

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

For the year ended December 31, 2015

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, 2015, 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 revenues exceed expenses by \$271,079 in 2015 compared to 2014 when revenues exceeded expenses by \$14,224.
- Net position for the year ended December 31, 2015 amounted to \$1,456,178, compared to \$1,185,099 at December 31, 2014.
- Total revenues of \$334,254 in 2015 increased from total revenues of \$146,263 in 2014.
- Total expenses of \$77,064 decreased from total expenses of \$136,071 in 2014, primarily due to decreased grant 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.

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FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

The Agency's total net position for the fiscal year ended December 31, 2015 increased by \$261,604. 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
	2014	2015	2014-2015
Current assets:			
Cash	\$ 644,859	\$ 965,582	\$ 320,723
PILOT payments receivable	24,020	24,020	-
Other receivables	3,442	2,942	(500)
Total current assets	672,321	992,544	320,223
Noncurrent assets:			
Land and building inventory	553,326	517,766	(35,560)
Construction in progress	-	13,039	13,039
Total noncurrent assets	553,326	530,805	(22,521)
Total assets	1,225,647	1,523,349	297,702
Current liabilities:			
Accounts payable	5,543	5,052	(491)
PILOT payments payable	24,020	24,020	-
Deferred revenue	10,985	38,098	27,113
Total liabilities	40,548	67,170	26,622
Unrestricted net position	1,185,099	1,456,178	271,079

The increase in cash is due to the net income for the year. Revenue exceeded expenses by \$271,079 during the year.

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

Changes in Net Position	Total Agency		Total Dollar Change
	2014	2015	2014-2015
Operating revenues:			
Fees for services	\$ 49,384	\$ 119,911	\$ 70,527
Rental Fees	1,815	1,595	(220)
Grant revenue	95,015	25,887	(69,128)
Other	49	-	(49)
Gain on sale of land and building inventory	-	186,861	186,861
Total operating revenues	146,263	334,254	187,991
Operating expenses:			
General operating	33,091	33,476	385
Local economic development	934	1,050	116
Grant expenses	95,015.00	25,887	(69,128)
Property taxes on investment in land and building	7,031	7,175	144
Total operating expenses	136,071	67,588	(68,483)
Total operating (loss) income	10,192	266,666	256,474
Non-operating revenues/expenses			
Interest and earnings	3,480	4,127	647
Gas well leases	552	286	(266)
Total non-operating income	4,032	4,413	381

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Total revenues for the Agency's activities increased by \$187,991. In 2015, the Organization sold 9.897 acres of land in industrial park for a gain of \$186,861. In addition fees for services increased \$70,528. Total expenses for the Agency decreased by \$59,007, primarily due to grant expenditures during the year.

FACTORS BEARING ON THE AGENCY'S FUTURE

- The Agency does not anticipate any significant changes in revenues or expenses for year ended December 31, 2016.
- There are no known factors that would have an impact on the economic climate of the community in the foreseeable future.

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 Cayuga County Industrial Development Agency, at 2 State Street, Auburn, New York 13021.