

UCCRC

Ulster County Capital Resource Corporation

2011 ANNUAL REPORT – MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

Our discussion and analysis of Ulster County Capital Resource Corporation's financial performance provides an overview of the agency's financial activities for the fiscal year ended December 31, 2011. Please read it in conjunction with the corporation's financial statement that follows this discussion and analysis. Ulster County Capital Resource Corporation (UCCRC) is a non-profit corporation which operates in Ulster County, New York. UCCRC is classified by the New York State Authority Budget Office as a public authority. This summary discussion and analysis includes only the financial and general business of the Corporation.

Financial Highlights

UCCRC net assets have decreased by \$58,310, or 72.4% as a result of operations in 2011.

In 2011, revenue decreased \$88,000 from the end of 2010, or 78.2%.

In 2011, expenses increased \$50,795 from the end of 2010, or 158.7%.

Corporation Highlights

UCCRC closed on one new project during the year ended December 31. The County of Ulster should benefit by the retention of 10 jobs this project will provide, as well as 5 construction jobs.

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 Corporation 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 Corporation's net assets and changes in them. One way to measure the Corporation's financial position is to look at the net assets – the difference between assets and liabilities.

Condensed Comparative Financial Statements and Analysis

The Corporation's net assets at the end of the 2011 were \$22,175 a decrease of \$58,310 from \$80,485 in 2010.

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

Table 1 – Net Assets

	<u>2011</u>	<u>2010</u>
Current Assets	\$22,175	\$112,485
Current Liabilities	\$0	\$32,000
Unrestricted Net Assets	\$22,175	\$80,485
Total Net Assets	\$22,175	\$80,485

Current Assets: Cash totals in at the end 2011 were \$22,035 versus \$112,485 at the end of 2010. The decrease in cash was a primarily from the payment of the prior year payable and a new grant to UCIDA. Accounts Receivable at the end of 2011 was \$140 versus \$0 at the end of 2010.

Current Liabilities: This year there were no outstanding payables compared to last year's \$32,000.

Table 2 – Changes in Net Assets

	<u>2011</u>	<u>2010</u>
<u>Revenue</u>		
Application Fees	\$500	\$500
Administration Fees	\$24,000	\$112,000
Total Revenues	\$24,500	\$112,500
<u>Expenses</u>		
Total Expenses	\$82,810	\$32,015
Change in Net Assets	(\$58,310)	\$80,485

The Agency's revenues in 2011 were \$24,500 versus \$112,500 in 2010. Expenses in 2011 were \$82,810 versus \$32,015 in 2010. The revenue decrease in 2011 from 2010 was caused by a larger project closing in 2010. The expenses were increased in 2011 predominantly due to a \$75,000 grant 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 a mid-sized project closing. 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, 5 Development Court, Kingston, NY, 12401.