

COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis For the Year Ended December 31, 2015

Our discussion and analysis of the Counties of Warren and Washington Industrial Development Agency's financial performance provide an overview of the Agency's financial activities for the fiscal year ended December 31, 2015. Please read it in conjunction with the Agency's financial statements.

HIGHLIGHTS

Financial Highlights:

- Total current IDA assets were increased by \$114,093 from 2015.
- PILOT Project Revenues in the amount of \$718,636 were disbursed to taxing jurisdictions throughout the Counties of Warren and Washington.

Agency Highlights:

- The Agency added ICC4 West Main St (The Cambridge Home), Boats by George and Kenny & Dittrich Amherst LLC (Marriott Hotel Lake George) as projects. The Agency assisted with sales and mortgage tax exemptions for all three projects. ICC4 West Main Street and Boats by George were also given approval for a PILOT abatement program.

USING THIS ANNUAL REPORT

This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements and Required Supplementary Information. The Financial Statements also include notes that explain in more detail some of the information in the financial statements.

This annual report also includes information for our Component Unit, the Civic Development Corporation.

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For the Year Ended December 31, 2015

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's agency-wide financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves as well.

Agency-wide financial statements. The *agency-wide financial statements* are designed to provide readers with a broad overview of the Agency's finances.

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 of whether the financial position of the Agency is improving or deteriorating.

The *Statement of Operations* presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

Notes to Financial Statements. The Notes provide additional information that is essential to a full understanding of the data provided in the *special purpose financial statements*.

FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government agency's financial position. In the case of the Agency, assets exceeded liabilities by \$1,061,688 as of December 31, 2015.

The Agency's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

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The following tables present a summary of the Agency's and Corp.'s derivation of net position for the fiscal years ended December 31, 2015 and 2014.

Table 1

	2015			2014	
	Industrial Development Agency	Civic Development Corp.		Industrial Development Agency	Civic Development Corp.
Total Current Assets	\$ 551,439	\$18,938	Total Current Assets	\$428,846	\$60,996
Total Capital Assets (net)	519,909	-	Total Capital Assets (net)	520,214	-
Total Other Assets	21,350	5,689	Total Other Assets	29,850	6,206
Total Assets	1,092,698	24,627	Total Assets	978,910	67,202
Total Liabilities	31,010	-	Total Liabilities	2,063	-
Net Investment in Capital Assets	519,909	-	Net Investment in Capital Assets	520,214	-
Unrestricted	541,779	24,627	Unrestricted	456,633	67,202
Total Net Position	\$1,061,688	\$24,627	Total Net Position	\$976,847	\$67,202

Changes in the Agency's and Corp.'s net position can be determined by reviewing the following condensed Statement of Operations at the end of the year.

Table 2

	2015			2014	
	Industrial Development Agency	Civic Development Corp.		Industrial Development Agency	Civic Development Corp.
Total Operating Revenues	\$ 245,684	\$0	Total Operating Revenues	\$ 67,472	\$ 64,155
Total Operating Expenses	146,109	42,575	Total Operating Expenses	107,224	19,556
Net Operating Revenue (Expenses)	99,575	(42,575)	Net Operating Revenue (Expenses)	(39,752)	44,599
Net Non-Operating Revenue (Expenses)	(14,734)	0	Net Non-Operating Revenue (Expenses)	(3,394)	11
Increase (Decrease) in Net Position	84,841	(42,575)	Increase (Decrease) in Net Position	(43,146)	44,610
Net Position at Beginning of Year	976,847	67,202	Net Position at Beginning of Year	1,019,993	22,592
Net Position at End of Year	\$1,061,688	\$24,627	Net Position at End of Year	\$976,847	\$ 67,202

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CAPITAL ASSETS

The Agency's capital assets are recorded at cost, and consist mainly of land and related development costs.

Land is recorded at cost when acquired, and consists of approximately 79 acres. The Agency is developing sections of the land for sale to prospective businesses. Various legal, surveying, engineering and other development costs are capitalized as incurred.

Capital assets at December 31 are comprised as follows:

	<u>2015</u>	<u>2014</u>
Land	\$ 520,214	\$ 519,263
Office equipment, signs, mailboxes less accumulated depreciation	<u>(305)</u>	<u>951</u>
Capital assets, net	<u>\$ 519,909</u>	<u>\$ 520,214</u>

CASH AND INVESTMENT POLICY

The Counties of Warren and Washington Industrial Development Agency finds it necessary to place funds in various deposit accounts. Article 18A, Section 858(14) of the State General Municipal Law authorizes the Agency to designate depositories. In accordance with this Article, one (1) bank is designated as a depository for the Agency's funds. Rates are competitively procured for deposits.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers 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 any questions about this report or need additional financial information, contact the Agency at (518) 792-1312 or by mail: Counties of Warren and Washington Industrial Development Agency, 5 Warren Street, Suite 210, Glens Falls, New York 12801.