

**TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

Ithaca, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2011**

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FOR THE YEAR ENDED DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the business-type activities and the component unit of the Tompkins County Industrial Development Agency (the Agency), a component unit of the County of Tompkins, as of and for the year ended December 31, 2011, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 and the discretely presented component unit of the Agency, as of December 31, 2011, and the results of its operations and its cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2012 on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements or other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tompkins County Industrial Development Agency's basic financial statements as a whole. The Schedules of Debt are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Tompkins County Industrial Development Agency. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cinchi, Dickelogn, Little, Mickelson & Co., LLP

March 12, 2012
Ithaca, New York

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011

The Tompkins County Industrial Development Agency (the Agency) was created in 1971 to encourage economic growth in Tompkins County.

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 Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Agency's financial position as of December 31, 2011, 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

- Total expenses exceeded revenue by \$(109,906) in 2011 compared to 2010 when expenses exceeded revenues by \$(126,367). This net loss is due to the decline in project fees, which are greatly influenced by the business cycle.
- Net assets for the year ended December 31, 2011 amounted to \$551,040, compared to \$660,946 at December 31, 2010.
- Total revenues in 2011 were \$211,807 compared to revenues of \$251,506 in 2010.
- Total expenses of \$321,713 in 2011 decreased by 14.9% from total expenses of \$377,873 in 2010, due primarily to a decrease in projects, which resulted in reduced fees paid for administration.

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

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

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

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

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.

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 assets for fiscal year ended December 31, 2011 decreased by \$109,906. Our analysis below focuses on the net assets (*Figure 1*) and changes in net assets (*Figure 2*) of the Agency's activities.

Figure 1

Condensed Statement of Net Assets	Total Agency		Total Dollar Change
	2010	2011	2010 - 2011
<i>Current assets:</i>			
Cash	\$ 520,889	\$ 451,040	\$ (69,849)
Administrative fees receivable within one year	72,840	85,000	12,160
Total current assets	593,729	536,040	(57,689)
<i>Noncurrent assets:</i>			
Administrative fees receivable in more than one year	70,000	15,000	(55,000)
Total assets	663,729	551,040	(112,689)
<i>Current liabilities:</i>			
Accounts payable	2,324		(2,324)
Due to NYS	459		(459)
Total liabilities	2,783	-0-	(2,783)
<i>Unrestricted net assets</i>	660,946	551,040	(109,906)
Total net assets	\$ 660,946	\$ 551,040	\$ (109,906)

The decrease in cash is due to operating results in 2011. The decrease in administrative fees receivable in more than one year is due to factors related to the economic cycle, and the curtailment of the Agency's authority to provide financing for non-profit health and education organizations because of legislation adopted by the New York State Legislature.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

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

Figure 2

Changes in Net Assets	Business-type Activities and Total Agency		Total Dollar Change
	2010	2011	2010 - 2011
<i>Operating revenues:</i>			
<i>Fees</i>	\$ 211,340	\$ 210,773	\$ (567)
Total operating revenues	211,340	210,773	(567)
<i>Nonoperating revenues:</i>			
<i>Refund of prior year expenses</i>	38,403		(38,403)
<i>Interest and earnings</i>	1,763	1,034	(729)
Total revenues	251,506	211,807	(39,699)
<i>Operating expenses:</i>			
<i>Contractual expenses</i>	377,414	321,713	(55,701)
<i>NYS assessment</i>	459	-0-	(459)
Total expenses	377,873	321,713	(56,160)
(DECREASE) IN NET ASSETS	\$ (126,367)	\$ (109,906)	\$ 16,461

Total revenues for the Agency's activities decreased by \$(39,699). The decrease in revenues is due to the receipt of interest earned on re-capture amount of Emerson plant property taxes offset by reduced project fee revenue.

Total expenses for the Agency decreased by \$(56,160) or 14.9%. The decrease in expenses is primarily due to reduced administration fees for non-recurring activities of TCAD.

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 \$279,000 to Tompkins County Area Development (TCAD) for economic development in 2012. The Agency and TCAD have begun efforts to secure other funding sources in order to ensure that there is 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 \$150,000 to Tompkins County Area Development for economic development in 2012.
- The Development Corporation's continued authority to finance certain public facilities might be exposed to legislative curtailment in the future, because 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 need 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 ASSETS
DECEMBER 31, 2011

ASSETS

	Industrial Development Agency	Development Corporation	Total Primary Government
Current Assets:			
Cash and cash equivalents	\$ 451,040	\$ 260,787	\$ 711,827
Administrative fees receivable within one year	85,000	-0-	85,000
Total Current Assets	536,040	260,787	796,827
Noncurrent Assets:			
Administrative fees receivable in more than one year	15,000	-0-	15,000
Total Assets	\$ 551,040	\$ 260,787	\$ 811,827

LIABILITIES AND NET ASSETS

Current Liabilities:			
Accounts payable	\$ -0-	\$ -0-	\$ -0-
Total Liabilities	-0-	-0-	-0-
Unrestricted Net Assets	551,040	260,787	811,827
Total Liabilities and Net Assets	\$ 551,040	\$ 260,787	\$ 811,827

See Independent Auditor's Report and Notes to Financial Statements

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Industrial Development Agency</u>	<u>Development Corporation</u>	<u>Total Primary Government</u>
Operating Revenues:			
Fees	\$ 97,000	\$ 225,000	\$ 322,000
Interest earned on re-capture	<u>113,773</u>	<u>-0-</u>	<u>113,773</u>
Total Operating Revenues	<u>210,773</u>	<u>225,000</u>	<u>435,773</u>
Operating Expenses:			
Contribution to Tompkins County Area Development	312,700	100,000	412,700
Professional and administrative expenses	<u>9,013</u>	<u>1,461</u>	<u>10,474</u>
Total Operating Expenses	<u>321,713</u>	<u>101,461</u>	<u>423,174</u>
Operating (Loss) Income	<u>(110,940)</u>	<u>123,539</u>	<u>12,599</u>
Nonoperating Revenues:			
Interest and earnings	<u>1,034</u>	<u>425</u>	<u>1,459</u>
Total Nonoperating Revenues	<u>1,034</u>	<u>425</u>	<u>1,459</u>
Net (Loss) Income	(109,906)	123,964	14,058
Unrestricted Net Assets, January 1, 2011	<u>660,946</u>	<u>136,823</u>	<u>797,769</u>
Unrestricted Net Assets, December 31, 2011	<u>\$ 551,040</u>	<u>\$ 260,787</u>	<u>\$ 811,827</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, 2011

	<u>Industrial Development Agency</u>	<u>Development Corporation</u>	<u>Total Primary Government</u>
Cash Flows from Operating Activities:			
Cash received from providing services	\$ 253,613	\$ 225,000	\$ 478,613
Cash payments - Contractual expenses	<u>(324,496)</u>	<u>(101,461)</u>	<u>(425,957)</u>
Net Cash (Used) Provided by Operating Activities	<u>(70,883)</u>	<u>123,539</u>	<u>52,656</u>
Cash Flows from Noncapital Financing Activities	<u>-0-</u>	<u>-0-</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>1,034</u>	<u>425</u>	<u>1,459</u>
Net Cash Provided by Investing Activities	<u>1,034</u>	<u>425</u>	<u>1,459</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(69,849)</u>	<u>123,964</u>	<u>54,115</u>
Cash and Cash Equivalents, January 1, 2011	<u>520,889</u>	<u>136,823</u>	<u>657,712</u>
Cash and Cash Equivalents, December 31, 2011	<u>\$ 451,040</u>	<u>\$ 260,787</u>	<u>\$ 711,827</u>
Reconciliation of net operating (loss) income to net cash provided (used) by operating activities:			
Operating (loss) income	\$ (110,940)	\$ 123,539	\$ 12,599
Adjustments to reconcile net (loss) income to net cash (used) provided by operating activities:			
Decrease in administrative fees receivable	42,840	-0-	42,840
(Decrease) in amounts due to New York State	(459)	-0-	(459)
(Decrease) in accounts payable	<u>(2,324)</u>	<u>-0-</u>	<u>(2,324)</u>
Net Cash (Used) Provided by Operating Activities	<u>\$ (70,883)</u>	<u>\$ 123,539</u>	<u>\$ 52,656</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, 2011

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Tompkins County Industrial Development Agency (the 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 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 of 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. No other governmental organizations have been included or excluded from the reporting entity.

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 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 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 (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 that 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.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2011

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.

D. Equity Classifications

Statement of Net Assets

- **Restricted Net Assets**
Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation. The Agency had no restricted net assets at year-end.

- **Unrestricted Net Assets**
Consists of all other net assets 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 and serves on the Agency's Board of Directors. During the year ended December 31, 2011, 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.

Note 2 - Operating Revenue

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

Note 3 - Administrative Fees Receivable

Administrative fees receivable at year end are deemed to be fully collectible as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 85,000
2013	<u>15,000</u>
Total	<u>\$ 100,000</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's end.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2011

Note 4 - Industrial Revenue Bond and Note Transactions

Certain industrial development revenue bonds and notes issued by the Agency are secured by property leased to companies and 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 financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes.

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 2011, \$5,398,038 was received in PILOTS compared to the \$10,910,233 which would have been received if businesses paid the full amount of taxes; for a total tax abatement of \$5,512,195.

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 \$451,040 at December 31, 2011 are covered by FDIC insurance up to \$250,000 with the remaining \$201,040 collateralized with securities held by the Agency's financial institution pledged in the name of Tompkins County Industrial Development Agency. The carrying value of deposits at December 31, 2011 totaled \$451,040. Total bank balances of the Corporation in the amount of \$260,787 at December 31, 2011 are covered by FDIC insurance up to \$250,000. The Corporation had an uninsured bank balance of \$10,787 at December 31, 2011.

Note 7 - Related Parties

During 2011, the Agency and the Corporation paid TCAD \$312,700 and \$100,000 respectively for economic development and marketing services.

Note 8 - Commitments

During the year ended December 31, 2011 the Board of Directors of the Agency passed resolutions authorizing the following 2012 budgetary commitments to TCAD:

Agency	\$ <u>279,000</u>
Corporation	\$ <u>150,000</u>

John H. Dietershagen, C.P.A.
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**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 the accompanying financial statements of the business-type activities and its discretely presented component unit of Tompkins County Industrial Development Agency (the Agency), a component unit of the County of Tompkins, as of and for the year ended December 31, 2011, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 12, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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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*.

We noted certain matters that we reported to management of the Agency in a separate letter dated March 12, 2012.

This report is intended solely for the information and use of management, the Board of Directors and Audit Committee, others within the Agency, and New York State and is not intended to be and should not be used by anyone other than these specified parties.

Cinchi, DiStefano, Little, Mickelson & Co., LLP

March 12, 2012
Ithaca, New York

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF DEBT
FOR THE YEAR ENDED DECEMBER 31, 2011

Type of Debt	Statutory Authorization	Outstanding Start of Fiscal Year	New Debt Issuances	Debt Retired	Outstanding End of Fiscal Year
State Obligation:					
State guaranteed	\$	\$	\$	\$	\$ -0-
State supported					-0-
State contingent obligation					-0-
State moral obligation					-0-
Other state funded					-0-
Authority Obligation:					
General obligation					-0-
Revenue					-0-
Other non-state funded					-0-
Conduit:					
Conduit debt		333,779,925	-0-	10,337,564	323,442,361
Conduit debt Pilot increment financing					-0-
Total Debt	\$ -0-	\$ <u>333,779,925</u>	\$ -0-	\$ <u>10,337,564</u>	\$ <u>323,442,361</u>

TOMPKINS COUNTY DEVELOPMENT CORPORATION
SCHEDULE OF DEBT
FOR THE YEAR ENDED DECEMBER 31, 2011

Type of Debt	Statutory Authorization	Outstanding Start of Fiscal Year	New Debt Issuances	Debt Retired	Outstanding End of Fiscal Year
State Obligation:					
State guaranteed	\$	\$	\$	\$	\$ -0-
State supported					-0-
State contingent obligation					-0-
State moral obligation					-0-
Other state funded					-0-
Authority Obligation:					
General obligation					-0-
Revenue					-0-
Other non-state funded					-0-
Conduit:					
Conduit debt		14,275,000	28,405,000	980,000	41,700,000
Conduit debt Pilot increment financing					-0-
Total Debt	\$ <u>-0-</u>	\$ <u>14,275,000</u>	\$ <u>28,405,000</u>	\$ <u>980,000</u>	\$ <u>41,700,000</u>