

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

For the year ended December 31, 2016

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, 2016, 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 \$34,164 in 2016 compared to 2015 when revenues exceeded expenses by \$271,079.
- Net position for the year ended December 31, 2016 amounted to \$1,422,014, compared to \$1,456,178 at December 31, 2015.
- Total operating revenues of \$16,557 in 2016 decreased from total operating revenues of \$334,254 in 2015.
- Total expenses of \$57,602 decreased from total expenses of \$67,588 in 2015, 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.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Management's Discussion and Analysis
 For the year ended December 31, 2016

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

The Agency's total net position for the fiscal year ended December 31, 2016 decreased by \$34,164. 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
	2015	2016	2015-2016
Current assets:			
Cash	\$ 965,582	\$ 938,264	\$ (27,318)
PILOT payments receivable	24,020	10,660	(13,360)
Other receivables	2,942	-	(2,942)
Total current assets	992,544	948,924	(43,620)
Noncurrent assets:			
Land and building inventory	517,766	531,856	14,090
Construction in progress	13,039	13,039	-
Total noncurrent assets	530,805	544,895	14,090
Total assets	1,523,349	1,493,819	(29,530)
Current liabilities:			
Accounts payable	5,053	7,364	2,311
PILOT payments payable	24,020	44,515	20,495
Deferred revenue	38,098	10,000	(28,098)
Total liabilities	67,171	61,879	(5,292)
Unrestricted net position	1,456,178	1,431,940	(24,238)
Total net position	\$ 1,456,178	\$ 1,431,940	\$ (24,238)

The decrease in cash is due to the net losses for the year. Expenses exceeded revenues by \$34,164 during the year.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Management's Discussion and Analysis
 For the year ended December 31, 2016

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

Changes in Net Position	Total Agency		Total Dollar Change
	2015	2016	2015-2016
Operating revenues:			
Fees for services	\$ 119,911	\$ 14,850	\$ (105,061)
Rental Fees	1,595	1,707	112
Grant revenue	25,887	-	(25,887)
Other	-	9,926	9,926.000
Gain on sale of land and building inventory	186,861	-	(186,861)
Total operating revenues	334,254	26,483	(307,771)
Operating expenses:			
General operating	33,476	52,623	19,147
Local economic development	1,050	2,899	1,849
Grant expenses	25,887	-	(25,887)
Property taxes on investment in land and building	7,175	2,080	(5,095)
Total operating expenses	67,588	57,602	(9,986)
Total operating (loss) income	266,666	(31,119)	(297,785)
Non-operating revenues/expenses			
Interest and earnings	4,127	6,730	2,603
Gas well leases	286	151	(135)
Total non-operating income	4,413	6,881	2,468
INCREASE (DECREASE) IN NET POSITION	\$ 271,079	\$ (24,238)	\$ (295,317)

Total revenues for the Agency's activities decreased by \$317,697. In 2015, the Organization sold 9.897 acres of land in industrial park for a gain of \$186,861. In addition, fees for services decreased by \$105,061. Total expenses for the Agency increased by \$9,986, primarily due to administrative expenses for 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, 2017.
- 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.