

COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis For the Year Ended December 31, 2016

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, 2016. Please read it in conjunction with the Agency's financial statements.

HIGHLIGHTS

Financial Highlights:

- Total current IDA assets were increased by \$57,397 and other assets decreased by \$8,247 from 2015.
- PILOT Project Revenues in the amount of \$908,795.13 were disbursed to taxing jurisdictions throughout the Counties of Warren and Washington.

Agency Highlights:

- The Agency added TRSB Enterprises LLC (RockSport), 18 Hospitality LLC (Holiday Inn Express), 354 Broadway LLC (Market 32 – Fort Edward) and Mohawk Industrial Werks LLC as projects. The Agency assisted with sales and mortgage tax exemptions as well as PILOTs for all three projects.
- The Agency is also assisting with the third expansion of Patti Company (Morris Products) which is bringing additional jobs to our area with their continued growth.
- Mohawk Industrial Werks LLC signed a Preliminary Agreement in 2016 for their new building project to begin in 2017 in Carey Industrial Park.
- The Civic Development Corporation had no new projects for 2016.

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, 2016

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 \$1,096,651 as of December 31, 2016.

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.

COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis For the Year Ended December 31, 2016

The following tables present a summary of the Agency's and Corporation's derivation of net position for the fiscal years ended December 31, 2016 and 2015.

Table 1

	2016			2015	
	Industrial Development Agency	Civic Development Corp.		Industrial Development Agency	Civic Development Corp.
Total Current Assets	\$ 608,836	\$ 16,636	Total Current Assets	\$ 551,439	\$ 18,938
Total Capital Assets (net)	519,662	-	Total Capital Assets (net)	519,909	-
Total Other Assets	13,350	5,172	Total Other Assets	21,350	5,689
Total Assets	1,141,848	21,808	Total Assets	1,092,698	24,627
Total Liabilities	45,197	-	Total Liabilities	31,010	-
Net Investment in Capital Assets Unrestricted	519,662 576,989	- 21,808	Net Investment in Capital Assets Unrestricted	519,909 541,779	- 24,627
Total Net Position	\$ 1,096,651	\$ 21,808	Total Net Position	\$ 1,061,688	\$ 24,627

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

	2016			2015	
	Industrial Development Agency	Civic Development Corp.		Industrial Development Agency	Civic Development Corp.
Total Operating Revenues	\$ 185,008	\$ -	Total Operating Revenues	\$ 245,684	\$ 0
Total Operating Expenses	138,295	2,819	Total Operating Expenses	146,109	42,575
Net Operating Revenue (Expenses)	46,713	(2,819)	Net Operating Revenue (Expenses)	99,575	(42,575)
Net Non-Operating Revenue (Expenses)	(11,750)	0	Net Non-Operating Revenue (Expenses)	(14,734)	0
Increase (Decrease) in Net Position	34,963	(2,819)	Increase (Decrease) in Net Position	84,841	(42,575)
Net Position at Beginning of Year	1,061,688	24,627	Net Position at Beginning of Year	976,847	67,202
Net Position at End of Year	\$ 1,096,651	\$ 21,808	Net Position at End of Year	\$ 1,061,688	\$ 24,627

COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis
For the Year Ended December 31, 2016

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>2016</u>	<u>2015</u>
Land	\$ 519,909	\$ 519,263
Office equipment, signs, mailboxes less accumulated depreciation	247	646
Capital assets, net	<u>\$ 519,662</u>	<u>\$ 519,909</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.