

COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis For the Year Ended December 31, 2017

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, 2017. Please read it in conjunction with the Agency's financial statements.

HIGHLIGHTS

Financial Highlights:

- Total current IDA assets were increased by \$182,396 other assets decreased by \$8,747 from 2016.
- PILOT Project Revenues in the amount of \$1,218,973.02 were disbursed to taxing jurisdictions throughout the Counties of Warren and Washington.

Agency Highlights:

- The Agency added RAN Entertainment/Skyzone Trampoline, Aviation Hospitality LLC, and Mohawk Industrial Werks, LLC. The Agency assisted with sales and mortgage tax exemptions as well as PILOTs for all three projects.
- The Agency is working with Greenwich Preservation Group and Ray Terminals with a projected project openings in 2018. The Agency also assisted with an extension with Kenny & Dittrich.
- The Civic Development Corporation had one new project for 2017, Silver Bay Association.

USING THIS ANNUAL REPORT

This annual report consists of three parts: Management's Discussion and Analysis and Financial Statements. 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.

COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis
For the Year Ended December 31, 2017

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 Revenues, Expenses and Changes in Net Position* 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 *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 \$1,242,682 as of December 31, 2017.

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 Corporation's derivation of net position for the fiscal years ended December 31, 2017 and 2016.

Table 1

	2017			2016	
	Industrial Development Agency	Civic Development Corp.		Industrial Development Agency	Civic Development Corp.
Total Current Assets	\$791,232	\$67,488	Total Current Assets	\$ 608,836	\$ 16,636
Total Capital Assets (net)	\$519,415	4,655	Total Capital Assets (net)	519,662	5,172
Total Other Assets	\$4,850		Total Other Assets	13,350	-
Total Assets	\$1,315,497	\$72,143	Total Assets	1,141,848	21,808
Total Liabilities	\$72,815	-	Total Liabilities	45,197	-
Net Investment in Capital Assets Unrestricted	\$519,415 \$723,267	4,655 67,488	Net Investment in Capital Assets Unrestricted	519,662 576,989	5,172 16,636
Total Net Position	\$1,242,682	\$72,143	Total Net Position	\$ 1,096,651	\$ 21,808

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

Table 2

	2017			2016	
	Industrial Development Agency	Civic Development Corp.		Industrial Development Agency	Civic Development Corp.
Total Operating Revenues	\$296,332	\$70,665	Total Operating Revenues	\$ 185,008	\$ -
Total Operating Expenses	\$138,596	\$20,330	Total Operating Expenses	138,295	2,819
Net Operating Revenue (Expenses)	\$157,736	\$50,335	Net Operating Revenue (Expenses)	46,713	(2,819)
Net Non-Operating Revenue (Expenses)	\$(11,705)	-	Net Non-Operating Revenue (Expenses)	(11,750)	0
Increase (Decrease) in Net Position	\$146,031	\$50,335	Increase (Decrease) in Net Position	34,963	(2,819)
Net Position at Beginning of Year	\$1,096,651	\$21,808	Net Position at Beginning of Year	1,061,688	24,627
Net Position at End of Year	\$1,242,682	\$72,143	Net Position at End of Year	\$ 1,096,651	\$ 21,808

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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>2017</u>	<u>2016</u>
Land	\$ 519,263	\$ 519,263
Office equipment, signs, mailboxes less accumulated depreciation	152	399
Capital assets, net	<u>\$ 519,415</u>	<u>\$ 519,662</u>

The Civic Development Corporation's capital assets consist of unamortized organization costs.

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.