

UCIDA

Ulster County Industrial Development Agency

2012 ANNUAL REPORT – MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

Our discussion and analysis of Ulster County Industrial Development Agency's financial performance provides an overview of the agency's financial activities for the fiscal year ended December 31, 2012. Please read it in conjunction with the agency's financial statement that follows this discussion and analysis. Ulster County Industrial Development Agency (UCIDA) is a New York State public authority and industrial development agency operating in the County of Ulster, New York. This summary discussion and analysis includes only the financial and general business of the agency.

Financial Highlights

The Agency's net assets have decreased by \$52,509 (or 14%) as a result of operations in 2012.

In 2012, revenue decreased \$89,384 from the end of 2011, or 41%.

In 2012, expenses decreased \$40,809 from the end of 2011, or 18%.

Agency Highlights

The agency closed on two new projects during the year ended December 31, 2012; in total generating \$129,000.00 in administrative fees. The County of Ulster should benefit by the 115 retained jobs and an increase of 28 new jobs these projects will provide.

Using This Annual Report

This annual report consists primarily of the Statement of Net Assets, Statement of Revenues, Expenses and Changes of Net Assets and the Statement of Cash Flows, which provide information about the activities of the Agency only.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The statements report the Agency's net assets and changes in them. One way to measure the Agency's financial position is to look at the net assets – the difference between assets and liabilities.

Condensed Comparative Financial Statements and Analysis

The Agency's net assets at the end of the 2012 were \$320,758, a decrease of \$52,509 from \$373,267 in 2011.

Our analysis below focuses on net assets (Table 1) and the changes in net assets (Table 2).

Table 1 – Net Assets

	<u>2012</u>	<u>2011</u>
Current Assets	<u>\$323,258</u>	<u>\$373,267</u>
Current Liabilities	<u>\$2,500</u>	<u>\$0</u>
Unrestricted Net Assets	<u>\$320,758</u>	<u>\$373,267</u>
Total Net Assets	<u>\$320,758</u>	<u>\$373,267</u>

Current Assets: Cash totals at the end of 2012 were \$69,771 versus \$371,770 at the end of 2011. The decrease in cash was a result of funding the operating deficit and significantly higher receivables. Accounts Receivable at the end of 2012 was \$253,016 versus \$1,000 at the end of 2011. The 2012 receivable included \$127,000 of administrative fee from loan closings near the end of the year.

Current Liabilities

Outstanding payables were for services performed in 2012 and paid for in 2013..

Table 2 – Changes in Net Assets

	<u>2012</u>	<u>2011</u>
Revenue		
Application Fees	<u>\$0</u>	<u>\$2,500</u>
Administration Fees	<u>\$129,000</u>	<u>\$140,685</u>
Grants	<u>\$0</u>	<u>\$75,000</u>
Interest & Investment Income	<u>\$447</u>	<u>\$646</u>
Total Revenues	<u>\$129,447</u>	<u>\$218,831</u>
Expenses		
Operating Expenses	<u>\$181,956</u>	<u>\$222,765</u>
Total Expenses	<u>\$181,956</u>	<u>\$222,765</u>
Change in Net Assets	<u>(\$52,509)</u>	<u>(\$3,934)</u>

The Agency's revenues in 2012 were \$129,447 versus \$218,831 in 2011. Expenses in 2012 were \$181,956 versus \$222,765 in 2011. The revenue decrease in 2012 from 2011 was caused by a larger grant revenue in 2011. The expenses decreased in 2012 predominantly due to a \$50,000 decrease in grants given out.

Economic Factors and Next Year's Budget

One of the most important questions asked about the Agency's finances is, "Are the financials transparent and accurate". The financial records are a matter of public record under the Freedom of Information Law and are therefore transparent. In addition, the Agency's new website provides extensive access into the agency's budget, board of directors, and policies.

The main economic factor considered when creating the 2012 budget was to budget revenue based on projects already in the pipeline, and in keeping with the encouraging increase in project applications seen in 2009 through 2011. The 2012 budget has no draw on prior year's cash.

Contacting UCIDA Financial Administrator

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Ulster County Industrial Development Agency, P.O. Box 4265, Kingston, NY 12402-4265.