

## CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### Management's Discussion and Analysis

For the year ended December 31, 2009

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 unity 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, 2009, 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 revenue by \$49,601 in 2009 compared to 2008 when expenses exceeded revenues by \$1,424.
- Net assets for the year ended December 31, 2009 amounted to \$1,344,594, compared to \$1,394,195 at December 31, 2008.
- Total revenues of \$88,116 in 2009 increased from total revenues of \$61,573 in 2008.
- Total expenses of \$137,717 increased from total expenses of \$62,997 in 2008, primarily due to legal fees, site development costs, and costs related to Saratoga Cheese Factory.

#### **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 all 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.

The Agency includes the Cayuga County Development Corporation, a separate legal entity, as a discretely presented component unit because the Agency is financially accountable for it.

**CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

Management's Discussion and Analysis

For the year ended December 31, 2009

**FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE**

The Agency's total net assets for fiscal year ended December 31, 2009 decreased by \$49,601. 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
	2008	2009	2008-2009
Current assets:			
Cash	\$ 426,635	\$ 367,112	(59,523)
Accounts receivable	1,905	1,905	-
Grants receivable	-	54,322	54,322
Restricted cash	58,848	58,848	-
Notes receivable - due in one year	49,163	26,693	(22,470)
Due from other governments	-	-	-
<b>Total current assets</b>	<b>536,551</b>	<b>508,880</b>	<b>(27,671)</b>
Noncurrent assets:			
Investment in certificates of deposit	434,681	438,251	3,570
Notes receivable - due after one year	44,310	45,647	1,337
Deposits	-	5,000	5,000
Land and building inventory	479,839	479,839	-
<b>Total noncurrent assets</b>	<b>958,830</b>	<b>968,737</b>	<b>9,907</b>
<b>Total assets</b>	<b>1,495,381</b>	<b>1,477,617</b>	<b>(17,764)</b>
Current liabilities:			
Accounts payable	-	4,687	4,687
Grants payable	-	69,488	69,488
PILOT payments payable	42,338	-	(42,338)
Deferred revenue	58,848	58,848	-
<b>Total liabilities</b>	<b>101,186</b>	<b>133,023</b>	<b>31,837</b>
Unrestricted net assets	1,394,195	1,344,594	(49,601)
<b>Total net assets</b>	<b>\$ 1,394,195</b>	<b>\$ 1,344,594</b>	<b>(49,601)</b>

The decrease in cash is due to the net loss for the year. Expenses exceed revenue by \$49,601 during the year and cash decreased by \$59,523.

**CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

Management's Discussion and Analysis

For the year ended December 31, 2009

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

Figure 2

Changes in Net Assets	Total Agency		Total Dollar Change
	2008	2009	2008-2009
Operating revenues:			
Fees for services	\$ 24,932	\$ 2,000	(22,932)
Rental Fees	4,334	4,463	129
Interest on notes receivable	1,986	66	(1,920)
Grant revenue	-	69,488	69,488
Other	-	1,000	1,000
Loss on sale of land and building inventory	(29)	-	29
<b>Total operating revenues</b>	<b>31,223</b>	<b>77,017</b>	<b>45,794</b>
Operating expenses:			
General operating	37,928	35,647	(2,281)
Local economic development	22,279	29,679	7,400
Grant expenses	-	69,488	69,488
Property taxes on investment in land and building	2,790	2,903	113
<b>Total operating expenses</b>	<b>62,997</b>	<b>137,717</b>	<b>74,720</b>
<b>Total operating (loss) income</b>	<b>(31,774)</b>	<b>(60,700)</b>	<b>(28,926)</b>
Non-operating revenues/expenses			
Interest and earnings	25,407	9,312	(16,095)
Gas well leases	4,943	1,787	(3,156)
<b>Total non-operating income</b>	<b>30,350</b>	<b>11,099</b>	<b>(19,251)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ (1,424)</b>	<b>\$ (49,601)</b>	<b>(48,177)</b>

Total revenues for the Agency's activities increased by \$45,794. In 2009, the Organization received a pass through grant, which offset the decrease in fees for services. Total expenses for the Agency increased by \$74,671 primarily due to the pass through grant, in addition to significantly higher legal fees. During 2009 the Organization was party to a lawsuit, which was dismissed by the Supreme Court.

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

- The Agency does not anticipate any significant changes in revenues or expenses for year ended December 31, 2010.
- 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 160 Genesee Street, 5<sup>th</sup> Floor, Auburn, New York 13021.