (see instructions): 5  
Federal Tax Status: Taxable ☒ Tax Exempt ☐

Total Project/Lease Amount \$ 14,233,250

Benefited Project Amt \$ 14,233,250

Bond/Note Amount \$ 14,233,250

Non-Profit? Y ☐ N ☒ X New tax revenues if no exemptions granted \$ (22,830) Please check box if applicable: ☐

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: 0 \$	County 41,333 \$	0 \$	126,804 \$	126,804 \$
Local: 0 \$	Local(sum of city/town/village): 5,107 \$			
	School: 80,364 \$			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
34,209 \$	6,037 \$	109,388 \$	149,634 \$	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	65	0	176	
\$0	\$0	\$0		

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

Project Code 0520 03 04B

Please Specify: Bond Project ☐ Lease Project ☐

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project:  
KINNEY DRUGS

Project Owner and Address:  
CLEARSMART INC.  
1108 MADDEN LANE  
CORTLAND, NY 13405

Project Purpose (see instructions): 5

Federal Tax Status: Taxable ☒ Tax Exempt ☐

Total Project/Lease Amount \$ 1,310,000

Benefitted Project Amt \$ 1,310,000

Bond/Note Amount \$ 1,310,000

Non-Profit? Y ☐ N ☐ X ☐ New tax revenues if no exemptions granted \$ 32,911

Please check box if applicable:

☐

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County \$ 0	County 9,780	\$ 0	\$ 34,101	\$ 34,101
Local: \$ 0	Local(sum of city/town/village): 8,316			
	School: 16,005			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 211	\$ 407	572	\$ 1,190	

Full-Time Equivalent (FTE) Jobs and Salaries Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	28	0	64	
\$0	\$430,000			

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

Project Code 0502 03 02A

Please Specify: Bond Project ☐ Lease Project ☒

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project:  
JOHNSTON PAPER

Project Owner and Address:  
MAY AND MAY ASSOCIATES  
5 GREEN LINKS TURN  
AUBURN, NY 13021

Project Purpose (see instructions): 9  
Federal Tax Status: Taxable ☒ Tax Exempt ☐

Total Project/Lease Amount \$ 5,243,600

Benefited Project Amt \$ 5,243,600

Bond/Note Amount \$ 5,243,600

Non-Profit? Y ☐ N ☒ New tax revenues if no exemptions granted \$ 124,048  
Please check box if applicable: ☐

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ 0	County \$ 40,435	\$ 0	\$ 124,048	\$ 124,048
Local: \$ 0	Local(sum of city/town/village): \$ 4,996			
	School: \$ 78,617			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 0	\$ 0	\$ 0	\$ 0	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	40	0	97	0
\$0	\$0	\$0		

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

EMPIRE ZONE

See Independent Auditor's Report

Project Code 0502 96 01A

Please Specify: Bond Project ☒ Lease Project ☐

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project:  
D & W DIESEL, INC.

Project Owner and Address:  
D & W DIESEL, INC.  
AUBURN, NY 13021

Project Purpose (see instructions): 9

Federal Tax Status: Taxable ☒ Tax Exempt ☐

Total Project/Lease Amount \$ 3,152,000

Benefited Project Amt \$ 3,152,000

Bond/Note Amount \$ 0

Non-Profit? Y ☐ N ☒ X New tax revenues if no exemptions granted \$ 1,494 

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ 0	County \$ 2,606	\$ 0	\$ 7,994	\$ 7,994
Local: \$ 0	Local(sum of city/town/village): 322			
	School: \$ 5,066			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 2,385	\$ 2,386	\$ 1,729	\$ 6,500	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
98	20	98	127	0
\$0	\$0	\$0		

**Straight Lease:** Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project:  
D & W DIESEL, INC.

Project Owner and Address:  
D & W DIESEL, INC.  
AUBURN, NY 13021

Project Purpose (see instructions): 9

Federal Tax Status: Taxable X Tax Exempt

Total Project/Lease Amount \$652,000

Benefited Project Amt \$652,000

Bond/Note Amount \$0

Non-Profit? Y N X New tax revenues if no exemptions granted \$14,011

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$3,645	County \$7,638	\$0	\$30,949	\$30,949
Local: \$3,872	Local(sum of city/town/village): \$944			
	School: \$14,850			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$809	\$100	\$16,029	\$16,938	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
98	20	98	127	0
\$3,113,850	\$3,631,850	\$3,113,850		

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

Project Code 0502 98 01A

Please Specify: Bond Project ☐ Lease Project ☒

## Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

## Name of Project:

AUBURN METAL PROCESSING

## Project Owner and Address:

NFR  
611 COCHRAN ROAD  
SOLON, OH 44139Project Purpose (see instructions): 9  
Federal Tax Status: Taxable ☒ Tax Exempt ☐

Total Project/Lease Amount \$ 3,500,000

Benefited Project Amt \$ 3,500,000

Bond/Note Amount \$ 0

Please check box if applicable:

Non-Profit? Y ☐ N ☒ X New tax revenues if no exemptions granted \$ 3,540

## Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ 0	County \$ 4,157	\$ 0	\$ 16,739	\$ 16,739
Local: \$ 0	Local(sum of city/town/village): \$ 431			
	School: \$ 12,151			

## Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 2,072	\$ 2,747	\$ 8,380	\$ 13,199	1

## Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	16	0	26	
\$0	\$0	\$0		

**Straight Lease:** Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

Project Code 0502 95 01A

Please Specify: Bond Project ☐ Lease Project ☐

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project:  
FINGERLAKES RAILROAD

Project Owner and Address:  
FINGERLAKES RAILROAD  
P. O. BOX 1099  
GENEVA, NY 14456

Project Purpose (see instructions): 7

Federal Tax Status: Taxable ☒ Tax Exempt ☐

Total Project/Lease Amount \$ 4,999,000

Benefited Project Amt \$ 4,999,000

Bond/Note Amount \$ 0

Non-Profit? Y ☐ N ☒ New tax revenues if no exemptions granted \$ 93,852

Please check box if applicable: ☐

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ 0	County \$ 30,488	\$ 0	\$ 128,971	\$ 128,971
Local: \$ 0	Local(sum of city/town/village): \$ 16,884			
	School: \$ 81,599			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 11,706	\$ 11,706	\$ 11,707	\$ 35,119	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	10	0	53	0
\$0	\$0	\$0		

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

Project Code 0502 97 02A

Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project:  
OWENS-BROCKWAY CONTAINER, INC.

Project Owner and Address:  
NHW AUBURN, LLC  
OWENS ILLINOIS  
ONE SEAGATE  
TOLEDO, OH 43640

Project Purpose (see instructions): 8 WAREHOUSE  
Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 3,600,000

Non-Profit? Y N X New tax revenues if no exemptions granted \$ 16,944 Please check box if applicable:

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County \$ 0	County 21,693 \$	0 \$	87,344 \$	87,344 \$
Local: \$ 0	Local(sum of city/town/village): 2,247 \$			
	School: 63,404 \$			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 16,192	\$ 11,264	\$ 42,944	\$ 70,400	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	0	0	224	0
\$0	\$0	\$0		

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report



# Request for Inactive Projects

\*\*Please list any projects that have expired or are no longer active. Please remit this form with the IDA report.

Project Name	Project Code	Reported Project Amount	Date of Expiration	Comments
N/A				