

**STEBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2014**

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The following is a discussion and analysis of the Steuben County Industrial Development Agency's (the "Agency") financial performance for the year ended December 31, 2014. The management's discussion and analysis is a summary of the Agency's financial activities based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Agency's financial statements, which immediately follow this section.

**Financial Highlights**

- Total assets as reported equal \$3,500,545 and \$3,508,615 at December 31, 2014 and 2013, respectively. This represents an decrease of \$8,070, or 0.2% from the prior year.
- Total revenues equal \$968,781 for the year ended December 31, 2014, a decrease of \$220,061 from the prior year revenues of \$1,188,842. The decrease in revenues was due to grants received in 2013 that were not received in 2014. Total operating expenses equal \$951,549 for the year ended December 31, 2014. This represents a decrease of \$636,395, or 40.1% from the prior year expenditures of \$1,587,944. The decrease in operating expenses is primarily due to more grants provided by the Agency in 2013 than in 2014.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. This report includes the independent auditors' report, financial statements, notes to financial statements and other supplemental information that will enhance the reader's understanding of the financial condition of the Agency.

**Required Financial Statements** - The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include:

- **Statements of Net Position** - Present all assets, liabilities and net position of the Agency at December 31, 2014 and 2013. The statements provide information about the amounts and investments in resources (assets) and the obligations to creditors (liabilities).
- **Statements of Income, Expenses, and Changes in Net Position** - Present the financial activity for the years ended December 31, 2014 and 2013 and displays how this activity changed the Agency's net position. The statements provide information on the Agency's operations and can be used to determine if the Agency has recovered all of its costs through grants, user fees and other charges.
- **Statements of Cash Flows** - Present the cash provided and used in operations, investing and capital related financing activities during 2014 and 2013 and how it affects the cash balances at December 31, 2014 and 2013.
- **Notes to Financial Statements** - Provide information regarding the Agency and explain in more detail information included in the financial statements.