

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

For the year ended December 31, 2017

The Cayuga County Industrial Development Agency was created in 1970 to encourage economic welfare, recreation opportunities and prosperity for the inhabitants of Cayuga County. The Cayuga County Industrial Development Agency is a component unit of the County of Cayuga.

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Agency's financial position as of December 31, 2017, and the results of its operations for the year then ended. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the Agency, which directly follow the MD&A.

FINANCIAL HIGHLIGHTS

- Total expenses exceed revenues by \$10,352 in 2017 compared to 2016 when expenses exceeded revenues by \$24,238.
- Net position for the year ended December 31, 2017 amounted to \$1,421,588, compared to \$1,431,940 at December 31, 2016.
- Total operating revenues of \$18,575 in 2017 decreased from total operating revenues of \$26,483 in 2016.
- Total expenses of \$36,143 decreased from total expenses of \$57,602 in 2016. During 2016, the Organization performed land studies and wetland delineations, which were one time expenditures.

Overview of the Basic Financial Statements

The financial statements of the Cayuga County Industrial Development Agency have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, a Statement of Cash Flows and accompanying notes. These statements provide information on the financial position of the Agency and the financial activity and results of its operations during the year. A description of these statements follows:

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

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

The **Statement of Cash Flows** provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used from operating, non-capital financing, capital financing and investing activities.

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

The Agency’s total net position for the fiscal year ended December 31, 2017 decreased by \$10,392. Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the Agency’s activities.

Figure 1

Condensed Statement of Net Position	Total Agency		Total Dollar Change
	2016	2017	2016-2017
Current assets:			
Cash	\$ 938,264	\$ 876,577	\$ (61,687)
PILOT payments receivable	10,660	9,986	(674)
Other receivables	-	1,650	1,650
Total current assets	948,924	888,213	(60,711)
Noncurrent assets:			
Land and building inventory	531,856	531,856	-
Construction in progress	13,039	26,449	13,410
Total noncurrent assets	544,895	558,305	13,410
Total assets	1,493,819	1,446,518	(47,301)
Current liabilities:			
Accounts payable	7,364	4,944	(2,420)
PILOT payments payable	44,515	9,986	(34,529)
Deferred revenue	10,000	10,000	-
Total liabilities	61,879	24,930	(36,949)
Unrestricted net position	1,431,940	1,421,588	(10,352)
Total net position	\$ 1,431,940	\$ 1,421,588	\$ (10,352)

The decrease in cash is due to the decrease in net position for the year. Expenses exceeded revenues by \$10,352 during the year.

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

Figure 2

Changes in Net Position	Total Agency		Total Dollar Change
	2016	2017	2016-2017
Operating revenues:			
Fees for services	\$ 14,850	\$ 16,925	\$ 2,075
Rental Fees	1,707	1,650	(57)
Other	9,926	-	(9,926)
Total operating revenues	26,483	18,575	(7,908)
Operating expenses:			
General operating	52,623	31,295	(21,328)
Local economic development	2,899	2,158	(741)
Property taxes on investment in land and building	2,080	2,690	610
Total operating expenses	57,602	36,143	(21,459)
Total operating (loss) income	(31,119)	(17,568)	13,551
Non-operating revenues/expenses			
Interest and earnings	6,730	7,002	272
Gas well leases	151	214	63
Total non-operating income	6,881	7,216	335
INCREASE (DECREASE) IN NET POSITION	\$ (24,238)	\$ (10,352)	\$ 13,886

Total operating revenues for the Agency's activities decreased by \$7,908. In 2016, the Organization recovered fees due to a PILOT late payment. Total expenses for the Agency decreased by \$21,459. During 2016, the Organization performed land studies and wetland delineations, which were one time expenditures.

FACTORS BEARING ON THE AGENCY'S FUTURE

- The Agency does not anticipate any significant changes in revenues or expenses for year ended December 31, 2018.
- There are no known factors that would have an impact on the economic climate of the community in the foreseeable future.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Agency's clients, investors and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Cayuga County Industrial Development Agency, at 2 State Street, Auburn, New York 13021.