



STATE OF NEW YORK
Authorities Budget Office
P O Box 2076
Albany, NY 12220-0076
WWW.ABO.STATE.NY.US

e-mail address:
info@abo.state.ny.us

Local: 518-474-1932
Toll Free: 1-800-560-1770

March 5, 2012

Mr. Vijay Mital
Chairman
Cayuga County Development Corporation
Cayuga County Office Building, 5th Floor
160 Genesee Street
Auburn, New York 13021

Dear Mr. Mital:

In August 2011, the Cayuga County Development Corporation received a letter that compelled its board of directors and chief executive officer to justify the authority's persistent failure to meet the reporting requirements of sections 2800, 2801, and 2802 of Public Authorities Law. In its August 31, 2011 response, you and Mr. Stephen Lynch, Executive Director, stated that it "will fully comply" with the reporting requirements of Public Authorities Law and intended to do so by October 31, 2011.

As of March 5, 2012, the Cayuga County Development Corporation remains out of compliance with the public disclosure, reporting and corporate governance provisions of Public Authorities Law. Cayuga County Development Corporation has not filed the following reports with this Office:

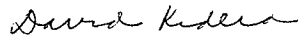
- Budget Report for fiscal years ending 12/31/2010, 12/31/2011, and 12/31/2012
- Annual Report for fiscal years ending 12/31/2009 and 12/31/2010
- Audit Report for fiscal years ending 12/31/2009 and 12/31/2010

Accordingly, pursuant to its powers under Section 6(2)(f) of Public Authorities Law and Policy Guidance 11-02: "Enforcement Powers of the Authorities Budget Office", issued February 10, 2011, the Authorities Budget Office is sending this official letter of censure to the board of directors of the Cayuga County Development Corporation.

As a public authority, the Cayuga County Development Corporation is expected to be timely and transparent with its financial reporting and to be accountable to the public. This letter of censure is the result of your collective failure to take appropriate corrective action when the authority was previously warned that it was out of compliance with state law. Those warnings constitute reasonable evidence that the board and the authority's management were made aware of this situation. The fact you continue to ignore your obligations under state law is unacceptable. This continued inaction demonstrates a fundamental misunderstanding of your fiduciary responsibilities and is a serious violation of your duty as a director or officer of this authority.

This letter is being made part of the public record. Disclosure of this delinquency and letter of censure may be required by federal securities law, should the authority finance debt in the future. Furthermore, should the board of directors and the chief executive officer fail to bring the Cayuga County Development Corporation into compliance, the Authorities Budget Office may take additional steps, including initiating legal action, to access the records, books, and financial documents of the Authority, and/or recommending the removal of the board of directors.

Sincerely,



David Kidera
Director

cc: New York State Senator Michael F. Nozzolio
Assemblyman Gary D. Finch
Mr. Thomas Squires, County Administrator