

Cayuga County Development Authority

FY 2010 Audited Financial Statements as a Component Unit of the Cayuga County IDA

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The Cayuga County Development Corporation (CCDC) annually conducts a financial audit as a component unit of the Cayuga County Industrial Development Agency (or the “CCIDA”). This CCIDA Annual Independent Financial Audit looks closely at the finance, internal controls and investments of the CCDC as a component unit of the CCIDA and reports its findings in the CCIDA financial audit report.

The FY2010 Management Discussion & Analysis, with the CCDC audited as a component unit is presented herein.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

For the year ended December 31, 2010

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, 2010, 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 \$73,751 in 2010 compared to 2009 when expenses exceeded revenues by \$49,601.
- Net assets for the year ended December 31, 2010 amounted to \$1,329,691, compared to \$1,344,594 at December 31, 2009.
- Total revenues of \$139,017 in 2010 increased from total revenues of \$88,116 in 2009.
- Total expenses of \$212,768 increased from total expenses of \$137,717 in 2009, primarily due to a contract with Cayuga Economic Development Agency, and expenses 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, 2010

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

The Agency's total net assets for fiscal year ended December 31, 2010 decreased by \$73,751. 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
	2009	2010	2009-2010
Current assets:			
Cash	\$ 367,112	\$ 346,373	\$ (20,739)
Accounts receivable	1,905	-	(1,905)
Grants receivable	54,322	-	(54,322)
Restricted cash	58,848	-	(58,848)
Notes receivable - due in one year	26,693	23,273	(3,420)
Due from other governments	-	-	-
Total current assets	508,880	369,646	(139,234)
Noncurrent assets:			
Investment in certificates of deposit	438,251	439,832	1,581
Notes receivable - due after one year	45,647	22,374	(23,273)
Deposits	5,000	-	(5,000)
Land and building inventory	479,839	548,944	69,105
Total noncurrent assets	968,737	1,011,150	42,413
Total assets	1,477,617	1,380,796	(96,821)
Current liabilities:			
Accounts payable	4,687	50,000	45,313
Grants payable	69,488	1,105	(68,383)
PILOT payments payable	-	-	-
Deferred revenue	58,848	-	(58,848)
Total liabilities	133,023	51,105	(81,918)
Unrestricted net assets	1,344,594	1,329,691	(14,903)
Total net assets	\$ 1,344,594	\$ 1,329,691	\$ (14,903)

The decrease in cash is due to the net loss for the year. Expenses exceed revenue by \$73,751 during the year and cash decreased by \$20,739. The remaining difference is due to the increase in accounts payable of \$45,313.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

For the year ended December 31, 2010

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

Figure 2

Changes in Net Assets	Total Agency		Total Dollar Change
	2009	2010	2009-2010
Operating revenues:			
Fees for services	\$ 2,000	\$ 19,301	\$ 17,301
Rental Fees	4,463	2,231	(2,232)
Interest on notes receivable	66	1,525	1,459
Grant revenue	69,488	106,694	37,206
Other	1,000	1,430	430
Loss on sale of land and building inventory	-	-	-
Total operating revenues	77,017	131,181	54,164
Operating expenses:			
General operating	35,647	29,505	(6,142)
Local economic development	29,679	72,563	42,884
Grant expenses	69,488	106,694	37,206
Property taxes on investment in land and building	2,903	4,006	1,103
Total operating expenses	137,717	212,768	75,051
Total operating (loss) income	(60,700)	(81,587)	(20,887)
Non-operating revenues/expenses			
Interest and earnings	9,312	6,108	(3,204)
Gas well leases	1,787	1,728	(59)
Total non-operating income	11,099	7,836	(3,263)
INCREASE (DECREASE) IN NET ASSETS	\$ (49,601)	\$ (73,751)	\$ (24,150)

Total revenues for the Agency's activities increased by \$54,164. In 2010, the Organization received a pass through grant, which is the primary reason for the increase in revenue. In addition, the Organization negotiated a new PILOT arrangement, increasing fees for services. Total expenses for the Agency increased by \$75,051 primarily due to the pass through grant, in addition to a new agreement with the Cayuga Economic Development Agency.

FACTORS BEARING ON THE AGENCY'S FUTURE

- The Agency does not anticipate any significant changes in revenues or expenses for year ended December 31, 2011.
- 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, 5th Floor, Auburn, New York 13021.