



# Cayuga County Industrial Development Agency FY 2013 AUDIT

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## **MANAGEMENT DISCUSSION AND ANALYSIS**

# CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis  
For the year ended December 31, 2013

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, 2013, 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 \$186,722 in 2013 compared to 2012 when expenses exceeded revenues by \$315,377.
- Net assets for the year ended December 31, 2013 amounted to \$1,170,873, compared to \$984,151 at December 31, 2012.
- Total revenues of \$235,138 in 2013 increased from total revenues of \$13,633 in 2012.
- Total expenses of \$48,416 decreased from total expenses of \$329,010 in 2012, primarily due to the completion of the Cayuga Milk Development. In 2012, the agency gifted a roadway to the County of Cayuga.

## 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 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 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 as to 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 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 assets for the fiscal year ended December 31, 2013 increased by \$186,722. 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
	2012	2013	2012-2013
Current assets:			
Cash	\$ 166,707	\$ 619,771	\$ 453,064
PILOT payments receivable	24,020	24,020	-
Other receivables	7,418	2,942	(4,476)
<b>Total current assets</b>	<b>198,145</b>	<b>646,733</b>	<b>448,588</b>
Noncurrent assets:			
Investment in certificates of deposit	90,776	-	(90,776)
Land and building inventory	753,051	553,326	(199,725)
<b>Total noncurrent assets</b>	<b>843,827</b>	<b>553,326</b>	<b>(290,501)</b>
<b>Total assets</b>	<b>1,041,972</b>	<b>1,200,059</b>	<b>158,087</b>
Current liabilities:			
Accounts payable	4,801	5,164	363
PILOT payments payable	24,020	24,020	-
Deferred revenue	29,000	-	(29,000)
<b>Total liabilities</b>	<b>57,821</b>	<b>29,184</b>	<b>(28,637)</b>
Unrestricted net assets	984,151	1,170,875	186,724
<b>Total net assets</b>	<b>\$ 984,151</b>	<b>\$ 1,170,875</b>	<b>\$ 186,724</b>

The increase in cash is due to the net income for the year and closing out of the investment account. Revenue exceeded expenses by \$186,722 during the year and investments decreased by \$90,776. The remaining difference is due to the sale of land and building inventory to Cayuga Milk Ingredients.

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

Figure 2

Changes in Net Assets	Total Agency		Total Dollar Change
	2012	2013	2012-2013
Operating revenues:			
Fees for services	\$ 5,321	\$ 209,780	\$ 204,459
Rental Fees	4,400	1,953	(2,447)
Other	1,142	65	(1,077)
Gain on sale of land and building inventory	-	19,707	19,707
<b>Total operating revenues</b>	<b>10,863</b>	<b>231,505</b>	<b>220,642</b>
Operating expenses:			
General operating	32,192	38,653	6,461
Local economic development	289,386	1,378	(288,008)
Property taxes on investment in land and building	7,432	8,384	952
<b>Total operating expenses</b>	<b>329,010</b>	<b>48,415</b>	<b>(280,595)</b>
<b>Total operating (loss) income</b>	<b>(318,147)</b>	<b>183,090</b>	<b>501,237</b>
Non-operating revenues/expenses			
Interest and earnings	1,768	3,159	1,391
Gas well leases	1,002	475	(527)
<b>Total non-operating income</b>	<b>2,770</b>	<b>3,634</b>	<b>864</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ (315,377)</b>	<b>\$ 186,724</b>	<b>\$ 502,101</b>

Total revenues for the Agency's activities increased by \$220,641. In 2013, the Organization received fees for new projects in the amount of \$209,780. Total expenses for the Agency decreased by \$280,594, primarily due to the development of an industrial park in 2012.

**FACTORS BEARING ON THE AGENCY'S FUTURE**

- The Agency does not anticipate any significant changes in revenues or expenses for year ended December 31, 2014.
- 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.