

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

For the year ended December 31, 2014

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, 2014, 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 \$14,224 in 2014 compared to 2013 when revenues exceeded expenses by \$186,724.
- Net position for the year ended December 31, 2014 amounted to \$1,185,099, compared to \$1,170,875 at December 31, 2013.
- Total revenues of \$150,295 in 2014 decreased from total revenues of \$235,138 in 2013.
- Total expenses of \$136,071 increased from total expenses of \$48,415 in 2013, primarily due to increased 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, 2014 increased by \$14,224. 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 Assets	Total Agency		Total Dollar Change
	2013	2014	2013-2014
Current assets:			
Cash	\$ 619,771	\$ 644,859	\$ 25,088
PILOT payments receivable	24,020	24,020	-
Other receivables	2,942	3,442	500
Total current assets	646,733	672,321	25,588
Noncurrent assets:			
Land and building inventory	553,326	553,326	-
Total noncurrent assets	553,326	553,326	-
Total assets	1,200,059	1,225,647	25,588
Current liabilities:			
Accounts payable	5,164	5,543	379
PILOT payments payable	24,020	24,020	-
Deferred revenue	-	10,985	10,985
Total liabilities	29,184	40,548	11,364
Unrestricted net assets	1,170,875	1,185,099	14,224
Total net assets	\$ 1,170,875	\$ 1,185,099	\$ 14,224

The increase in cash is due to the net income for the year. Revenue exceeded expenses by \$14,224 during the year.

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

Changes in Net Assets	Total Agency		Total Dollar Change
	2013	2014	2013-2014
Operating revenues:			
Fees for services	\$ 209,780	\$ 49,384	\$ (160,396)
Rental Fees	1,953	1,815	(138)
Grant revenue	-	95,015	95,015
Other	65	49	(16)
Gain on sale of land and building inventory	19,707	-	(19,707)
Total operating revenues	231,505	146,263	(85,242)
Operating expenses:			
General operating	38,653	33,091	(5,562)
Local economic development	1,378	934	(444)
Grant expenses	-	95,015	95,015
Property taxes on investment in land and building	8,384	7,031	(1,353)
Total operating expenses	48,415	136,071	87,656
Total operating (loss) income	183,090	10,192	(172,898)
Non-operating revenues/expenses			
Interest and earnings	3,159	3,480	321
Gas well leases	475	552	77
Total non-operating income	3,634	4,032	398
INCREASE (DECREASE) IN NET POSITION	\$ 186,724	\$ 14,224	\$ (172,500)

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Total revenues for the Agency's activities decreased by \$85,242. In 2014, the Organization received fees for new projects in the amount of \$49,384, compared to fees of \$209,780 in 2013. Total expenses for the Agency increased by \$87,656, 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, 2015.
- 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.