

Cayuga County Industrial Development Agency

Audited Financial Statements
For the Year Ending December 31, 2014

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Audited Financial Statements

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CUDDY & WARD, LLP

Certified Public Accountants

110 GENESEE STREET – SUITE 230

AUBURN, NEW YORK 13021

PHONE 315-253-8424 FAX 315-253-8458

www.cuddyandwardcpa.com

PAUL L. CUDDY, CPA
RICHARD D. WARD, CPA

RICHARD L. BEAUCHINE, CPA, MST
FRANK L. DEROSA, CPA, CMC

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Cayuga County Industrial Development Agency, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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 opinions 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 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 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Cayuga County Industrial Development Agency, as of December 31, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 schedule of supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

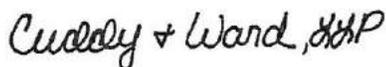
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2015 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 and 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* in considering Cayuga County Industrial Development Agency's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Cayuga County Industrial Development Agency's 2013 financial statements, and our report dated February 5, 2014, expressed an unmodified opinion on those 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,



CUDDY & WARD, LLP
Certified Public Accountants

Auburn, New York
January 30, 2015

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

For the year ended December 31, 2014

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, 2014, 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 revenues exceed expenses by \$14,224 in 2014 compared to 2013 when revenues exceeded expenses by \$186,724.
- Net position for the year ended December 31, 2014 amounted to \$1,185,099, compared to \$1,170,875 at December 31, 2013.
- Total revenues of \$150,295 in 2014 decreased from total revenues of \$235,138 in 2013.
- Total expenses of \$136,071 increased from total expenses of \$48,415 in 2013, primarily due to increased grant expenditures.

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 Position, a Statement of Revenues, Expenses and Changes in Net Position, 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 Position** presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 Position** presents information showing the change in the Agency's net position 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 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.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

For the year ended December 31, 2014

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

The Agency's total net position for the fiscal year ended December 31, 2014 increased by \$14,224. Our analysis below focuses on the net position (Figure 1) and changes in net position (Figure 2) of the Agency's activities.

Figure 1

Condensed Statement of Net Assets	Total Agency		Total Dollar Change
	2013	2014	2013-2014
Current assets:			
Cash	\$ 619,771	\$ 644,859	\$ 25,088
PILOT payments receivable	24,020	24,020	-
Other receivables	2,942	3,442	500
Total current assets	646,733	672,321	25,588
Noncurrent assets:			
Land and building inventory	553,326	553,326	-
Total noncurrent assets	553,326	553,326	-
Total assets	1,200,059	1,225,647	25,588
Current liabilities:			
Accounts payable	5,164	5,543	379
PILOT payments payable	24,020	24,020	-
Deferred revenue	-	10,985	10,985
Total liabilities	29,184	40,548	11,364
Unrestricted net assets	1,170,875	1,185,099	14,224
Total net assets	\$ 1,170,875	\$ 1,185,099	\$ 14,224

The increase in cash is due to the net income for the year. Revenue exceeded expenses by \$14,224 during the year.

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

Changes in Net Assets	Total Agency		Total Dollar Change
	2013	2014	2013-2014
Operating revenues:			
Fees for services	\$ 209,780	\$ 49,384	\$ (160,396)
Rental Fees	1,953	1,815	(138)
Grant revenue	-	95,015	95,015
Other	65	49	(16)
Gain on sale of land and building inventory	19,707	-	(19,707)
Total operating revenues	231,505	146,263	(85,242)
Operating expenses:			
General operating	38,653	33,091	(5,562)
Local economic development	1,378	934	(444)
Grant expenses	-	95,015	95,015
Property taxes on investment in land and building	8,384	7,031	(1,353)
Total operating expenses	48,415	136,071	87,656
Total operating (loss) income	183,090	10,192	(172,898)
Non-operating revenues/expenses			
Interest and earnings	3,159	3,480	321
Gas well leases	475	552	77
Total non-operating income	3,634	4,032	398
INCREASE (DECREASE) IN NET POSITION	\$ 186,724	\$ 14,224	\$ (172,500)

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

For the year ended December 31, 2014

Total revenues for the Agency's activities decreased by \$85,242. In 2014, the Organization received fees for new projects in the amount of \$49,384, compared to fees of \$209,780 in 2013. Total expenses for the Agency increased by \$87,656, primarily due to grant expenditures during the year.

FACTORS BEARING ON THE AGENCY'S FUTURE

- The Agency does not anticipate any significant changes in revenues or expenses for year ended December 31, 2015.
- 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 2 State Street, Auburn, New York 13021.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statement of Net Position

December 31, 2014

(with comparative totals at December 31, 2013)

ASSETS

	2014		2013
Current Assets:			
Cash and cash equivalents - unrestricted	\$ 644,859	\$	619,771
PILOT payments receivable	24,020		24,020
Other receivables	3,442		2,942
 Total Current Assets	 672,321		 646,733
Noncurrent Assets:			
Land and building inventory	553,326		553,326
 Total Noncurrent Assets	 553,326		 553,326
 Total Assets	 \$ 1,225,647	\$	 1,200,059

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$ 5,543	\$	5,164
PILOT payments payable	24,020		24,020
Deferred revenue	10,985		-
 Total Liabilities	 40,548		 29,184

NET POSITION

Unrestricted net position	1,185,099		1,170,875
 Total Net Position	 1,185,099		 1,170,875
 Total Liabilities and Net Position	 \$ 1,225,647	\$	 1,200,059

See accompanying notes to financial statements and accountants' report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended December 31, 2014

(with comparative totals for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Operating Revenues:		
Fees for services	\$ 49,384	\$ 209,780
Rental fees	1,815	1,953
Gain on disposal of asset	-	19,707
Grant revenue	95,015	-
Other income	<u>49</u>	<u>65</u>
 Total Operating Revenues	 <u>146,263</u>	 <u>231,505</u>
Operating Expenses:		
Administration	29,617	25,700
Legal	3,474	12,953
Local economic development	934	1,378
Grant expenses	95,015	-
Property taxes	<u>7,031</u>	<u>8,384</u>
 Total Operating Expenses	 <u>136,071</u>	 <u>48,415</u>
 Operating Income	 <u>10,192</u>	 <u>183,090</u>
Non operating Revenues (Expenses)		
Interest and earnings	3,480	3,159
Gas well lease	<u>552</u>	<u>475</u>
 Total Non Operating Revenues	 <u>4,032</u>	 <u>3,634</u>
 Net Increase in Net Position	 14,224	 186,724
Net Position beginning of year	<u>1,170,875</u>	<u>984,151</u>
Net Position end of year	\$ <u>1,185,099</u>	\$ <u>1,170,875</u>

See accompanying notes to financial statements and accountants' report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statement of Cash Flows

For the Year Ended December 31, 2014

(with comparative totals for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Cash received from providing services	\$ 48,884	\$ 185,256
Cash received from rental of property	1,815	1,953
Cash received from other income	106,049	219,496
Cash payments - contractual expenses	<u>(135,692)</u>	<u>(48,050)</u>
Net Cash Provided by Operating Activities	<u>21,056</u>	<u>358,655</u>
Cash Flows from Noncapital Financing Activities:		
PILOT payments received	422,025	366,733
PILOT payments paid	<u>(422,025)</u>	<u>(366,733)</u>
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest income received	3,480	3,159
Cash received on gas well leases	552	475
Cash transferred from (invested) in certificates of deposit	<u>-</u>	<u>90,776</u>
Net Cash Provided by Investing Activities	<u>4,032</u>	<u>94,410</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,088	453,065
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>619,771</u>	<u>166,706</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ <u>644,859</u>	\$ <u>619,771</u>
Reconciliation of net (loss) to net cash provided by operating activities:		
Operating gain (loss)	\$ 10,192	\$ 183,090
Gain on sale of land and building inventory	-	(19,707)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
(Increase) decrease in other receivables	(500)	4,476
(Increase) decrease in land and building inventory	-	219,432
Increase (decrease) in accounts payable	379	365
Decrease in grants payable	-	-
Increase(decrease) in deferred revenue	<u>10,985</u>	<u>(29,000)</u>
Net cash Provided by Operating Activities	\$ <u>21,056</u>	\$ <u>358,656</u>

See accompanying notes to financial statements and accountants' report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to the Financial Statements

NOTE 1

NATURE OF OPERATIONS AND 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.

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.

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 on 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.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to the Financial Statements

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Deferred Revenue

The Agency is the lead agency for a broadband project funded by the County of Cayuga, the Town of Genoa and the Town of Scipio. Such grants received are shown as revenues when earned, which is when expenses are incurred. Funds remaining are reported as deferred revenue.

I. Equity Classifications

Statement of Net Position

- **Restricted Net Position**

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 Position**

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

NOTE 2 BASIS OF ACCOUNTING AND 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.

Total bank balances of the primary government of \$644,859 at December 31, 2014 are covered by FDIC insurance up to the limits, with the remaining amounts collateralized with securities held by the Agency's financial institution pledged in the name of Cayuga County Industrial Development Agency.

NOTE 4 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.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to the Financial Statements

NOTE 5 LAND AND BUILDING INVENTORY

Activity in land and building inventory during the year ended December 31, 2014 is as follows:

Land and Building Inventory

<u>Balance at</u> <u>12/31/2013</u>	<u>Additions</u>	<u>Sales</u>	<u>Balance at</u> <u>12/31/2014</u>
\$ 553,326	\$ -	\$ -	\$ 553,326

NOTE 6 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 there from are controlled by trustees or banks acting as financial 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.

NOTE 7 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; error 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.

NOTE 8 SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 30, 2015, the date on which the financial statements were available to be issued.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: **0502 98 01A**

Please Specify: Bond Project Lease Project

Name of Project:
 AUBURN METAL PROCESSING

Project Owner and Address:

NFR
 611 COCHRAN ROAD
 SOLON, OH 44139

Project Purpose (see instructions): _____ 9 _____

Federal Tax Status: Taxable Tax Exempt _____

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

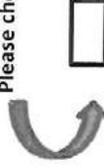
Benefited Project Amt \$ 3,500,000

Bond/Note Amount \$ 0

Non-Profit? Y _____ N _____

New Tax Revenues if no exemptions granted \$ 0

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:			
\$ -	\$ 6,502	\$ -	\$ 7,321	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ 819			
	School:			
	\$ -			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 6,502	\$ 819	\$ -	\$ 7,321	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	20	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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 93 04A

Please Specify: **Bond Project** **Lease Project**

Name of Project:
 BASS PRO

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

Project Purpose (see instructions):

Taxable X Tax Exempt

Federal Tax Status: Total Project/Lease Amount \$ 14,233,250

Benefited Project Amt \$ 14,233,250

Non-Profit? Y N X

Bond/Note Amount \$ 14,233,250

New Tax Revenues if no exemptions granted \$ (121,940)

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: \$ 39,059	\$ -	\$ 116,087	\$ -
Local: \$ -	Local (sum of city/town/village): \$ 5,626			
	School: \$ 71,402			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 49,008	\$ 8,648	\$ 180,371	\$ 238,027	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	111	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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 06 01A

Please Specify: **Bond Project** **Lease Project**

Name of Project:
 D & W DIESEL, INC.

Project Owner and Address:
 D & W DIESEL, INC.
 1503 CLARK STREET ROAD
 AUBURN, NY 13021

Project Purpose (see instructions): 9

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 652,000

Benefited Project Amt \$ 652,000 Bond/Note Amount \$ 0

Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 56,529

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:			
\$ -	\$ 36,030	\$ -	\$ 105,900	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ 5,407			
	School:			
	\$ 64,463			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 16,100	\$ 2,255	\$ 31,016	\$ 49,371	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	216.5	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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 95 01A

Please Specify: **Bond Project** **Lease Project**

Name of Project:
 FINGERLAKES RAILROAD

Project Owner and Address:
 FINGER LAKES RAILROAD
 PO 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 \$ 152,672

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: \$ -	County: \$ 31,371	-	\$ 188,646	\$ -
Local: \$ -	Local (sum of city/town/village): \$ 13,059			
	School: \$ 144,216			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 11,991	\$ 11,991	\$ 11,991	\$ 35,974	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	60	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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 03 04B

Please Specify: **Bond Project** **Lease Project**

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

Benefited Project Amt \$ 1,310,000

Bond/Note Amount \$ 1,310,000

Non-Profit? Y N

New Tax Revenues if no exemptions granted \$ 4,478

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:			
\$ -	\$ 9,122	\$ -	\$ 32,946	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ 8,368			
	School:			
	\$ 15,456			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 7,431	\$ 6,919	\$ 14,118	\$ 28,468	

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	28	0	20	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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 08 02A

Please Specify: **Bond Project** **Lease Project**

Name of Project:
 UPSCO

Project Owner and Address:
 TMB HOLDINGS, LLC.
 23 CENTRAL STREET
 MORAVIA, NY 13118

Project Purpose (see instructions): 9
 Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 2,131,600
 Benefited Project Amt \$ 2,131,600 Bond/Note Amount \$ 0
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 19,083
 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: \$ 10,390	-	\$ 37,931	\$ -
Local: \$ -	Local (sum of city/town/village): \$ 9,674			
	School: \$ 17,867			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 4,535	\$ 4,836	\$ 9,477	\$ 18,848	8

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
50	0	50	72	0
\$ -	\$ 1,330,000	\$ 1,330,000		

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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: **0502 08 02A**

Please Specify: Bond Project Lease Project

Name of Project:
LEBRUN MOTORS

Project Owner and Address:

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 2,239,500
 Benefited Project Amt \$ 2,239,500 Bond/Note Amount \$ 0
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 38,335

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: \$ 17,571			\$ 61,434	\$
Local: \$				
School: \$ 43,863				\$

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 5,532	\$ -	\$ 17,567	\$ 23,099	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	26	26	26	0
\$ -	\$ 715,558	\$ 715,558		

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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: **0502 08 02A**

Please Specify: Bond Project Lease Project

Name of Project:
 A-1 PUMPING/REPAIR PLUS

Project Owner and Address:

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 1,255,250
 Benefited Project Amt \$ 1,255,250 Bond/Note Amount \$ 0
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 21,399

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: \$ 8,255	Local: \$ -		\$ 28,863	\$ -
Local: \$ -	School: \$ 20,608			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 1,608	\$ 5,857		7,464	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
8	4	8	14	0
32000	32000	32000		

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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 12 02A & 0502 12 02B

Please Specify: Bond Project **Lease Project**

Name of Project:
 CAYUGA MILK INGREDIENTS, LLC

Project Owner and Address:
 Cayuga Marketing, LLC
 PO BOX 241
 Aurora, NY 13026

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt
Benefited Project Amt \$ 86,000,000

Total Project/Lease Amount \$ 86,000,000

Bond/Note Amount \$

Non-Profit? Y **N** **New Tax Revenues if no exemptions granted** \$ 57,642

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: \$ 31,619	County: \$ 2,675		\$ 71,095	\$ -
Local: \$ 31,619	Local: \$ 375			
School: \$	School: \$ 4,807			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 4,581	\$ 642	\$ 8,230	\$ 13,453	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	52	0	56	300
\$	\$ 52,781			

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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 13 01A

Please Specify: Bond Project Lease Project

Name of Project: **ABBOTT HOUSE**
 Project Owner and Address:

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 5,347,000
 Benefited Project Amt \$ 5,347,000 Bond/Note Amount \$ 99,834
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 99,834

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: \$ 49,917	County: 0		\$ 118,734	\$ -
Local: \$ 49,917	Local:			
School: \$ 18,900	School: 18,900			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ -	\$ -	18,900	\$ 18,900	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
71	20	71	99	25
\$ 35,600	\$ 35,600	\$ 35,600		

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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 13 01A

Please Specify: Bond Project Lease Project

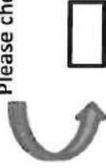
Name of Project:
 ACTIVE PHYSICAL THERAPY SOLUTIONS

Project Owner and Address:

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 543,737
 Benefited Project Amt \$ 543,737 Bond/Note Amount \$
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 7,746

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: 1,348	County: \$ 5,050		7,746	\$ -
Local: 1,348	Local:			
	School:			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ -	\$ -	\$ -	\$ -	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
6	6	6	6	17
\$ 41,000	\$ 41,000	\$ 41,000		

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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 13 01A

Please Specify: Bond Project Lease Project

Name of Project: CLARITY CONNECT
 Project Owner and Address:

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 1,525,000
 Benefited Project Amt \$ 1,525,000 Bond/Note Amount \$ 0
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 0

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: \$ -	\$ -	\$ -	\$ -
Local: \$ -	Local: \$ -			
	School: \$ -			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ -	\$ -	\$ -	\$ -	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
9	0	9	9	0
\$ 35,360	\$ 35,360	\$ 35,360		

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

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 13 01A

Please Specify: Bond Project Lease Project

Name of Project:
 SONBYRNE SALES, INC.

Project Owner and Address:
 Sonbyrne Sales, Inc.
 1 Eagle Drive
 Weedsport, New York 13166

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 1,525,000
 Benefited Project Amt \$ 1,525,000 Bond/Note Amount \$
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 38,660

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: \$ 13,080	County: \$	12,500	38,660	\$
Local: \$ 13,080	Local:			
	School:			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ -	\$ -	\$ -	-	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	24	0	18	0
\$ -	\$ 48,574	\$ 48,574		

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

PAUL L. CUDDY, CPA
RICHARD D. WARD, CPA

RICHARD L. BEAUCHINE, CPA, MST
FRANK L. DEROSA, CPA, CMC

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Cayuga County Industrial Development Agency as of and for the year ended December 31, 2014, and the related notes to the financial statement, which collectively comprise Cayuga County Industrial Development Agency's basic financial statements and have issued our report thereon dated January 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cayuga County Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cayuga County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weakness may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cayuga County Industrial Development Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Cuddy & Ward, LLP

CUDDY & WARD, LLP
Certified Public Accountants

Auburn, New York
January 30, 2015