

Cayuga County Industrial Development Agency

♦ CCIDA ♦

ANNUAL REPORT FY 2007

Prepared by the CCIDA in compliance with
Subdivision 2(a) of Section 2800 of the PAL

INTRODUCTION

The Cayuga County Industrial Development Agency (“CCIDA”) is a public benefit corporation created under Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 688 of the Laws of 1970 of the State of New York (collectively referred to as the “Act”), with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, civic, research, and recreational facilities as authorized by the Act, in connection therewith to issue its revenue bonds, enter into straight lease transactions and provide other forms of financial assistance on behalf of client enterprises to coordinate County, Federal, New York State and Municipal programs to insure that each client has access to the full range of development incentives and assistance available to firms locating or expanding in our Cayuga County.

The Office of the Agency is located at the Cayuga County Office Building, situated at 160 Genesee Street, 5th Floor, Auburn, NY, 13021.

This ANNUAL REPORT for Fiscal Year 2007 is prepared in full compliance with Subdivision 2(a) of Section 2800 of the Public Authorities Law (PAL) of New York State and will be submitted for review and documentation to:

- The New York State Authority Budget Office
- Chief Executive Officer of the CCIDA
- Chief Fiscal Officer of the CCIDA
- Chairperson, Cayuga County Legislature

Questions or comments concerning this Annual Report should be directed in writing to the Chairman of the Cayuga County Industrial Development Agency:

Vijay K. Mital, Chairman
Cayuga County Industrial Development Agency
Cayuga County Office Building
160 Genesee Street, 5th Floor
Auburn, NY 13021

I OPERATIONS AND ACCOMPLISHMENTS FY 2007

PUBLIC AUTHORITIES ACCOUNTABILITY ACT (PAAA) COMPLIANCE MEASURES

The CCIDA continued to operate according to the requirements of the Public Authorities Accountability Act after having instituted a number of structural changes in 2006, primarily through the adoption of bylaw amendments, that brought the operations and governance of the Agency into full compliance with the Public Authorities Accountability Act of 2005 (the "PAAA"), which was signed into law on January 13, 2006.

The changes brought about by the Board's structural reorganization in 2006 included the following:

- Amendments to the Bylaws directing that no Board member shall serve as the Agency's Chief Executive Officer, Administrative Director, Chief Financial Officer, Comptroller or equivalent position, while also serving as a member of the Board, pursuant to subdivision 3 of Section 2824 of the PAL.

STAFF AND BOARD MEMBER TRAINING IN COMPLIANCE WITH PAAA

- In 2006, the Board of Directors of the CCIDA underwent Board Member training in compliance with PAAA. At that time, five (5) of the Seven (7) Board Members completed the required training; the remaining two (2) Board members completed the training in September of 2007.

II AGENCY RECEIPTS & DISBURSEMENTS

Cash Flows from Operating Activities	AMOUNT
Cash Received from Providing Services	\$ 81,281
Cash Payments Contractual Expenses	(\$ 64,564)
Cash Payments Personal Services and Benefits	0
Other Operating Revenues	0
Net Cash Provided (Used) by Operating Activities	\$ 16,717
Cash Flows from Non-Capital and Financing Activities	
Real Property Taxes	0
Operating Grants Received	0
Transfers To/From Other Funds	(\$100,000)
Proceeds of Debt (Non-Capital)	\$ 39,712
Payment of Debt (Non-Capital)	(\$ 109,337)
Interest Expenses (Non-Capital)	0
Net Cash Provided (Used) by Non-Capital Financing Activities	(\$ 169,625)
Cash Flows from Capital and Related Financing Activities	
Proceeds of Debt (Capital)	0
Principal Payments Debt (Capital)	0
Interest Expenses (Capital)	0
Capital Contributed by Developers	0
Capital Contributed by Other Funds	0
Payments to Contractors	0
Capital Grants Received from Other Governments	0
Proceeds from Sale of Assets	0
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ 0
Cash Flows from Investing Activities	
Purchase of Investments	(\$ 16,335)
Sale of Investments	0
Interest Income	\$ 28,812
Net Cash Provided (Used) by Investing Activities	\$ 12,177
Net Increase (Decrease) in Cash and Cash Equivalents	(\$ 140,731)
Cash and Cash Equivalents at the Beginning of Year	\$ 499,069
Cash and Cash Equivalents at End of Year	\$ 358,338

Reconciliation of Operating Income to Net Cash	
Operating Income (Loss)	(\$ 29,289)
Adjustments to Reconcile Operating Income to New Cash Provided (Used) from Operations	
Depreciation	0
Increase/Decrease in Assets Other than Cash and Cash Equivalents	\$46,006
Increase/Decrease in Liabilities Other than Cash and Cash Equivalents	0
Cost Basis of Land and Building Inventory Sold	
Total Adjustments	
Net Cash Provided (Used) by Operating Activities	\$ 16,717

III AGENCY ASSETS & LIABILITIES / END OF FY 2007

The information below replicates the EXCEL SPREADSHEET format provided by the Authority Budget Office for preparation of the annual report; the information is derived from the independently audited FY 2007 Financial Statements of the CCIDA.

SUMMARY STATEMENT OF NET ASSETS

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 299,490
Investments	0
Receivables, Net	\$ 272,985
Other Assets	\$ 98,408
<i>TOTAL CURRENT ASSETS</i>	<i>\$ 670,883</i>

Non-Current Assets

Restricted Cash and investments	0
Long-term Receivables, Net	\$ 65,816
Other Assets	\$ 420,885
Capital Assets	
Land and Other Non-depreciable Property	\$ 539,839
Infrastructure	0
Buildings & Equipment	0
Accumulated Depreciation	0
Net Capital Assets	\$ 539,839
<i>TOTAL NON-CURRENT ASSETS</i>	<i>\$ 1,026,540</i>
<i>TOTAL ASSETS</i>	<i>\$ 1,697,423</i>

LIABILITIES

Current Liabilities

Accounts Payable	0
Pension Contribution Payable	0
Other Post-Employment Benefits	0
Accrued Liabilities	0
Deferred Revenues	\$58,848
Bonds and Notes Payable	0
Other Long-term Obligations	0
<i>TOTAL CURRENT LIABILITIES</i>	<i>0</i>

Non-Current Liabilities	
Pension Contribution Payable	0
Other Post-employment Benefits	0
Bonds and Notes Payable	0
Due to Other Governments	\$242,956
<i>TOTAL NON-CURRENT LIABILITIES</i>	\$ 301,804
NET ASSET (DEFICIT)	
Net Assets	
Invested in Capital Assets, Net of Related Debt	0
Restricted	0
Unrestricted	\$ 1,395,619
Total Net Assets	\$ 1,395,619
Total Liabilities and Net Assets	\$ 1,697,423
SUMMARY STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS	
Operating Revenues	
Charges for Service	\$ 3,000
Rental and Financing Income	\$ 8,443
Other Operating Revenues	\$ 23,832
<i>TOTAL OPERATING REVENUE</i>	\$ 35,275
Operating Expenses	
Salaries and Wages	\$ 18,492
Other Employee Benefits	0
Professional Services Contracts	\$ 12,403
Supplies and Materials	0
Depreciation & Amortization	0
Other Operating Expenses	\$ 33,669
<i>TOTAL OPERATING EXPENSES</i>	\$ 64,564
<i>OPERATING INCOME (LOSS)</i>	<i>(\$ 29,289)</i>
Non-Operating Revenues (Expenses)	
Interest and Earnings	\$26,000
Subsidies to Other Public Authorities	0
Grants and Donations	0
Other Non-Operating Revenues (Expenses)	\$ 2,812
<i>TOTAL NON-OPERATING REVENUES (EXPENSES)</i>	\$ 28,212

<i>INCOME (LOSS) BEFORE CONTRIBUTIONS</i>	<i>(\$ 477)</i>
<hr/>	
CAPITAL CONTRIBUTIONS	
Changes in Net Assets	(\$ 477)
Net Assets, (Deficit) Beginning of Year (as restated)	\$ 1,396,096
Other Net Assets Changes	\$ 0
<i>NET ASSETS, (DEFICIT) AT END OF YEAR</i>	<i>\$ 1,395,619</i>

IV SCHEDULE OF AGENCY BONDS & NOTES

Agency Bonds as of 12/31/2007:

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

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

IV SCHEDULE OF AGENCY BONDS & NOTES

Agency Bonds as of 12/31/2007:

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:
CLEARMART 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 \$ 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: \$ 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

See Independent Auditor's Report

IV SCHEDULE OF AGENCY BONDS & NOTES

Agency Bonds as of 12/31/2007:

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 X

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

IV SCHEDULE OF AGENCY BONDS & NOTES

Agency Bonds as of 12/31/2007:

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 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

IV SCHEDULE OF AGENCY BONDS & NOTES

Agency Bonds as of 12/31/2007:

Project Code 0502 06 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 \$ 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:

See Independent Auditor's Report

IV SCHEDULE OF AGENCY BONDS & NOTES

Agency Bonds as of 12/31/2007:

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 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

Please check box if applicable:

Non-Profit? Y N 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

IV SCHEDULE OF AGENCY BONDS & NOTES

Agency Bonds as of 12/31/2007:

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 X

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

IV SCHEDULE OF AGENCY BONDS & NOTES

Agency Bonds as of 12/31/2007:

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 Tax Exempt Total Project/Lease Amount \$ 3,600,000

Non-Profit? Y N 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: \$ 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

IV SCHEDULE OF AGENCY BONDS & NOTES, CONTINUED.

Agency Notes as of 12/31/2007:

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 STATEMENT OF INDEBTEDNESS
DECEMBER 31, 2007

EDP Code	Month and Year	Current Interest Rate	Outstanding			Transferred		Final Maturity Date
			Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Non-IDA Debt	Outstanding End of Fiscal Year	
	T	P	1	3	5		7	
AUBURN METAL PROCESSING	10/1998	VARIABLE	2,770,000		\$ 140,000	\$	\$ 2,630,000	4/2019
							0	
							0	
							0	
							0	
							0	
							0	
							0	
							0	
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							0	
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							0	
							0	
							0	
TOTAL OTHER DEBT			\$ 2,770,000	\$ 0	\$ 140,000	\$ 0	\$ 2,630,000	

See Independent's Auditor's Report

V AGENCY COMPENSATION SCHEDULE

The PAAA requires reporting on the compensation provided to any officer, director or employee of the Agency engaged in a decision-making or managerial position of the Authority whose annual salary is in excess of \$100,000.00.

The Agency is served by a volunteer Board and in 2007 did not (and does not currently) provide any compensation to the appointed Executive Director. Furthermore, the Agency does not provide compensation to any other officer, director or employee in excess of \$100,000.00

VI AGENCY PROJECTS UNDERTAKEN IN FY 2007

The Agency did not undertake any projects in FY 2007.

VII REAL PROPERTY HOLDINGS OF THE AGENCY

INTRODUCTION

The PAAA requires that the Agency provide a list of Real Property of the Authority having an estimated fair market value (FMV) in excess of \$15,000.00 that:

- The Agency intends to dispose of;
- Is held by the Agency during the period covered by this Report (such term being January 1, 2006 to December 31, 2006);
- The Agency disposed of during the period covered by this Report

This report must also contain an estimate of fair market value for all such property reported at the end of the reporting period (12/31/06) and the price received by the Authority and the name of the purchaser for all such property sold by the Authority during the reporting period.

No	Street Address	Cayuga County Tax ID	Property Description	Acres	Est. FMV 12/31/06
1	S/E/Corner of Eagle Drive & NYS Route 5/20 / Town of Aurelius	114-2-27.6	S/E/Corner of Eagle Drive & NYS Route 5/20	1.71 A.	\$580,000.00
2	W/S of Eagle Drive; South of Shore Products Building & Property / Town of Aurelius	114-2-27.8 and 114-2-27.7	W/S of Eagle Drive; South of Shore Products Building & Property	2.75 & 2.46 for 5.21 total	\$131,700.00 combined
3	South of Eagle Drive & North of new Cayuga / Onondaga BOCES facility / Town of Aurelius	114-2-29.1	South of Eagle Drive & North of new Cayuga / Onondaga BOCES facility	110.35 Acres	\$1,270,000.00
4	Town of Genoa /NY State Route 34 B	236-00-1-30	Vacant Agricultural Land	40 Acres	\$48,000.00
5	Town of Aurelius / Cranebrook Drive at Clark Street across from TRW	115.14-1-16.3	Vacant Commercial Land	1.75 Acres	\$87,000.00

IIX AGENCY CODE OF ETHICS

The PAAA requires the posting and submission of the Authority's adopted Code of Ethics. The Code of Ethics follows:

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY CODE OF ETHICS

The members of the board (the "Board") of the Cayuga County Industrial Development Agency (the "Agency"), a duly established public benefit corporation of the State of New York (the "State"), along with the officers and staff of the Agency, shall comply with and adhere to the provisions of Article 18 of the General Municipal Law of the State.

Further, no director, officer, or employee of the Agency shall:

- (1) accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties;
- (2) accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position of authority;
- (3) disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests;
- (4) use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others;
- (5) engage in any transaction as a representative or agent of Agency with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of his or her official duties;
- (6) not, by his or her conduct, give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person;
- (7) abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest; and
- (8) endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

The above code of Ethics was duly adopted by the CCIDA on the 17th day of October, 2006.

IX ASSESSMENT OF THE EFFECTIVENESS OF THE CCIDA INTERNAL CONTROL STRUCTURE AND PROCEDURES

The PAAA requires that the Agency annual review and determine the effectiveness of the Agency's internal control structure and procedures. The vehicle for this annual review is the annual fiscal audit, conducted under the oversight of the Agency's Audit Committee by an independent Certified Public Accountant (CPA).

In compliance with the PAAA requirements, the review and determination prepared and presented by the Agency CPA consultant follows.

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

John H. Dietershagen, C.P.A.
Jerry E. Mickelson, C.P.A.
Thomas K. Van Derzee, C.P.A.
Debbie Conley Jordan, C.P.A.
Patrick S. Jordan, C.P.A.
Duane R. Shoen, C.P.A.
Lesley L. Homer, C.P.A.
D. Leslie Spurgin, C.P.A.



**Ciaschi • Dietershagen • Little • Mickelson
& Company, LLP**

Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

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

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the discretely presented component unit of the Cayuga County Industrial Development Agency for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Cayuga County Industrial Development Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cayuga County Industrial Development Agency'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.

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 combination of control deficiencies, that adversely affects the Cayuga County Industrial Development Agency'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 Cayuga County Industrial Development Agency's financial statements that is more than inconsequential will not be prevented or detected by the Cayuga County Industrial Development Agency's internal control. We identified a certain deficiency in internal control that we consider to be a material weakness, which we communicated in our 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*.

In addition we noted other opportunities for strengthening internal control over financial reporting.

OTHER MATTERS

Prior Year Comments

Centralized Filing

Issue:

During our 2006 audit we experienced some difficulty in obtaining information, particularly regarding the Agency's land and building inventory. In most cases, the documents were eventually found. We believe this was due to the turnover in personnel of the Treasurer and Executive Director.

Recommendation:

We recommended the Agency consider maintaining Agency files in a central location to ensure proper recording and execution of future transactions.

CORTLAND

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WATKINS GLEN

108 West Fourth Street
Watkins Glen, New York 14891
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Current Status:

During the current year audit, we were able to obtain the information needed to complete the audit.

Accounting for Land and Building Inventory

Issue:

During our review of sales of land and building inventory in 2006, we noted the Agency owned property without a cost basis. This was property that had been acquired at no or nominal cost to the Agency and, therefore, the transaction was not recorded. However, when the property was acquired, the Agency received an asset with a fair market value on the acquisition date that should have been recognized in the accounting records, per generally accepted accounting principles.

Recommendation:

We recommended the Agency determine the fair market value of any property that is donated and record the asset, along with the contribution, in the accounting records.

Current Status:

There were no acquisitions and dispositions of land and building inventory during the current year.

DISCUSSION ISSUE

Compliance with Public Authority Accountability Act

On January 15, 2006, the Public Authority Accountability Act of 2005 was signed into law. Not-for-profit corporations affiliated with, sponsored by, or created by a county, city, town, or village government and local industrial development agencies or authorities or other local public benefit corporations are subject to the requirements under the Act.

Current Status:

The Agency is in the process of implementing the Act and expects to be fully compliant by December 31, 2008.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

We would like to thank you and your staff for the cooperation and support given to us during the course of the audit. We appreciate the opportunity to be of service to you and look forward to our continued involvement.

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

Cinchi, Dickel, Little, Muckelorn & Co., LLP

April 11, 2008
Ithaca, New York

X CERTIFICATIONS BY CEO & CFO

The undersigned, being the duly appointed chief executive officer and chief fiscal officer of the Cayuga County Industrial Development Agency (the "Agency"), hereby certify, pursuant to subdivision 3 of Section 2800 of the Public Authorities Law, as follows:

The financial information provided within the Annual Report of the Agency, dated as of April 28, 2008, is accurate, correct, and does not contain any untrue statement of material fact. The Annual Report does not omit any material fact which, if omitted, would cause the report to be misleading in light of the circumstances under which the report and any such statements made therein are made. The Annual Report fairly presents in all material respects the financial condition and results of the operations of the Corporation as of, and for, the periods present in such report.

The Annual Report is hereby approved.

IN WITNESS WHEREOF, the undersigned chief executive officer and chief financial officer have executed this Certificate as of the 20th day of May, 2008.



Stephen F. Lynch
Executive Director

Chief Executive Officer



Kimberly Sincerbeaux
Treasurer / Secretary

Chief Financial Officer

XI. ORGANIZATIONAL CHART: CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

