

**TOMPKINS COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**

**Ithaca, New York**

**FINANCIAL REPORT**

**For the Year Ended  
December 31, 2014**

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FOR THE YEAR ENDED DECEMBER 31, 2014

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### INDEPENDENT AUDITOR'S REPORT

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

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Tompkins County Industrial Development Agency (the Agency), and its blended component unit, Tompkins County Development Corporation, 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. The Agency is a component unit of the County of Tompkins, State of New York.

#### ***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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 of 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 Agency'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 Agency'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.

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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 business-type activities of Tompkins County Industrial Development Agency and its blended component unit, as of December 31, 2014, and the respective changes in financial position and 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 through 3b 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.

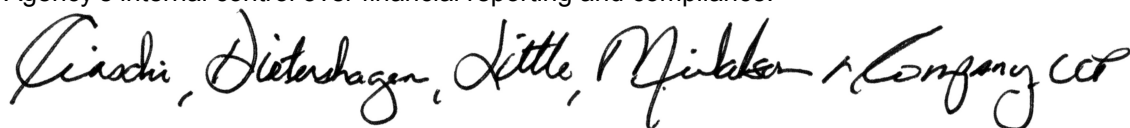
### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Schedules of Indebtedness and Projects are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Indebtedness and Projects are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules of Indebtedness and Projects are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2015 on our consideration of the Agency's internal control over financial reporting and on 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 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 the Agency's internal control over financial reporting and compliance.



March 25, 2015  
Ithaca, New York

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

The Tompkins County Industrial Development Agency (TCIDA) was created in 1971 to encourage economic growth in Tompkins County. The Tompkins County Development Corporation (TCDC) was created in 2010 for the same purpose and mission as the TCIDA and is considered a blended component unit of the TCIDA. Together, they make up the primary government, which for the purposes of the Management's Discussion and Analysis (MD&A), is referred to as the Agency.

**Mission:** The Agency's mission is to offer economic incentives to Tompkins County businesses in order to create and retain quality employment opportunities and strengthen the local tax base.

The following MD&A provides a comprehensive overview of the Agency's financial position as of December 31, 2014, and the result of its operations for the year then ended. Management has prepared the financial statements and related footnote disclosures along with this MD&A. 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**

- The assets of the Agency exceeded its liabilities at the close of the fiscal year ended December 31, 2014 by \$667,530 compared to \$643,386 at December 31, 2013.
- Total revenues in 2014 were \$352,736 compared to revenues of \$554,334 in 2013. Fewer projects were processed in 2014 by the Agency, decreasing fee income.
- Total expenses of \$328,592 in 2014 increased by \$29,155 from total expenses of \$299,437 in 2013. This increase is a net effect of reduction in the annual contribution to Tompkins County Area Development, professional and administrative expenses of \$60,523, and additional distribution of re-captured interest related to Emerson Plant project of \$82,832.

#### **Overview of the Basic Financial Statements**

The financial statements of the 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 its blended component unit 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 of whether the financial position of the Agency is improving or deteriorating.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014

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 position 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 by operating, non-capital financing, capital financing, and investing activities.

**Component Unit:**

The Agency reports the Tompkins County Development Corporation as a blended component unit. Although legally separate, this component unit is important because of the Agency's control of and fiscal relationship with the Corporation.

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

The Agency's total net position for fiscal year ended December 31, 2014 increased by \$24,144. Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the Agency's activities.

*Figure 1*

<b>Condensed Statement of Net Position</b>	<b>Total Agency</b>		<b>Total Dollar Change</b>
	<b>2013</b>	<b>2014</b>	<b>2013 - 2014</b>
Cash	\$ 624,052	\$ 945,235	\$ 321,183
Administrative fees receivable within one year	19,334	20,945	1,611
<b>Total Assets</b>	<b>643,386</b>	<b>966,180</b>	<b>322,794</b>
Due to Other Governments	-0-	298,650	298,650
<b>Total Liabilities</b>	<b>-0-</b>	<b>298,650</b>	<b>298,650</b>
Unrestricted Net Position	643,386	667,530	24,144
<b>Total Net Position</b>	<b>\$ 643,386</b>	<b>\$ 667,530</b>	<b>\$ 24,144</b>

The increase in cash is primarily due to timing in collection of pass-through tax items associated with closing of the Kendal at Ithaca bond project. The project closed in December 2014, and fees of \$386,190 were collected. Subsequently, \$169,770, \$29,330 and 99,550 will be passed through to Town of Ithaca, Village of Cayuga Heights and Tompkins Consolidated Area Transport, respectively.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014

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

*Figure 2*

<b>Changes in Net Position</b>	<b>Business-type Activities and Total Agency</b>		<b>Total Dollar Change</b>
	<b>2013</b>	<b>2014</b>	<b>2013 - 2014</b>
<i>Operating revenues:</i>			
<i>Fees</i>	\$ 553,755	\$ 352,355	\$ (201,400)
<b>Total Operating Revenues</b>	<b>553,755</b>	<b>352,355</b>	<b>(201,400)</b>
<i>Non-operating revenues:</i>			
<i>Interest and earnings</i>	579	381	(198)
<b>Total Non-Operating Revenues</b>	<b>579</b>	<b>381</b>	<b>(198)</b>
<i>Operating expenses:</i>			
<i>Contractual expenses</i>	299,437	245,760	(53,677)
<i>Re-captured interest distribution</i>	-0-	82,832	82,832
<b>Total Expenses</b>	<b>299,437</b>	<b>328,592</b>	<b>29,155</b>
<b>INCREASE IN NET POSITION</b>	<b>\$ 254,897</b>	<b>\$ 24,144</b>	<b>\$ (230,753)</b>

Total revenues for the Agency's activities decreased by \$(201,598) or 36.37%. As noted in the financial highlights, the decrease in revenues is due to a decrease in project fees.

Total expenses for the Agency increased by \$29,155 or 9.74%. The increase in expenses is net of a decrease in the annual contribution to TCAD of \$57,100, additional re-captured interest distribution of \$82,832 and decrease in professional fees of \$3,423.

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

- The Agency's capacity to support economic development activities has been challenged by the economic cycle. The Agency has committed \$100,000 to Tompkins County Area Development (TCAD) for economic development in 2015. The Agency and TCAD have begun efforts to secure other funding sources in order to ensure a consistent investment in economic development activities.
- Tompkins County has established a complementary economic development entity, Tompkins County Development Corporation, which has the authority to finance public facilities of the local universities and hospital. Fees generated by the Development Corporation will supplement economic development activities. The Development Corporation has committed \$133,000 to Tompkins County Area Development for economic development in 2015.
- The Development Corporation's authority to finance certain public facilities might be exposed to legislative curtailment in the future, as the NYS Dormitory Authority provides similar services.

**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 needed additional financial information, contact the Tompkins County Industrial Development Agency, at 401 E. MLK Jr. Street/401 E. State Street, Suite 402B, Ithaca, NY 14850.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014

**ASSETS**

	<u>Industrial Development Agency</u>	<u>Development Corporation</u>	<u>Total Primary Government</u>
Current Assets:			
Cash and cash equivalents	\$ 341,782	\$ 603,453	\$ 945,235
Administrative fees receivable within one year	<u>20,945</u>	<u>                    </u>	<u>20,945</u>
 Total Assets	 <u>\$ 362,727</u>	 <u>\$ 603,453</u>	 <u>\$ 966,180</u>

**LIABILITIES AND NET POSITION**

Current Liabilities:			
Due to other governments	\$ -0-	\$ 298,650	\$ 298,650
 Total Liabilities	 <u>-0-</u>	 <u>298,650</u>	 <u>298,650</u>
 Unrestricted net position	 <u>362,727</u>	 <u>304,803</u>	 <u>667,530</u>
 Total Liabilities and Net Position	 <u>\$ 362,727</u>	 <u>\$ 603,453</u>	 <u>\$ 966,180</u>

See Independent Auditor's Report and Notes to Financial Statements



TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Industrial Development Agency</u>	<u>Development Corporation</u>	<u>Total Primary Government</u>
Operating Revenues:			
Fees	\$ 264,815	\$ 87,540	\$ 352,355
Total Operating Revenues	<u>264,815</u>	<u>87,540</u>	<u>352,355</u>
Operating Expenses:			
Contribution to Tompkins County Area Development	100,000	134,700	234,700
Professional and administrative expenses	11,060		11,060
Re-captured interest distribution	82,832		82,832
Total Operating Expenses	<u>193,892</u>	<u>134,700</u>	<u>328,592</u>
Operating Gain (Loss)	<u>70,923</u>	<u>(47,160)</u>	<u>23,763</u>
Non-Operating Revenues:			
Interest and earnings	73	308	381
Total Non-Operating Revenues	<u>73</u>	<u>308</u>	<u>381</u>
Other Financing Sources (Uses):			
Transfer in	135,000		135,000
Transfer out		(135,000)	(135,000)
Total Other Financing Sources (Uses)	<u>135,000</u>	<u>(135,000)</u>	<u>-0-</u>
Net Gain (Loss)	205,996	(181,852)	24,144
Unrestricted Net Position, January 1, 2014	<u>156,731</u>	<u>486,655</u>	<u>643,386</u>
Unrestricted Net Position, December 31, 2014	<u>\$ 362,727</u>	<u>\$ 304,803</u>	<u>\$ 667,530</u>

See Independent Auditor's Report and Notes to Financial Statements

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Industrial Development Agency</u>	<u>Development Corporation</u>	<u>Total Primary Government</u>
Cash Flows from Operating Activities:			
Cash received from providing services	\$ 263,204	\$ 386,190	\$ 649,394
Cash payments - Contractual expenses	<u>(193,892)</u>	<u>(134,700)</u>	<u>(328,592)</u>
Net Cash Provided by Operating Activities	<u>69,312</u>	<u>251,490</u>	<u>320,802</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers In (Out)	<u>135,000</u>	<u>(135,000)</u>	<u>-0-</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>135,000</u>	<u>(135,000)</u>	<u>-0-</u>
Cash Flows from Capital and Related Financing Activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Cash Flows from Investing Activities:			
Interest income received	<u>73</u>	<u>308</u>	<u>381</u>
Net Cash Provided by Investing Activities	<u>73</u>	<u>308</u>	<u>381</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	204,385	116,798	321,183
Cash and Cash Equivalents, January 1, 2014	<u>137,397</u>	<u>486,655</u>	<u>624,052</u>
Cash and Cash Equivalents, December 31, 2014	<u>\$ 341,782</u>	<u>\$ 603,453</u>	<u>\$ 945,235</u>
Reconciliation of operating gain (loss) to net cash provided by operating activities:			
Operating gain (loss)	\$ 70,923	\$ (47,160)	\$ 23,763
Adjustments to reconcile operating gain (loss) to net cash provided by operating activities:			
Increase in administrative fees receivable	(1,611)	-0-	(1,611)
Increase in accounts payable	<u>-0-</u>	<u>298,650</u>	<u>298,650</u>
Net Cash Provided by Operating Activities	<u>\$ 69,312</u>	<u>\$ 251,490</u>	<u>\$ 320,802</u>

See Independent Auditor's Report and Notes to Financial Statements

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Tompkins County Industrial Development Agency (the Agency) and its component unit 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). The more significant of the Agency's accounting policies are described below.

A. Financial Reporting Entity

The Agency was created in 1971 by the Tompkins County Legislature under the provisions of Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth in Tompkins County. The Agency is exempt from federal, state, and local income taxes. The Agency, although established by the Tompkins County Board of Representatives, is a separate entity and operates independently from the County. The Agency is considered a component unit of the County.

All Governmental Activities and functions performed by the County of Tompkins are its direct responsibility.

The financial reporting entity consists of (a) the primary government which is the Tompkins 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 Number 14, "The Financial Reporting Entity," as amended by GASB Statement Number 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement Number 61, "The Financial Reporting Entity: Omnibus - an amendment of GASB Statement Numbers 14 and 34."

The decision to include a potential component unit in the County's reporting entity is based on several criteria set forth in GASB Statement Number 14, "The Financial Reporting Entity," as amended by GASB Statement Number 39, "Determining Whether Certain Organizations are Component Units," and GASB Statement Number 61, "The Financial Reporting Entity: Omnibus - an amendment of GASB Statement Numbers 14 and 34," including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is included as a blended component unit:

Tompkins County Development Corporation (the Corporation) - Similar to the Agency, the Corporation was formed for the purpose of encouraging economic growth in Tompkins County during 2010. Because New York State has legislated industrial development agencies can no longer serve not for profit entities, the Corporation will serve that segment of the economy in Tompkins County.

B. Basis of Accounting

The accounts of the Agency and its component unit are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned. Material revenues accrued include administrative fees. Expenses are recorded when the liability is incurred.

C. Cash and Cash Equivalents

The Agency and its component unit consider all highly liquid investments having an original maturity of three months or less to be cash equivalents.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
 NOTES TO FINANCIAL STATEMENTS  
 (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014

D. Equity Classifications

Statement of Net Position:

- **Restricted**  
 Consists of net resources 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. The Agency had no restricted net resources at year-end.
- **Unrestricted**  
 Consists of all other resources that do not meet the definition of "restricted."

E. Related Parties

Tompkins County Area Development (TCAD)

TCAD is a private, not-for-profit organization founded in 1964 that provides the Ithaca area with innovative services to strengthen the economy. The President of TCAD serves as the Administrative Director of the Agency. During the year ended December 31, 2014, there were three additional members of the TCAD Board of Directors serving on the Board of Directors of the Tompkins County Industrial Development Agency.

Workforce Investment Board (WIB)

The WIB was created to meet employer workforce needs and facilitate employment and development appointments for individuals in Tompkins County. The President of TCAD and one County legislator served on the WIB. Services provided by the WIB are coordinated by a County employee and are funded by grants procured through the County.

F. Revenues

The Agency and Corporation first utilize restricted resources to finance qualifying activities.

Note 2 - Operating Revenues

Operating revenues of the Agency and its component unit consist of administrative fees. Investment earnings are reported as non-operating revenues.

Note 3 - Administrative Fees Receivable

Administrative fees receivable at year-end are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ <u>20,945</u>
Total	\$ <u><u>20,945</u></u>

No provision has been made for uncollectible receivables as the Agency believes all receivables to be fully collectible. There were no fees receivable for the Corporation at year-end.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
 NOTES TO FINANCIAL STATEMENTS  
 (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014

Note 4 - Industrial Revenue Bond and Note Transactions

Certain industrial development revenue bonds and notes issued by the Agency and Corporation are secured by property leased to companies and retired by lease payments. The bonds and notes are not obligations of the Agency, Corporation or the State. The Agency and Corporation do not record the assets or liabilities resulting from completed bond and note issues in its accounts, because its primary function is to arrange 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 and Corporation receive bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes. At December 31, 2014, the outstanding value of bonds and notes issued aggregated \$247,551,380 and \$141,878,650 for the Agency and Corporation, respectively.

Note 5 - Payments in Lieu of Tax

During the time in which property is leased to a company, the property is exempt from taxes other than special and valorem levies and special assessments. However, the Agency entered into a Payment in Lieu of Tax (PILOT) agreement wherein the company is required to make annual payments to the County, local municipalities, and school districts.

In 2014, \$4,883,461 was received in PILOT payments compared to the \$7,096,583 which would have been received if businesses paid the full amount of property taxes; for a total property tax abatement of \$2,213,122.

Note 6 - Deposits and Investments

State statutes govern the Agency's and Corporation's investment policies. In addition, the Agency and the Corporation have their own written investment policy. 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 for the Agency and Corporation at 105% and 100%, respectively, 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 Agency and Corporation of \$366,782 and \$603,453, respectively, at December 31, 2014 are covered by FDIC insurance up to \$250,000. As of December 31, 2014, all deposits with financial institutions were either insured or collateralized with securities held by the pledging financial institution in the entities' name.

Note 7 - Related Parties

During 2014, the Agency and the Corporation paid TCAD \$100,000 and \$134,700, respectively, for economic development and marketing services.

Note 8 - Commitments

During the year ended December 31, 2014, the Board of Directors of the Agency and Corporation passed resolutions authorizing the following 2015 budgetary commitments to TCAD:

Agency	\$ 100,000
Corporation	<u>133,000</u>

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
SCHEDULE OF INDEBTEDNESS  
DECEMBER 31, 2014

	<u>Month and Year</u>	<u>Current Interest Rate</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Final Maturity</u>
<u>Cayuga Medical Center at Ithaca, Inc.</u>	<u>10/2003</u>	<u>BMA+.35%</u>	<u>\$ 6,100,000</u>	<u>\$</u>	<u>\$ 1,100,000</u>	<u>\$ 5,000,000</u>	<u>10/2018</u>
<u>CDP, Ithaca</u>	<u>12/2003</u>	<u>3%</u>	<u>15,075,000</u>	<u></u>	<u>605,000</u>	<u>14,470,000</u>	<u>3/2030</u>
<u>Community Recreational Center, Inc.</u>	<u>1/2002</u>	<u>5.50%</u>	<u>888,897</u>	<u></u>	<u>92,073</u>	<u>796,824</u>	<u>12/2021</u>
<u>Cornell Heat and Power</u>	<u>1/2008</u>	<u>2.0% - 5.0%</u>	<u>65,705,000</u>	<u></u>	<u>1,540,000</u>	<u>64,165,000</u>	<u>7/2037</u>
<u>Cornell University, Lake Source Cooling</u>	<u>Various</u>	<u>2.0%- 11.0%</u>	<u>54,375,000</u>	<u></u>	<u>1,575,000</u>	<u>52,800,000</u>	<u>7/2030</u>
<u>Family &amp; Children's Family Service of Ithaca</u>	<u>1/2008</u>	<u>4.75%</u>	<u>2,248,830</u>	<u></u>	<u>74,771</u>	<u>2,174,059</u>	<u>2/2033</u>
<u>The William George Agency for Children's Services</u>	<u>12/2000</u>	<u>5.84%</u>	<u>266,667</u>	<u></u>	<u>133,333</u>	<u>133,334</u>	<u>12/2015</u>
<u>Ithaca Community Childcare Center</u>	<u>3/1992</u>	<u>4.2%</u>	<u>147,760</u>	<u></u>	<u>82,193</u>	<u>65,567</u>	<u>10/2015</u>
<u>Ithaca Community Childcare Center</u>	<u>12/2008</u>	<u>5.4%</u>	<u>164,978</u>	<u></u>	<u>13,382</u>	<u>151,596</u>	<u>1/2029</u>
<u>Ithacare Center Service Company (Refinanced)</u>	<u>1/2008</u>	<u>Variable</u>	<u>13,235,000</u>	<u></u>	<u>370,000</u>	<u>12,865,000</u>	<u>2/2037</u>
<u>Kendal at Ithaca</u>	<u>Various</u>	<u>Various</u>	<u>8,330,000</u>	<u></u>	<u>8,330,000</u>	<u>-0-</u>	<u>12/2014</u>
<u>Transonic Systems</u>	<u>12/2010</u>	<u>3.60%</u>	<u>4,219,583</u>	<u></u>	<u>169,583</u>	<u>4,050,000</u>	<u>12/2030</u>
<u>Ithaca College</u>	<u>11/2004</u>	<u>Variable</u>	<u>25,760,000</u>	<u></u>	<u>865,000</u>	<u>24,895,000</u>	<u>7/2034</u>
<u>Ithaca College</u>	<u>9/2005</u>	<u>Variable</u>	<u>40,290,000</u>	<u></u>	<u>1,360,000</u>	<u>38,930,000</u>	<u>7/2026</u>
<u>Ithaca College</u>	<u>4/2007</u>	<u>Fixed</u>	<u>27,555,000</u>	<u></u>	<u>500,000</u>	<u>27,055,000</u>	<u>7/2016</u>
 TOTAL			<u>\$ 264,361,715</u>	<u>\$ -0-</u>	<u>\$ 16,810,335</u>	<u>\$ 247,551,380</u>	

TOMPKINS COUNTY LOCAL DEVELOPMENT CORPORATION  
SCHEDULE OF INDEBTEDNESS  
DECEMBER 31, 2014

	<u>Month and Year</u>	<u>Current Interest Rate</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Final Maturity</u>
<u>Cayuga Medical Center at Ithaca, Inc.</u>	<u>8/2010</u>	<u>64.1% +1.04%</u>	<u>\$ 11,230,000</u>	<u>\$</u>	<u>\$ 1,085,000</u>	<u>\$ 10,145,000</u>	<u>8/2022</u>
<u>Cayuga Medical Center at Ithaca, Inc.</u>	<u>4/2013</u>	<u>2.73%</u>	<u>24,368,508</u>	<u></u>	<u>970,907</u>	<u>23,397,601</u>	<u>4/2023</u>
<u>Ithaca College</u>	<u>4/2011</u>	<u>Fixed</u>	<u>24,980,000</u>	<u></u>	<u>480,000</u>	<u>24,500,000</u>	<u>7/2041</u>
<u>Franziska Racker Center</u>	<u>10/2011</u>	<u>4.00%</u>	<u>2,305,557</u>	<u></u>	<u>132,978</u>	<u>2,172,579</u>	<u>6/2027</u>
<u>TC3 Foundation</u>	<u>1/2013</u>	<u>5.00%</u>	<u>38,180,000</u>	<u></u>	<u></u>	<u>38,180,000</u>	<u>12/2021</u>
<u>TC3 Foundation</u>	<u>1/2013</u>	<u>2.0% - 2.5%</u>	<u>2,780,000</u>	<u></u>	<u>910,000</u>	<u>1,870,000</u>	<u>1/2038</u>
<u>Kendal</u>	<u>11/2012</u>	<u>Variable</u>	<u>8,885,000</u>	<u></u>	<u>165,000</u>	<u>8,720,000</u>	<u>7/1/2042</u>
<u>Kendal</u>	<u>12/2014</u>	<u>4.0%-5.0%</u>	<u></u>	<u>31,720,000</u>	<u></u>	<u>31,720,000</u>	<u>7/1/2044</u>
<u>Kendal</u>	<u>12/2014</u>	<u>4.0%-5.0%</u>	<u></u>	<u>1,173,470</u>	<u></u>	<u>1,173,470</u>	<u>7/1/2025</u>
 TOTAL			<u>\$ 112,729,065</u>	<u>\$ 32,893,470</u>	<u>\$ 3,743,885</u>	<u>\$ 141,878,650</u>	

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
SCHEDULE OF PROJECTS  
DECEMBER 31, 2014

Project Name	Exemption Period	Purpose	Sales Tax Cap	Sales Tax Exemptions	Mortgage Tax Exemptions	Payments in Lieu of Taxes	Property Taxes if not Exempt	Total Exemptions	Base Year Jobs	Current Employment 12/31/2014
Incodema:										
407 Holdings, Incodema	2007-2014	Manufacturing	\$	\$	\$	\$ 47,588	\$ 50,682	\$ 3,094	70	57
Incodema 3D	2014-2015	Manufacturing	480,000	3,528				3,528	N/A	N/A
330 Main Street Holdings	2014-2015	Manufacturing	25,600	19,753				19,753	N/A	N/A
Acquacalda	2011-2015	Commercial				26,475	34,040	7,565	38	27
ADC	2014-2016	Manufacturing	122,720					-0-	N/A	N/A
AES Cayuga	2009-2028	Power Plant				2,263,840	2,263,840	-0-	94	65
Arrowhead Ventures	2013-2027	Construction				148,907	148,907	-0-	-0-	-0-
B&T Park:										
Nine Brown Road	2007-2025	Industrial Park				28,885	30,268	1,383	N/A	N/A
Nineteen Brown Road	2007-2025	Industrial Park				31,930	116,661	84,731	-0-	184
Techfab Facilities	2000-2015	Industrial Park				63,845	72,519	8,674	-0-	46
Ten Brown Road	2002-2017	Industrial Park				100,641	132,426	31,785	-0-	88
Thirty Six Thornwood	2002-2017	Industrial Park				97,446	129,272	31,826	35	109
Twenty Thornwood	2014-2016	Industrial Park	63,467					-0-	-0-	91
Ithaca B&T	2014-2016	Industrial Park	31,733					-0-	N/A	N/A
Beechtree Care Center	2013-2015	Health Care	19,200	4,696				4,696	101	147
318 South Albany Street, LLC.	2013-2015	Construction	1,600					-0-	N/A	N/A
BinOptics	2014-2016	Manufacturing	96,000					-0-	N/A	N/A
Blinders Property	2002-2017	Real Estate				43,759	56,053	12,294	30	23
Brieshell	2000-2014	Commercial				27,678	28,911	1,233	19	36
C&D Assembly	2008-2015	Manufacturing				13,251	15,447	2,196	30	27
Carey Building Associates	2014-2016	Construction	268,960					-0-	N/A	N/A
Cascade Plaza	2005-2025	Real Estate				440,511	1,009,822	569,311	305	379
Subtotal			\$ 1,109,280	\$ 27,977	\$ -0-	\$ 3,334,756	\$ 4,088,848	\$ 782,069		



TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
SCHEDULE OF PROJECTS  
(CONTINUED)  
DECEMBER 31, 2014

Project Name	Exemption Period	Purpose	Sales Tax Cap	Sales Tax Exemptions	Mortgage Tax Exemptions	Payments in Lieu of Taxes	Property Taxes if not Exempt	Total Exemptions	Base Year Jobs	Current Employment 12/31/2014
Subtotal from previous page			\$ 1,109,280	\$ 27,977	\$ -0-	\$ 3,334,756	\$ 4,088,848	\$ 782,069		
Cayuga Green:										
Parcel A	2009-2018	Construction				20,883	40,774	19,891	N/A	N/A
Parcel E	2009-2018	Construction				153,912	337,623	183,711	N/A	N/A
Theatre Parcel	2009-2018	Construction				24,845	55,254	30,409	79	54
College Circle Association	2003-2043	Construction				280,316	1,051,263	770,947	N/A	N/A
Cornell University	2006-2021	Education				62,902	115,873	52,971	50	90
Dairy One	2013-2014	Commercial	171,420	59,556				59,556	N/A	N/A
Gateway Plaza Association	2003-2014	Real Estate				107,155	147,854	40,699		
Harolds Square	2013-2015	Real Estate	1,368,000					-0-	N/A	N/A
Holiday Inn	2013-2014	Tourism	207,806	87,796				87,796	N/A	N/A
Hotel Ithaca	2013-2014	Tourism	748,800					-0-	N/A	N/A
Ithaca Beer	2014-2016	Commercial	160,800					-0-	64	46
Ital Thai	2012-2022	Commercial				17,738	41,917	24,179	22	23
JB Holdings	2007-2014	Real Estate				46,662	48,241	1,579	-0-	-0-
JOC H&F	2006-2016	Real Estate				281,968	394,402	112,434	16	117
Kaida Computer Technologies	2005-2015	Manufacturing				84,693	124,817	40,124	19	29
Lansing Market Realty	2012-2019	Real Estate				12,152	38,241	26,089	7	33
Nut Brown Realty	2014-2016	Real Estate				13,565	47,355	33,790	N/A	N/A
Plastisol Composites	2010-2016	Manufacturing				45,528	73,319	27,791	28	3
Prudence Properties of Ithaca	2007-2017	Real Estate				29,503	35,970	6,467	27	17
South Hill Business Campus	2005-2016	Real Estate	80,000	17,433		123,835	200,150	93,748	250	342
SHBC Power & Heat	2013-2014	Real Estate	52,000	42,378				42,378	N/A	N/A
Taughannock Aviation	2005-2015	Manufacturing				24,250	26,643	2,393	N/A	N/A
Taughannock Aviation Hanger	2008-2015	Construction				23,395	29,953	6,558	99	42
Transonic Systems	2011-2031	Manufacturing				139,961	139,961	-0-	136	92
Zar Associates	1998-2016	Construction				55,442	58,125	2,683	37	84
Total			\$ 3,898,106	\$ 235,140	\$ -0-	\$ 4,883,461	\$ 7,096,583	\$ 2,448,262		

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Jerry E. Mickelson, C.P.A.  
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Debbie Conley Jordan, C.P.A.  
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**Ciaschi • Dietershagen • Little • Mickelson  
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*Certified Public Accountants and Consultants*

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Frederick J. Ciaschi, C.P.A.

**INDEPENDENT AUDITOR'S 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**

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

We have audited, in accordance with the 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, the financial statements of the business-type activities of Tompkins County Industrial Development Agency (the Agency), and it's the blended component unit, Tompkins County Development Corporation, 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 and have issued our report thereon dated March 25, 2015. The Agency is a component unit of the County of Tompkins, State of New York.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency'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 weaknesses may exist that have not been identified.

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's basic 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 or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The 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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lisa Dietershagen, Little, Mickelson & Company, LLP". The signature is written in a cursive style.

March 25, 2015  
Ithaca, New York