

***ULSTER COUNTY
DEVELOPMENT CORPORATION***

FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011



Teal, Becker & Chiamonte™
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

A Higher Standard of Excellence

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Management's Discussion And Analysis (MD&A)	3-6
Statements Of Financial Position	7
Statements Of Activities	8
Statements Of Functional Expenses	9-10
Statements Of Cash Flows	11
Notes To Financial Statements	12-21
Annual Report	22-55
Investment Report	56-57
Procurement Report	58-63
Certified Financial Audit Report	64-65
<u>SUPPLEMENTAL INFORMATION</u>	<u>Schedule Number</u>
USDA Intermediary Relending Program Loan Fund Balance Sheets	I
USDA Intermediary Relending Program Loan Fund Statements Of Revenues And Expenses	I
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	



To The Board Of Directors
Ulster County Development Corporation
Kingston, New York

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of Ulster County Development Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ulster County Development Corporation as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Management's Discussion and Analysis (MD&A) and the additional reports presented on pages 3 through 6 and on pages 22 through 65, respectively, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The supplementary information, USDA Intermediary Relending Program Loan Fund Balance Sheets and Statements of Revenue and Expenses, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2013 on our consideration of Ulster County Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ulster County Development Corporation's internal control over financial reporting and compliance.

Teal Becker & Charamonte, CPAs PC

Albany, New York
July 25, 2013



2012 ANNUAL REPORT - MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

Management's Discussion and Analysis of Ulster County Development Corporation's (UCDC or the Organization) financial performance provides an overview of the Organization's financial activities for the fiscal year ended December 31, 2012. Please read this report in conjunction with the UCDC 2012 financial statements. UCDC is a non-profit corporation which operates in Ulster County, New York. UCDC 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 Organization.

Please note: The President and CEO left his position at the Ulster County Development Corporation in mid-2012; the Chief Financial Officer also left her position with the Organization during 2012.

Financial Highlights

The Organization's total net assets have increased by \$58,200, or 3.6% as a result of operations in 2012. (See Table 1.)

In 2012, total revenues decreased by \$219,702 from the end of 2011, or 21.3%. (See Table 2.)

In 2012, total expenses decreased by \$417,182 from the end of 2011, or 35.6%. (See Table 2.)

Note: Pass-through type transactions were excluded in both Revenues and Expenses. \$281,321 was excluded in 2012 and \$596,376 in 2011.

Organization Highlights

2012 UCDC highlights include:

- In 2012 UCDC, through significant efforts, assisted in the retention of at least 235 jobs in Ulster County. All involved Industrial Development Agency, Revolving Loan Fund, or other types of financing, or incentives given or offered to companies in niche manufacturing.

The retention of a substantial number of additional jobs was facilitated by the Organization's business support and problem-solving resources provided by UCDC staff. The kinds of problems addressed included financial counseling and education; site selection and preparation; cash flow analysis; assistance overcoming market challenges and others. In addition, significant groundwork was done for the retention of 160 distribution, healthcare, and tourism/retail jobs.

2012 ANNUAL REPORT - MANAGEMENT'S DISCUSSION AND ANALYSIS

- In 2012 UCDC laid the foundation for the creation of at least 100 jobs in Ulster County, in manufacturing and healthcare. All of these created jobs will be filled with active UCDC efforts (IDA or RLF or other financing and/or incentives given or offered).
- Total net private contributions in 2012 decreased by 95% over 2011 level (from \$37,500 to \$2,038).

Using This Annual Report

This Annual Report consists primarily of the Statements of Financial Position, Statements of Activities, Statements of Functional Expenses, and Statements of Cash Flows, which provide information about the activities of the Organization 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 Organization's net assets and changes in them. One way to measure the Organization's financial position is to look at the net assets - the difference between assets and liabilities.

Condensed Comparative Financial Statements and Analysis

The Organization's net assets at the end of 2012 were \$1,654,070, an increase of \$58,200 from \$1,595,870 in 2011. Our analysis below focuses on net assets (see Table 1) and the changes in net assets (see Table 2).

Table 1 - Net Assets (Statements Of Financial Position)

	<u>2012</u>	<u>2011</u>
Total Assets	\$2,680,383	\$2,500,768
Total Liabilities	<u>1,026,313</u>	<u>904,898</u>
Total Net Assets	<u>\$1,654,070</u>	<u>\$1,595,870</u>
Unrestricted Net Assets	\$1,460,052	\$1,402,091
Temporarily Restricted Net Assets	<u>194,018</u>	<u>193,779</u>
Total Net Assets	<u>\$1,654,070</u>	<u>\$1,595,870</u>

2012 ANNUAL REPORT - MANAGEMENT'S DISCUSSION AND ANALYSIS

Current Assets:

Cash totals at the end of 2012 were \$1,082,308 versus \$868,899 at the end of 2011. The increase in cash was primarily from deferred revenue grants to the Ready2Go Fund and the Solar Industry Research Contract payment. This increase is also the result of a short term infusion of cash from the IDA of \$126,016. The Fixed Asset total at the end of 2012 was \$3,390 versus \$13,960 at the end of 2011. The decrease in Fixed Assets was due to depreciation of fixed assets. The Loans Receivable total at the end of 2012 was \$732,552 versus \$880,872 at the end of 2011.

Current Liabilities:

Liabilities at the end of 2012 were \$1,026,313 versus \$904,898 at the end of 2011, an increase of \$121,415 or 13%. This increase is primarily due to an amount due to UCIDA for \$126,016.

Changes in Total Net Assets

Table 2 - Changes In Total Net Assets (Statements Of Activities)

	<u>2012</u>	<u>2011</u>
Revenues:		
Charges for Services	\$740,571	\$ 920,082
Fundraising/Contributions	47,378	87,140
Financing Income	19,519	19,911
Other Income	<u>4,016</u>	<u>4,053</u>
Total Revenues	<u>811,484</u>	<u>1,031,186</u>
Expenses:		
Operating Expenses	<u>753,284</u>	<u>1,170,466</u>
Total Expenses	<u>753,284</u>	<u>1,170,466</u>
Increase (Decrease) In Net Assets	<u>\$ 58,200</u>	<u>\$ (139,280)</u>

The Organization's revenues in 2012 decreased from revenues in 2011 by \$219,702 (21.3%). The decrease in Charges for Services was due primarily to reductions in Incentives Funding and Ulster County Industrial Development Agency (UCIDA) Administrative Fees earned in 2012 as compared to 2011. Corporate support was greatly reduced as a result of general economic conditions. Expenses in 2012 decreased from expenses in 2011 by \$417,182 (35.6%). These decreases came predominantly from planned staff reductions and efforts to control spending.

Note: Pass-through type transactions were excluded in both Revenue and Expenses. \$281,321 was excluded in 2012 and \$596,376 in 2011.

2012 ANNUAL REPORT - MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budget

One of the most important questions asked about the Organization'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 Organization's website provides access into the Organization's budget, Board of Directors, and policies.

The 2012 UCDC budget was based primarily on 2011 levels, with adjustments based on reduced funding from Ulster County, and the modifications of strategic priorities necessitated by that funding reduction. The Ulster County budget for 2013 did not include support for the Ulster County Development Corporation. In addition, the Ulster County Industrial Development Agency did not contract with the Ulster County Development Corporation for 2013. Sustainability of the organization is a concern. While the 2012 budget did not require a draw on 2011 cash, the 2013 budget requires a draw on 2012's cash.

Contacting UCDC Regarding this Report

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Organization's finances and to show the Organization's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Ulster County Development Corporation, P.O. Box 4484, Kingston, NY 12402.

ULSTER COUNTY DEVELOPMENT CORPORATION

Statements Of Financial Position

December 31

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 1,082,308	\$ 868,899
Accounts receivable	402,285	204,767
Loans receivable - current portion, net	168,831	117,760
Due from Ulster County - restricted (Note 6)	457,244	520,262
Prepaid expenses	<u>2,604</u>	<u>12,008</u>
Total current assets	2,113,272	1,723,696
Loans receivable - non current portion, net	563,721	763,112
Property and equipment, net (Note 3)	<u>3,390</u>	<u>13,960</u>
Total Assets	<u>\$ 2,680,383</u>	<u>\$ 2,500,768</u>
<u>Liabilities And Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 80,881	\$ 112,557
Due to related party (Note 9)	126,016	-
Current portion of long-term debt (Note 4)	<u>73,000</u>	<u>75,184</u>
Total current liabilities	<u>279,897</u>	<u>187,741</u>
Noncurrent liabilities:		
Long-term debt (Note 4)	547,000	519,157
Deferred revenue	<u>199,416</u>	<u>198,000</u>
Total noncurrent liabilities	<u>746,416</u>	<u>717,157</u>
Total liabilities	<u>1,026,313</u>	<u>904,898</u>
Net assets:		
Unrestricted (Note 7)	1,460,052	1,402,091
Temporarily restricted (Note 8)	<u>194,018</u>	<u>193,779</u>
Total net assets	<u>1,654,070</u>	<u>1,595,870</u>
Total Liabilities And Net Assets	<u>\$ 2,680,383</u>	<u>\$ 2,500,768</u>

The accompanying notes are an integral part of these financial statements

ULSTER COUNTY DEVELOPMENT CORPORATION

Statements Of Activities

For The Years Ended December 31

	<u>2012</u>	<u>2011</u>
Unrestricted net assets:		
Unrestricted support and revenues:		
Support:		
Contributed services	\$ 11,040	\$ 11,040
Contributions	2,038	37,500
Total support	<u>13,078</u>	<u>48,540</u>
Revenues:		
Contract and administrative fees	740,571	920,082
Annual awards event	31,300	34,600
Interest on loans	18,878	19,257
Annual awards event - in-kind	3,000	4,000
Interest on deposits	1,078	754
Website sponsorship	1,000	1,000
Miscellaneous income	1,000	379
Late fees collected	862	1,246
Total revenues	<u>797,689</u>	<u>981,318</u>
Total unrestricted support and revenues	<u>810,767</u>	<u>1,029,858</u>
Operating expenses:		
Program services	656,895	1,059,488
Supporting services:		
Management and general	52,196	55,232
Fundraising	43,715	55,746
Total operating expenses	<u>752,806</u>	<u>1,170,466</u>
Operating income (loss)	57,961	(140,608)
Net assets released from restrictions	<u>-</u>	<u>1,119,474</u>
Net increase in unrestricted net assets	<u>57,961</u>	<u>978,866</u>
Temporarily restricted net assets:		
Interest on loans	641	654
Interest on deposits	76	96
Miscellaneous	(478)	578
Net assets released from restrictions	<u>-</u>	<u>(1,119,474)</u>
Net increase (decrease) in temporarily restricted net assets	<u>239</u>	<u>(1,118,146)</u>
Increase (decrease) in net assets	58,200	(139,280)
Net assets - beginning	<u>1,595,870</u>	<u>1,735,150</u>
Net Assets - Ending	<u>\$ 1,654,070</u>	<u>\$ 1,595,870</u>

The accompanying notes are an integral part of these financial statements

ULSTER COUNTY DEVELOPMENT CORPORATION

Statement Of Functional Expenses

For The Year Ended December 31, 2012

	<u>Program</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel services:				
Salaries	\$ 230,795	\$ 12,822	\$ 12,822	\$ 256,439
Fringe benefits and payroll taxes	27,124	1,507	1,507	30,138
Total personnel services	<u>257,919</u>	<u>14,329</u>	<u>14,329</u>	<u>286,577</u>
Other expenses:				
Contractual expense	279,163	-	-	279,163
Other operating expenses	37,500	-	-	37,500
Professional fees	26,507	8,160	-	34,667
Annual awards event expense	-	-	25,983	25,983
Occupancy expenses	19,918	1,107	1,107	22,132
Dues and subscriptions	-	21,568	-	21,568
Equipment maintenance and repairs	12,599	700	700	13,999
Contributed services	9,936	1,104	-	11,040
Telephone	7,135	397	397	7,929
Interest	7,401	-	-	7,401
Marketing and advertising	5,198	-	577	5,775
Office supplies	4,611	256	256	5,123
Insurance	-	4,209	-	4,209
Travel	3,663	203	203	4,069
Conferences and meetings	1,568	87	87	1,742
Postage	981	54	54	1,089
Ulster showcase	575	-	-	575
Underwriting fees	400	-	-	400
Bad debt recovery	(22,571)	-	-	(22,571)
Total other expenses	<u>394,584</u>	<u>37,845</u>	<u>29,364</u>	<u>461,793</u>
Total expenses before depreciation	652,503	52,174	43,693	748,370
Depreciation	<u>4,392</u>	<u>22</u>	<u>22</u>	<u>4,436</u>
Total Expenses	<u>\$ 656,895</u>	<u>\$ 52,196</u>	<u>\$ 43,715</u>	<u>\$ 752,806</u>

The accompanying notes are an integral part of these financial statements

ULSTER COUNTY DEVELOPMENT CORPORATION

Statement Of Functional Expenses

For The Year Ended December 31, 2011

	<u>Program</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel services:				
Salaries	\$ 281,680	\$ 15,649	\$ 15,649	\$ 312,978
Fringe benefits and payroll taxes	<u>37,673</u>	<u>2,093</u>	<u>2,093</u>	<u>41,859</u>
Total personnel services	<u>319,353</u>	<u>17,742</u>	<u>17,742</u>	<u>354,837</u>
Other expenses:				
Contractual expense	315,332	-	-	315,332
Other operating expense	262,500	-	-	262,500
Annual awards event expense	-	-	28,900	28,900
Occupancy expenses	19,918	1,107	1,107	22,132
Dues and subscriptions	-	22,089	-	22,089
Marketing and advertising	19,184	-	2,132	21,316
Professional fees	15,681	5,227	-	20,908
Equipment maintenance and repairs	14,613	812	812	16,237
Contributed services	9,936	1,104	-	11,040
Telephone	9,642	536	536	10,714
Office supplies	7,933	441	441	8,815
Real estate development	7,500	-	-	7,500
Interest	7,434	-	-	7,434
Insurance	-	5,223	-	5,223
Travel	4,595	255	255	5,105
Promotions	-	-	3,500	3,500
Conferences and meetings	905	50	50	1,005
Postage	903	50	50	1,003
Underwriting fees	400	-	-	400
Personnel search	-	375	-	375
Ulster showcase	368	-	-	368
Bad debt recovery	(511)	-	-	(511)
Total other expenses	<u>696,333</u>	<u>37,269</u>	<u>37,783</u>	<u>771,385</u>
Total expenses before depreciation	1,015,686	55,011	55,525	1,126,222
Depreciation	<u>43,802</u>	<u>221</u>	<u>221</u>	<u>44,244</u>
Total Expenses	<u>\$ 1,059,488</u>	<u>\$ 55,232</u>	<u>\$ 55,746</u>	<u>\$ 1,170,466</u>

The accompanying notes are an integral part of these financial statements

ULSTER COUNTY DEVELOPMENT CORPORATION

Statements Of Cash Flows

For The Years Ended December 31

	<u>2012</u>	<u>2011</u>
Operating activities:		
Increase (decrease) in net assets	\$ 58,200	\$ (139,280)
Adjustments to reconcile increase (decrease) in net assets to net cash flows from (for) operating activities:		
Depreciation	4,436	44,244
Provision for losses on loans receivable	12,907	550
Loss on disposal of assets	1,134	-
Changes in operating assets and liabilities:		
Accounts receivable	(197,518)	89,023
Due from Ulster County	63,018	62,643
Prepaid expenses	9,404	(1,632)
Accounts payable	(31,676)	111,841
Deferred revenue	1,416	198,000
Net cash flows from (for) operating activities	<u>(78,679)</u>	<u>365,389</u>
Investing activities:		
Principal payments received on notes receivable	135,413	123,742
Proceeds from disposal of assets	5,000	-
Principal amounts loaned on notes receivable	-	(170,000)
Capital expenditures	-	(4,985)
Net cash flows from (for) investing activities	<u>140,413</u>	<u>(51,243)</u>
Financing activities:		
Note payable principal repayments	(79,341)	(75,054)
Notes payable borrowings	105,000	14,000
Proceeds from payable to related party	126,016	-
Net cash flows from (for) financing activities	<u>151,675</u>	<u>(61,054)</u>
Net increase in cash and cash equivalents	213,409	253,092
Cash and cash equivalents - beginning	<u>868,899</u>	<u>615,807</u>
Cash And Cash Equivalents - Ending	<u>\$ 1,082,308</u>	<u>\$ 868,899</u>
Supplemental disclosures of cash flows information:		
Interest Paid	<u>\$ 7,401</u>	<u>\$ 7,434</u>

The accompanying notes are an integral part of these financial statements

ULSTER COUNTY DEVELOPMENT CORPORATION

Notes To Financial Statements

Note 1: Summary Of Significant Accounting Policies

Background information - Ulster County Development Corporation (the Organization) (UCDC) promotes job growth, economic development, and community revitalization for Ulster County by unified regional and national marketing and provides business financing through a variety of countywide and municipal revolving loan funds.

The following is a description of the major funds administered by the Organization:

CDBG - Includes the activities of Community Development Block Grants revolving loan fund which provides loans below \$75,000 to businesses to create and retain jobs in Ulster County. Loans can be issued in excess of \$75,000 with a super-majority of committee approval.

Section 108 - Includes the HUD Section 108 Loan Guarantee Program activities which provide loans within the range of \$75,000 to \$750,000 to businesses for development and job creation in Ulster County.

Ready2Go Fund - UCDC is the fiscal agent for the Ulster County Ready2Go Program, a joint activity of UCDC with Ulster County, Central Hudson, and the Ulster County Industrial Development Agency (UCIDA). The program is a revolving loan fund with a lien taken on the subject property and at the sale of the property the lien is removed upon repayment of funds. These funds are then available for other Ready2Go projects. The Program seeks site plan approval on several sites throughout Ulster County for industrial buildings. Up to one half of the engineering and planning costs of these approvals will be offset through the Program with funding contributed by Central Hudson and the UCIDA. Preferred sites will have appropriate zoning (industrial or commercial) or a comprehensive plan that identifies it as in a priority growth zone, acreage sufficient to accommodate a high bay structure of at least 40,000 square feet, water and sewer to site or at least within ¼ mile, and supportive host municipalities.

Telecommunications Fund - Provides matching loan funds under the USDA Intermediary Relending Program Loan Fund.

USDA Intermediary Relending Program Loan Fund - Provides loans to small businesses at low rates of interest for part of their financing needs. The program will lend up to 16% of a total project cost and another 14% in matching loan funds from the Revolving Loan Funds in conjunction with conventional lending sources for eligible projects. At least 50% of the project must come from either the applicant or a conventional lending source.

Other activities include business retention, expansion, recruitment, and incubation, site searches, marketing, and sector initiatives.

ULSTER COUNTY DEVELOPMENT CORPORATION

Notes To Financial Statements

Note 1: Summary Of Significant Accounting Policies (Continued)

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed or contractual stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Cash equivalents - Cash equivalents consist of certificates of deposit with maturities of 90 days or less and money market funds stated at cost plus accrued earnings which approximate market value.

Accounts receivable - Substantially all of the accounts receivable are considered collectible. Accordingly, no allowance for doubtful accounts is required. If it is probable amounts are uncollectible, they are charged to operations and an allowance is established when that determination is made.

Loans and allowance for loan losses - Accounts, pledges, and loans receivable are recorded net of an allowance for expected losses. The allowance for doubtful accounts at December 31, 2012 and 2011 was \$30,500 and \$17,593, respectively. Loans are considered uncollectible if full principal or interest payments are not anticipated in accordance with contractual terms. The Organization's practice is to write-off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms or the borrower's deteriorating or deteriorated financial condition. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

ULSTER COUNTY DEVELOPMENT CORPORATION

Notes To Financial Statements

Note 1: Summary Of Significant Accounting Policies (Continued)

Contributions - Contributions (included in support on the statements of activities) are recognized when received or in the period of intended use as specified by the donor. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Donated products and services - Donations of products and services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their values in the period received. At both December 31, 2012 and 2011, the Organization recognized \$11,040 in a donated software license.

Functional expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Depreciation - The cost of property and equipment is depreciated over the useful lives of the related assets using the straight-line method. The Organization capitalizes fixed assets with an estimated useful life of greater than one year and a cost of greater than \$500.

Income taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Tax positions are evaluated and recognized in the financial statements when it is more-likely-than-not that the position will be sustained upon examination by tax authorities.

Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The application of these accounting principles involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. The Organization periodically evaluates estimates and assumptions used in the preparation of the financial statements and makes changes on a prospective basis when adjustments are necessary.

Presentation - Certain reclassifications, when applicable, are made to the prior year financial statement presentation to correspond to the current year's format. Reclassifications, when made, have no effect on total net assets and changes in net assets.

ULSTER COUNTY DEVELOPMENT CORPORATION

Notes To Financial Statements

Note 2: Cash And Collateral

The following is a summary of cash and cash equivalents as included in the statements of financial position at December 31:

	<u>2012</u>	<u>2011</u>
Current assets:		
UCDC Operating Funds	\$ 187,648	\$ 238,124
Grant and Loan Funds:		
CDBG	306,135	155,621
Ready2Go Fund	202,334	198,296
USDA Intermediary Relending Program Loan Fund	197,161	88,917
Telecommunications Fund	170,233	166,581
Section 108	16,967	19,031
Revolving Loan Fund	<u>1,830</u>	<u>2,329</u>
 Total Grant and Loan Funds	 <u>894,660</u>	 <u>630,775</u>
 Total	 <u>\$ 1,082,308</u>	 <u>\$ 868,899</u>

At December 31, 2012, the carrying amount of the Organization's deposits, including cash and cash equivalents was \$1,082,308. The insured and collateral status of the year end bank balances are as follows:

Status of bank balance:	
Covered by federal deposit insurance	\$ 250,000
Collateralized with securities held by the pledging financial institution	<u>820,761</u>
 Total Bank Balance	 <u>\$ 1,070,761</u>

ULSTER COUNTY DEVELOPMENT CORPORATION

Notes To Financial Statements

Note 3: Property And Equipment

Property and equipment, stated on the statements of financial position at cost less accumulated depreciation, at December 31 consist of:

<u>Item</u>	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Equipment - grant related	\$ 352,485	\$ 352,485	\$ 352,485	\$ 352,485
Vehicle and office equipment	58,500	55,110	70,567	56,607
	<u>410,985</u>	<u>\$ 407,595</u>	<u>423,052</u>	<u>\$ 409,092</u>
Less: accumulated depreciation	<u>407,595</u>		<u>409,092</u>	
Total	<u>\$ 3,390</u>		<u>\$ 13,960</u>	

Note 4: Long-Term Debt

The Organization grants loans to businesses which are funded through the Community Development Block Grants and the HUD Section 108 Loan Guarantee Program. The primary objective of the Programs is to encourage business expansion and create employment within the County. Interest rates vary but are always below the prime lending rate. Loans are generally secured by liens on real property and security interests in other business assets.

Long-term debt at December 31 consists of:

	<u>2012</u>	<u>2011</u>
The Organization administers loan guarantee assistance involving permanent and interim loans from the United States Department of Housing and Urban Development (HUD) under the Section 108 Program. Until trust certificates guaranteed by HUD are sold in a public offering, the Organization pays interest only on the interim loan based on the three month London Interbank Offered Rate (LIBOR) plus 20 basis points. The loans include both permanent and temporary financing. Permanent financing as of December 31, 2012 and 2011 totaled \$78,000 and \$91,000, respectively. The interim loan totals on December 31, 2012 and 2011 were \$423,000 and \$483,000, respectively.	\$ 501,000	\$ 574,000

ULSTER COUNTY DEVELOPMENT CORPORATION

Notes To Financial Statements

Note 4: Long-Term Debt (Continued)

	<u>2012</u>	<u>2011</u>
The Organization administers loans from the USDA Intermediary Relending Program. The Organization has been approved for a loan in the principal sum of \$600,000. The Organization pays interest only at 1% as funds are advanced until 2014. Principal and interest will be paid in 28 equal annual installments beginning in February 2014.	119,000	14,000
Vehicle loan payable to a bank, due December 2014, in monthly payments of \$209 including interest at a rate of 6%, secured by the vehicle. This loan payable was paid in full during the year ended December 31, 2012.	<u>-</u>	<u>6,341</u>
	620,000	594,341
Less: current portion	<u>73,000</u>	<u>75,184</u>
Long-Term Portion	<u>\$ 547,000</u>	<u>\$ 519,157</u>

Maturities of long-term debt are as follows:

2013	\$	73,000
2014		77,250
2015		77,250
2016		77,250
2017		77,250
Thereafter		<u>238,000</u>
Total	\$	<u>620,000</u>

Note 5: Concentration Of Support

The Organization received approximately 85% of its support and revenue from the County of Ulster and Ulster County Industrial Development Agency.

ULSTER COUNTY DEVELOPMENT CORPORATION

Notes To Financial Statements

Note 6: Due From Ulster County

At December 31, 2012 and 2011, the Organization had a total balance of \$457,244 and \$520,262, respectively, due from Ulster County for amounts loaned from HUD for a Section 108 Guaranteed Loan. The amount is restricted and may only be used to pay back current outstanding HUD loans or to issue new Section 108 loans.

Note 7: Unrestricted Net Assets

A summary of unrestricted activity for the years ended December 31 consists of:

	2012			
	Balance			Balance
	January 1,	Activity	Reclassifications	December 31,
	<u>2012</u>			<u>2012</u>
UCDC	\$ 339,993	\$ 40,909	\$ -	\$ 380,902
USDA Intermediary Relending				
Program Fund	94,295	692	-	94,987
Section 108 Funds 2.5M	46,984	(2,686)	-	44,298
Section 108 Funds 2M	30,414	5	-	30,419
Revolving Loan Fund	2,329	(499)	-	1,830
CDBG Funds 1996	483,250	27,626	-	510,876
CDBG Funds 1998	404,826	(8,086)	-	396,740
	<u>404,826</u>	<u>(8,086)</u>	<u>-</u>	<u>396,740</u>
Total	<u>\$ 1,402,091</u>	<u>\$ 57,961</u>	<u>\$ -</u>	<u>\$ 1,460,052</u>

ULSTER COUNTY DEVELOPMENT CORPORATION

Notes To Financial Statements

Note 7: Unrestricted Net Assets (Continued)

	2011			
	Balance January 1, <u>2011</u>	<u>Activity</u>	<u>Reclassifications</u>	
UCDC	\$ 380,169	\$ (130,816)	\$ 90,640	\$ 339,993
USDA Intermediary Relending Program Fund	90,008	4,287	-	94,295
Section 108 Funds 2.5M	47,139	(155)	-	46,984
Section 108 Funds 2M	30,409	5	-	30,414
Revolving Loan Fund	3,328	(999)	-	2,329
CDBG Funds 1996	(114,047)	(10,116)	607,413	483,250
CDBG Funds 1998	<u>(13,781)</u>	<u>(2,814)</u>	<u>421,421</u>	<u>404,826</u>
Total	<u>\$ 423,225</u>	<u>\$ (140,608)</u>	<u>\$ 1,119,474</u>	<u>\$ 1,402,091</u>

Note 8: Temporarily Restricted Net Assets

A summary of temporarily restricted activity for the years ended December 31 consists of:

	2012			
	Balance January 1, <u>2012</u>	<u>Activity</u>	<u>Reclassifications</u>	
Telecommunications Fund	\$ 193,483	\$ 239	\$ -	\$ 193,722
Ready2Go Fund	<u>296</u>	<u>-</u>	<u>-</u>	<u>296</u>
Total	<u>\$ 193,779</u>	<u>\$ 239</u>	<u>\$ -</u>	<u>\$ 194,018</u>

ULSTER COUNTY DEVELOPMENT CORPORATION

Notes To Financial Statements

Note 8: Temporarily Restricted Net Assets (Continued)

	2011			
	Balance January 1, <u>2011</u>	<u>Activity</u>	<u>Reclassifications</u>	Balance December 31, <u>2011</u>
	Telecommunications Fund	\$ 192,176	\$ 1,307	\$ -
Ready2Go Fund	275	21	-	296
CDBG Funds 1996	607,413	-	(607,413)	-
CDBG Funds 1998	421,421	-	(421,421)	-
Net value of equipment purchased				
with restricted assets	88,640	-	(88,640)	-
Tech City Fund	2,000	-	(2,000)	-
Total	\$ 1,311,925	\$ 1,328	\$ (1,119,474)	\$ 193,779

Note 9: Related Parties

The Organization administers the funds of Ulster County Industrial Development Agency (UCIDA). As the administrator, it receives a base amount plus a share of fees charged when projects are closed through its activities if that amount is in excess of the base fee. Included in administrative fees for 2012 and 2011 were fees totaling \$85,000 for each year.

The Organization also administers the funds of the Ulster County Capital Resource Corporation (UCCRC). As the administrator, it receives all fees paid to the UCCRC in a given calendar year, once the total UCCRC and UCIDA fees for the calendar year exceeds \$170,000. After that \$170,000 threshold has been reached, each of the parties will receive 50% of the administrative fees paid to the UCCRC. No administrative fees were paid by the UCCRC to UCDC for the years ended December 31, 2012 and 2011.

Included in current liabilities on the statement of financial position at December 31, 2012 is an amount due to the UCIDA for \$126,016.

ULSTER COUNTY DEVELOPMENT CORPORATION

Notes To Financial Statements

Note 10: Commitments And Contingencies

Government grants received are subject to audit and adjustment by the funding agency or its representatives. If grant revenues are received for expenditures which are subsequently disallowed, Ulster County Development Corporation may be required to repay the revenues to the funding agency. During 2005, it became apparent that certain terms of an agreement between the New York State Department of Economic Development and Ulster County Development Corporation for the purchase of equipment to benefit a local manufacturing corporation were not being entirely met. Under the terms of the agreement, the State has ceased advancing additional payments of this grant until all terms and conditions are satisfied. As of December 31, 2006, \$352,485 was advanced for the purchase of equipment against a total grant, not to exceed \$500,000. Per a letter from Empire State Development, dated January 16, 2007, the State had decided to cease the advance of further funds due to terms that were not being met in the contract. Ulster County Development Corporation must still maintain title to the equipment until the end of the term (March 15, 2014), but there is no current requirement to return any of the funds advanced for this project back to the State.

The Organization follows the guidance for uncertainty in income taxes. As of December 31, 2012, the Organization believes that it has appropriate support for the income tax positions taken and to be taken on its returns based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. The Organization has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits. The Organization is no longer subject to federal, state, or local income tax examination by tax authorities for years before 2009.

Note 11: Subsequent Events

Subsequent events have been evaluated through July 25, 2013, which is the date the financial statements were available to be issued.

Governance Information (Authority-Related)

Question	Response	URL (if applicable)
1. Has the Authority prepared its annual report on operations and accomplishments for the reporting period as required by section 2800 of PAL?	Yes	www.ulsterny.com
2. As required by section 2800(9) of PAL, did the Authority prepare an assessment of the effectiveness of its internal controls?	Yes	www.ulsterny.com
3. Has the lead audit partner for the independent audit firm changed in the last five years in accordance with section 2802(4) of PAL?	Yes	N/A
4. Does the independent auditor provide non-audit services to the Authority?	No	N/A
5. Does the Authority have an organization chart?	Yes	www.ulsterny.com
6. Are any Authority staff also employed by another government agency?	No	
7. Has the Authority posted their mission statement to their website?	Yes	www.ulsterny.com
8. Has the Authority's mission statement been revised and adopted during the reporting period?	No	N/A
9. Attach the Authority's measurement report, as required by section 2824-a of PAL and provide the URL.		www.ulsterny.com

Governance Information (Board-Related)

Question	Response	URL
1. Has the Board established a Governance Committee in accordance with Section 2824(7) of PAL?	Yes	N/A
2. Has the Board established an Audit Committee in accordance with Section 2824(4) of PAL?	Yes	N/A
3. Has the Board established Finance Committee in accordance with Section 2824(8) of PAL?	Yes	N/A
4. Provide a URL link where a list of Board committees can be found (including the name of the committee and the date established):		www.ulsterny.com
5. Does the majority of the Board meet the independence requirements of Section 2825(2) of PAL?	Yes	N/A
6. Provide a URL link to the minutes of the Board and committee meetings held during the covered fiscal year		www.ulsterny.com
7. Has the Board adopted bylaws and made them available to Board members and staff?	Yes	www.ulsterny.com
8. Has the Board adopted a code of ethics for Board members and staff?	Yes	www.ulsterny.com
9. Does the Board review and monitor the Authority's implementation of financial and management controls?	Yes	N/A
10. Does the Board execute direct oversight of the CEO and management in accordance with Section 2824(1) of PAL?	Yes	N/A
11. Has the Board adopted policies for the following in accordance with Section 2824(1) of PAL?		
Salary and Compensation	Yes	N/A
Time and Attendance	No	N/A
Whistleblower Protection	Yes	N/A
Defense and Indemnification of Board Members	Yes	N/A
12. Has the Board adopted a policy prohibiting the extension of credit to Board members and staff in accordance with Section 2824(5) of PAL?	Yes	N/A
13. Are the Authority's Board members, officers, and staff required to submit financial disclosure forms in accordance with Section 2825(3) of PAL?	Yes	N/A
14. Was a performance evaluation of the board completed?	No	N/A
15. Was compensation paid by the Authority made in accordance with employee or union contracts?	Yes	N/A
16. Has the board adopted a conditional/additional compensation policy governing all employees?	No	

Board of Directors Listing

Name	Christian, Donald	Name	Hein, Michael
Chair of Board	No	Chair of Board	No
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date	01/01/2010	Term Start Date	01/01/2009
Term Expiration Date	Ex-Officio	Term Expiration Date	Ex-Officio
Title	President, SUNY New Paltz	Title	County Executive
Has the Board member appointed a designee?	Yes	Has the Board member appointed a designee?	Yes
Designee Name	Vacant Vacant	Designee Name	March Gallgher
Ex-officio	Yes	Ex-officio	Yes
Nominated By	Other	Nominated By	Other
Appointed By	Other	Appointed By	Other
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?	No	Has the Board member/designee signed the acknowledgement of fiduciary duty?	No
Complied with training requirement of Section 2824?	No	Complied with training requirement of Section 2824?	No
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?	No	Does the Board member/designee also hold an elected or appointed municipal government position?	Yes

Board of Directors Listing

Name	Bernardo, Terry	Name	Gallo, Shayne
Chair of Board	No	Chair of Board	No
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date	01/01/2011	Term Start Date	01/01/2011
Term Expiration Date	Ex-Officio	Term Expiration Date	Ex-Officio
Title	Chair, Ulster County Legislature	Title	City of Kingston
Has the Board member appointed a designee?	Yes	Has the Board member appointed a designee?	Yes
Designee Name	James Maloney	Designee Name	Greg Swanzey
Ex-officio	Yes	Ex-officio	Yes
Nominated By	Other	Nominated By	Other
Appointed By	Other	Appointed By	Other
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?	No	Has the Board member/designee signed the acknowledgement of fiduciary duty?	No
Complied with training requirement of Section 2824?	No	Complied with training requirement of Section 2824?	No
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?	Yes	Does the Board member/designee also hold an elected or appointed municipal government position?	Yes

Board of Directors Listing

Name	O'Halloran, David	Name	Valk, John
Chair of Board	No	Chair of Board	No
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date	01/01/2010	Term Start Date	06/01/1963
Term Expiration Date	Ex-Officio	Term Expiration Date	Ex-Officio
Title	Chair, Ulster County IDA	Title	Ulster County Association of Town Supervisors and M
Has the Board member appointed a designee?	Yes	Has the Board member appointed a designee?	Yes
Designee Name	Robert Kinnin	Designee Name	James Quigley
Ex-officio	Yes	Ex-officio	Yes
Nominated By	Other	Nominated By	Ex-Officio
Appointed By	Other	Appointed By	Ex-Officio
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?	No	Has the Board member/designee signed the acknowledgement of fiduciary duty?	No
Complied with training requirement of Section 2824?	Yes	Complied with training requirement of Section 2824?	No
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?	No	Does the Board member/designee also hold an elected or appointed municipal government position?	No

Board of Directors Listing

Name	Campagiorni, Anthony	Name	Vacant
Chair of Board	No	Chair of Board	
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date	06/17/2010	Term Start Date	
Term Expiration Date	12/31/2013	Term Expiration Date	
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Designee Name		Designee Name	
Ex-officio	No	Ex-officio	
Nominated By	Other	Nominated By	Other
Appointed By	Other	Appointed By	Other
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?	No	Has the Board member/designee signed the acknowledgement of fiduciary duty?	
Complied with training requirement of Section 2824?	No	Complied with training requirement of Section 2824?	
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	
Does the Board member/designee also hold an elected or appointed municipal government position?	No	Does the Board member/designee also hold an elected or appointed municipal government position?	

Board of Directors Listing

Name	Vacant	Name	Ratner, Joshua
Chair of Board		Chair of Board	No
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date		Term Start Date	06/17/2010
Term Expiration Date		Term Expiration Date	12/31/2013
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Designee Name		Designee Name	
Ex-officio		Ex-officio	No
Nominated By	Other	Nominated By	Other
Appointed By	Other	Appointed By	Other
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?		Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes
Complied with training requirement of Section 2824?		Complied with training requirement of Section 2824?	Yes
Does the Board member/designee also hold an elected or appointed State gove		Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?		Does the Board member/designee also hold an elected or appointed municipal government position?	No

Board of Directors Listing

Name	Vacant	Name	Schaef, Nancy
Chair of Board		Chair of Board	No
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date		Term Start Date	01/01/2010
Term Expiration Date		Term Expiration Date	Ex-Officio
Title		Title	Director, Workforce Investment Board
Has the Board member appointed a designee?		Has the Board member appointed a designee?	No
Designee Name		Designee Name	
Ex-officio		Ex-officio	Yes
Nominated By	Ex-Officio	Nominated By	Other
Appointed By	Ex-Officio	Appointed By	Other
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?		Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes
Complied with training requirement of Section 2824?		Complied with training requirement of Section 2824?	No
Does the Board member/designee also hold an elected or appointed State gove		Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?		Does the Board member/designee also hold an elected or appointed municipal government position?	No

Board of Directors Listing

Name	Todd, Ward	Name	Vacant
Chair of Board	No	Chair of Board	
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date	01/01/2010	Term Start Date	
Term Expiration Date	Ex-Officio	Term Expiration Date	
Title	President, Ulster County Chamber of Commerce	Title	
Has the Board member appointed a designee?	No	Has the Board member appointed a designee?	
Designee Name		Designee Name	
Ex-officio	Yes	Ex-officio	
Nominated By	Other	Nominated By	Other
Appointed By	Other	Appointed By	Other
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?	No	Has the Board member/designee signed the acknowledgement of fiduciary duty?	
Complied with training requirement of Section 2824?	No	Complied with training requirement of Section 2824?	
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	
Does the Board member/designee also hold an elected or appointed municipal government position?	No	Does the Board member/designee also hold an elected or appointed municipal government position?	

Board of Directors Listing

Name	Hauspurg, Dan	Name	Vacant
Chair of Board	No	Chair of Board	
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date	04/01/2011	Term Start Date	
Term Expiration Date	12/31/2013	Term Expiration Date	
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Designee Name		Designee Name	
Ex-officio	No	Ex-officio	
Nominated By	Other	Nominated By	Ex-Officio
Appointed By	Other	Appointed By	Ex-Officio
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?	No	Has the Board member/designee signed the acknowledgement of fiduciary duty?	
Complied with training requirement of Section 2824?	Yes	Complied with training requirement of Section 2824?	
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	
Does the Board member/designee also hold an elected or appointed municipal government position?	No	Does the Board member/designee also hold an elected or appointed municipal government position?	

Board of Directors Listing

Name	Marquette, Ronald	Name	Katt, Donald
Chair of Board	Yes	Chair of Board	No
If yes, Chair designated By.	Elected by Board	If yes, Chair designated By.	
Term Start Date	01/01/2005	Term Start Date	01/01/2010
Term Expiration Date	12/31/2012	Term Expiration Date	Ex-Officio
Title		Title	President, SUNY Ulster
Has the Board member appointed a designee?		Has the Board member appointed a designee?	No
Designee Name		Designee Name	
Ex-officio	No	Ex-officio	Yes
Nominated By	Other	Nominated By	Other
Appointed By	Other	Appointed By	Other
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes	Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes
Complied with training requirement of Section 2824?	No	Complied with training requirement of Section 2824?	No
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?	No	Does the Board member/designee also hold an elected or appointed municipal government position?	No

Staff Listing

Name	Title	Group	Department / Subsidiary	Union Name	Bargaining Unit	Full Time/ Part Time	Exempt	Base Annualized Salary	Actual salary paid to the Individual	Over time paid by Authority	Performance Bonus	Extra Pay	Other Compensation/Allowances/Adjustments	Total Compensation	Individual also paid by another entity to perform the work of the Authority	If yes, Is the payment made by a State or local government
Beuf, Melinda	Interim Administrator	Professional				FT	Yes	95,574.88	84,193.13	0	0	0	0	84,193.13	No	
Clark, Linda	Office Manger	Administrative and Clerical				FT	Yes	51,111.84	51,111.84	0	0	0	0	51,111.84	No	
Fadelici, Lisa	CFO	Professional				PT	No	0.00	33,459.07	0	0	0	0	33,459.07	No	
Hannibal, Gerinomo	Receptionist	Administrative and Clerical				PT	No	0.00	600	0	0	0	400	1,000	No	
Lebron, Biashia	Receptionist	Administrative and Clerical				PT	No	0.00	7,750.75	0	0	0	0	7,750.75	No	
Matteson, Lance	President	Professional				FT	Yes	95,574.88	57,516.88	0	0	7,240.65	14,166.68	78,924.21	No	

Benefit Information

During the fiscal year, did the Authority continue to pay for any of the above mentioned benefits for

No

Board Members

Name	Title	Severance Package	Payment for Unused Leave	Club Member-ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of These Benefits	Other
Vacant,	Board of Directors													
Vacant	Board of Directors													
Vacant	Board of Directors													
Gallgher, March	Board of Directors													
Maloney, James	Board of Directors													
Swanzey, Greg	Board of Directors													
Kinnin, Robert	Board of Directors													
Valk, John	Board of Directors													
Quigley, James	Board of Directors													
Vacant	Board of Directors													
Hauspurg, Dan	Board of Directors												X	
Christian, Donald	Board of Directors												X	
Hein, Michael	Board of Directors												X	
Katt, Donald	Board of Directors												X	
Schaef, Nancy	Board of Directors												X	
Todd, Ward	Board of Directors												X	
Campagiorni, Anthony	Board of Directors												X	
Vacant	Board of Directors												X	

Name	Title	Severance Package	Payment for Unused Leave	Club Member-ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allow-ance	Spousal / Dependent Life Insurance	Tuition Assist-ance	Multi-Year Employ-ment	None of These Benefits	Other
Marquette, Ronald	Board of Directors												X	
O'Halloran, David	Board of Directors												X	
Ratner, Joshua	Board of Directors												X	
Bernardo, Terry	Board of Directors												X	
Gallo, Shayne	Board of Directors												X	
Vacant	Board of Directors												X	

Staff

Name	Title	Severance Package	Payment for Unused Leave	Club Member-ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allow-ance	Spousal / Dependent Life Insurance	Tuition Assist-ance	Multi-Year Employ-ment	None of These Benefits	Other
No Data has been entered by the Authority for this section in PARIS														

Subsidiary/Component Unit Verification

Is the list of subsidiaries, as assembled by the Office of the State Comptroller, correct? Yes
 Are there other subsidiaries or component units of the Authority that are active, not included in the PARIS reports submitted by this Aut No

Name of Subsidiary/Component Unit	Status	Requested Changes
-----------------------------------	--------	-------------------

Subsidiary/Component Unit Creation

Name of Subsidiary/Component Unit	Establishment Date	Entity Purpose
-----------------------------------	--------------------	----------------

Subsidiary/Component Unit Termination

Name of Subsidiary/Component Unit	Termination Date	Termination Reason	Proof of Termination
-----------------------------------	------------------	--------------------	----------------------

No Data has been entered by the Authority for this section in PARIS

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

<u>Assets</u>	
Current Assets	
Cash and cash equivalents	\$1,082,308
Investments	\$0
Receivables, net	\$1,028,360
Other assets	\$2,604
Total Current Assets	\$2,113,272
Noncurrent Assets	
Restricted cash and investments	\$0
Long-term receivables, net	\$563,721
Other assets	\$0
Capital Assets	
Land and other nondepreciable property	\$0
Buildings and equipment	\$3,390
Infrastructure	\$0
Accumulated depreciation	\$0
Net Capital Assets	\$3,390
Total Noncurrent Assets	\$567,111
Total Assets	\$2,680,383

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

Liabilities

Current Liabilities

Accounts payable	\$80,881
Pension contribution payable	\$0
Other post-employment benefits	\$0
Accrued liabilities	\$0
Deferred revenues	\$0
Bonds and notes payable	\$73,000
Other long-term obligations due within one year	\$126,016
Total Current Liabilities	\$279,897

Noncurrent Liabilities

Pension contribution payable	\$0
Other post-employment benefits	\$0
Bonds and notes payable	\$547,000
Long Term Leases	\$0
Other long-term obligations	\$199,416
Total Noncurrent Liabilities	\$746,416

Total Liabilities **\$1,026,313**

Net Asset (Deficit)

Net Asset

Invested in capital assets, net of related debt	\$0
Restricted	\$194,018
Unrestricted	\$1,460,052
Total Net Assets	\$1,654,070

Summary Financial InformationSUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETSOperating Revenues

Charges for services	\$740,571
Rental & financing income	\$19,956
Other operating revenues	\$50,240
Total Operating Revenue	\$810,767

Operating Expenses

Salaries and wages	\$286,577
Other employee benefits	\$0
Professional services contracts	\$34,667
Supplies and materials	\$6,212
Depreciation & amortization	\$4,436
Other operating expenses	\$413,513
Total Operating Expenses	\$745,405

Operating Income (Loss) **\$65,362**

Nonoperating Revenues

Investment earnings	\$0
State subsidies/grants	\$0
Federal subsidies/grants	\$0
Municipal subsidies/grants	\$0
Public authority subsidies	\$0
Other nonoperating revenues	\$0
Total Nonoperating Revenue	\$0

Summary Financial InformationSUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETSNonoperating Expenses

Interest and other financing charges	\$7,401
Subsidies to other public authorities	\$0
Grants and donations	\$0
Other nonoperating expenses	\$0
Total Nonoperating Expenses	\$7,401
Income (Loss) Before Contributions	\$57,961
Capital Contributions	\$0
Change in net assets	\$57,961
Net assets (deficit) beginning of year	\$1,595,870
Other net assets changes	\$239
Net assets (deficit) at end of year	\$1,654,070

Current Debt

Question	Response
1. Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period?	Yes
2. If yes, has the Authority issued any debt during the reporting period?	No

New Debt Issuances List by Type of Debt and Program

No Data has been entered by the Authority for this section in PARIS

Schedule of Authority Debt

Type of Debt	Statutory Authorization (\$)	Outstanding Start of Fiscal Year (\$)	New Debt Issuances (\$)	Debt Retired (\$)	Outstanding End of Fiscal Year (\$)
State Obligation					
State Guaranteed					
State Supported					
State Contingent Obligation					
State Moral Obligation					
Other State Funded					
Authority Obligation					
General Obligation					
Revenue					
Other Non-State Funded	0.00	111,341.00	0.00	19,341.00	92,000.00
Conduit					
Conduit Debt					
Conduit Debt - Pilot Increment Financing					

Real Property Acquisition/Disposal List

This Authority has indicated that it had no real property acquisitions or disposals during the reporting period.

Personal Property

This Authority has indicated that it had no personal property disposals during the reporting period.

Property Documents

Question	Response	URL (if applicable)
1. In accordance with Section 2896(3) of PAL, the Authority is required to prepare a report at least annually of all real property of the Authority. Has this report been prepared?	Yes	www.ulsterny.com
2. Has the Authority prepared policies, procedures, or guidelines regarding the use, awarding, monitoring, and reporting of contracts for the acquisition and disposal of property?	No	
3. In accordance with Section 2896(1) of PAL, has the Authority named a contracting officer who shall be responsible for the Authority's compliance with and enforcement of such guidelines?	No	

Grant Information

This Authority has indicated that it did not award any grants during the reporting period.

Loan Information

1. Source of Loan Funds: Federal
 Name of Loan Recipient: AmeriBag
 Address Line1: 5 AmeriBag Drive
 Address Line2:
 City: KINGSTON
 State: NY
 Zip - Plus4: 12401
 Province/Region:
 Country: USA
 Original Amount of Loan: \$150,000
 Date Loan Awarded: 06/30/2011
 Interest Rate(%): 4
 Length of Loan(# of years
 to repay): 7
 Amount of Loan Principal Repaid
 to Date: \$27,083.15
 Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 2
 If yes, how many jobs have been
 created to date? 17
 Have the terms of the loan been
 completed? No

2. Source of Loan Funds: Federal
 Name of Loan Recipient: Breathe Fitness
 Address Line1: 3555 Main Street
 Address Line2:
 City: STONE RIDGE
 State: NY
 Zip - Plus4: 12484
 Province/Region:
 Country: USA
 Original Amount of Loan: \$50,000
 Date Loan Awarded: 09/01/2005
 Interest Rate(%): 4
 Length of Loan(# of years
 to repay): 9
 Amount of Loan Principal Repaid
 to Date: \$38,363.82
 Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 1
 If yes, how many jobs have been
 created to date? 0
 Have the terms of the loan been
 completed? No

Loan Information

3. Source of Loan Funds: Federal
 Name of Loan Recipient: Costas and Tate
 Address Line1: 85 Soute Chestnut Street
 Address Line2:
 City: NEW PALTZ
 State: NY
 Zip - Plus4: 12561
 Province/Region:
 Country: USA
 Original Amount of Loan: \$20,000
 Date Loan Awarded: 09/08/2011
 Interest Rate(%): 4
 Length of Loan(# of years
 to repay): 7
 Amount of Loan Prinicipal Repaid
 to Date: \$3,174.10
 Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result
 in new jobs being created? No
 If yes, how many jobs were planned
 to be created?
 If yes, how many jobs have been
 created to date?
 Have the terms of the loan been
 completed? No

4. Source of Loan Funds: Federal
 Name of Loan Recipient: Falcon Art and Music
 Address Line1: 1348 Route 9W
 Address Line2:
 City: MARLBORO
 State: NY
 Zip - Plus4: 12542
 Province/Region:
 Country: USA
 Original Amount of Loan: \$75,000
 Date Loan Awarded: 07/01/2009
 Interest Rate(%): 4
 Length of Loan(# of years
 to repay): 10
 Amount of Loan Prinicipal Repaid
 to Date: \$22,921.33
 Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 2
 If yes, how many jobs have been
 created to date? 2
 Have the terms of the loan been
 completed? No

Loan Information

5. Source of Loan Funds: Federal
 Name of Loan Recipient: Gillette Creamery
 Address Line1: 47 Steves Lane
 Address Line2:
 City: GARDINER
 State: NY
 Zip - Plus4: 12525
 Province/Region:
 Country: USA
 Original Amount of Loan: \$400,000
 Date Loan Awarded: 02/01/2010
 Interest Rate(%): 0
 Length of Loan(# of years
 to repay): 3
 Amount of Loan Principal Repaid
 to Date: \$70,000.07
 Purpose of Loan: Equipment and Fixed Asset Acquisition

Was the Loan expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 10
 If yes, how many jobs have been
 created to date? 74
 Have the terms of the loan been
 completed? No

6. Source of Loan Funds: Federal
 Name of Loan Recipient: Global Palate
 Address Line1: 365 River Road
 Address Line2:
 City: ULSTER PARK
 State: NY
 Zip - Plus4: 12487
 Province/Region:
 Country: USA
 Original Amount of Loan: \$40,000
 Date Loan Awarded: 06/01/2007
 Interest Rate(%): 4
 Length of Loan(# of years
 to repay): 7
 Amount of Loan Principal Repaid
 to Date: \$30,463.12
 Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 1
 If yes, how many jobs have been
 created to date? 2
 Have the terms of the loan been
 completed? No

Loan Information

7. Source of Loan Funds: Federal
 Name of Loan Recipient: Minard Farms
 Address Line1: 59 Hurds Road
 Address Line2:
 City: CLINTONDALE
 State: NY
 Zip - Plus4: 12515
 Province/Region:
 Country: USA
 Original Amount of Loan: \$75,000
 Date Loan Awarded: 11/01/2006
 Interest Rate(%): 4
 Length of Loan(# of years
 to repay): 7
 Amount of Loan Principal Repaid
 to Date: \$64,934.23
 Purpose of Loan: Equipment and Fixed Asset Acquisition

Was the Loan expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 3
 If yes, how many jobs have been
 created to date? 14
 Have the terms of the loan been
 completed? No

8. Source of Loan Funds: Federal
 Name of Loan Recipient: New World Catering
 Address Line1: 1411 Route 212
 Address Line2:
 City: SAUGERTIES
 State: NY
 Zip - Plus4: 12477
 Province/Region:
 Country: USA
 Original Amount of Loan: \$130,000
 Date Loan Awarded: 08/01/2008
 Interest Rate(%): 5.92
 Length of Loan(# of years
 to repay): 10
 Amount of Loan Principal Repaid
 to Date: \$34,169.69
 Purpose of Loan: Commercial Property
 Construction/Acquisition/Revitalization/I
 mprovement

Was the Loan expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 8
 If yes, how many jobs have been
 created to date? 15
 Have the terms of the loan been
 completed? No

Loan Information

9. Source of Loan Funds: State
 Name of Loan Recipient: Oxclove Workshop
 Address Line1: 721 Broadway
 Address Line2: Suite 230
 City: KINGSTON
 State: NY
 Zip - Plus4: 12401
 Province/Region:
 Country: USA
 Original Amount of Loan: \$100,000
 Date Loan Awarded: 01/01/2003
 Interest Rate(%): 2.38
 Length of Loan(# of years
 to repay): 23
 Amount of Loan Principal Repaid
 to Date: \$76,603.02
 Purpose of Loan: Equipment and Fixed Asset Acquisition

Was the Loan expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 10
 If yes, how many jobs have been
 created to date? 0
 Have the terms of the loan been
 completed? No

10. Source of Loan Funds: Federal
 Name of Loan Recipient: Peter's Market
 Address Line1: P.O. Box 69
 Address Line2:
 City: NAPANOCH
 State: NY
 Zip - Plus4: 12458
 Province/Region:
 Country: USA
 Original Amount of Loan: \$50,000
 Date Loan Awarded: 09/01/1997
 Interest Rate(%): 2
 Length of Loan(# of years
 to repay): 15
 Amount of Loan Principal Repaid
 to Date: \$50,000.00
 Purpose of Loan: Equipment and Fixed Asset Acquisition

Was the Loan expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 8
 If yes, how many jobs have been
 created to date? 14
 Have the terms of the loan been
 completed? Yes

Loan Information

11. Source of Loan Funds: Federal
 Name of Loan Recipient: Selux
 Address Line1: 5 Lumen Lane
 Address Line2:
 City: HIGHLAND
 State: NY
 Zip - Plus4: 12528
 Province/Region:
 Country: USA
 Original Amount of Loan: \$100,000
 Date Loan Awarded: 10/01/2007
 Interest Rate(%): 4
 Length of Loan(# of years
 to repay): 5
 Amount of Loan Principal Repaid
 to Date: \$100,000.00
 Purpose of Loan: Equipment and Fixed Asset Acquisition

 Was the Loan expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 3
 If yes, how many jobs have been
 created to date? 7
 Have the terms of the loan been
 completed? Yes

12. Source of Loan Funds: Federal
 Name of Loan Recipient: Serra
 Address Line1: 215 Main Street
 Address Line2:
 City: NEW PALTZ
 State: NY
 Zip - Plus4: 12561
 Province/Region:
 Country: USA
 Original Amount of Loan: \$75,000
 Date Loan Awarded: 10/01/2007
 Interest Rate(%): 4
 Length of Loan(# of years
 to repay): 11
 Amount of Loan Principal Repaid
 to Date: \$41,516.92
 Purpose of Loan: Commercial Property
 Construction/Acquisition/Revitalization/I
 mprovement

 Was the Loan expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 5
 If yes, how many jobs have been
 created to date? 15
 Have the terms of the loan been
 completed? No

Loan Information

13. Source of Loan Funds: Federal
Name of Loan Recipient: Tuthillhouse
Address Line1: 18 Gristmill Lane
Address Line2:
City: GARDINER
State: NY
Zip - Plus4: 12525
Province/Region:
Country: USA
Original Amount of Loan: \$75,000
Date Loan Awarded: 03/01/2010
Interest Rate(%): 4
Length of Loan(# of years
to repay): 10
Amount of Loan Principal Repaid
to Date: \$17,736.31
Purpose of Loan: Equipment and Fixed Asset Acquisition

Was the Loan expected to result
in new jobs being created? Yes
If yes, how many jobs were planned
to be created? 4
If yes, how many jobs have been
created to date? 10
Have the terms of the loan been
completed? No

Bond Information

This Authority has indicated that it did not have any outstanding bonds during the reporting period.

Additional Comments:

Investment Information:

Question	Response	URL (if applicable)
1. Has the Authority prepared an Annual Investment Report for the reporting period as required by Section 2925(6) of PAL?	Yes	www.ulsterny.com
2. Are the Authority's investment guidelines reviewed and approved annually?	No	
3. Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL?	No	
4. Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments?	No	

Additional Comments:

Procurement-Information:

Question	Response	URL (if applicable)
1. Does the Authority have procurement guidelines?	No	
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?		
3. Does the Authority allow for exceptions to the procurement guidelines?		
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	Yes	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	No	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents or specifications for procurement contracts?.	No	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	No	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	No	

Procurement Transactions Listing:

<p>1. Vendor Name: Advanced Computer</p> <p>Type of Procurement: Design and Construction/Maintenance Award Process: Authority Contract - Non-Competitive Bid Award Date: 01/01/2012 End Date: 12/31/2012 Amount: \$6,500 Amount Expended for Fiscal Year: \$6,500 Fair market value: \$6,500</p> <p>Explain why the fair market value is less than the amount:</p> <p>Address Line1: 157 Hurley Avenue Address Line2: City: KINGSTON State: NY Postal Code: 12401 Plus 4: Province Region: Country: USA</p> <p>Procurement Description: Annual Computer Maintenance Contract and Computer related purchases</p>	<p>2. Vendor Name: Brinnier and Larios PC</p> <p>Type of Procurement: Other Professional Services Award Process: Non Contract Procurement/Purchase Order Award Date: End Date: Amount: Amount Expended for Fiscal Year: \$30,237.48 Fair market value:</p> <p>Explain why the fair market value is less than the amount:</p> <p>Address Line1: 67 Maiden Lane Address Line2: City: KINGSTON State: NY Postal Code: 12401 Plus 4: Province Region: Country: USA</p> <p>Procurement Description: Engineering Services</p>
--	--

Procurement Transactions Listing:

3. Vendor Name: Hudson Valley EDC

Type of Procurement: Other Professional Services
Award Process: Non Contract Procurement/Purchase Order
Award Date:
End Date:
Amount:
Amount Expended for Fiscal Year: \$20,000
Fair market value:
Explain why the fair market value is less than the amount:

Address Line1: 555 Hudson Valley Avenue
Address Line2:
City: NEW WINDSOR
State: NY
Postal Code: 12553
Plus 4:
Province Region:
Country: USA
Procurement Description: Annual Membership

4. Vendor Name: Sickler, Torchcia, Allen & Churchill, CPAs, PC

Type of Procurement: Financial Services
Award Process: Non Contract Procurement/Purchase Order
Award Date:
End Date:
Amount:
Amount Expended for Fiscal Year: \$5,625
Fair market value:
Explain why the fair market value is less than the amount:

Address Line1: PO Box 757
Address Line2:
City: LAKE KATRINE
State: NY
Postal Code: 12449
Plus 4:
Province Region:
Country: USA
Procurement Description: Accounting Services

Procurement Transactions Listing:

5. Vendor Name: Teal, Becker, & Chiaramonte

Type of Procurement: Other Professional Services
Award Process: Authority Contract - Competitive Bid
Award Date: 01/01/2012
End Date: 12/31/2012
Amount: \$22,800
Amount Expended for Fiscal Year: \$22,800
Fair market value:
Explain why the fair market value is less than the amount:

Address Line1: 7 Washington Square
Address Line2:
City: ALBANY
State: NY
Postal Code: 12205
Plus 4:
Province Region:
Country: USA
Procurement Description: Audit Services

6. Vendor Name: Ulster County Community College

Type of Procurement: Other
Award Process: Authority Contract - Non-Competitive Bid
Award Date: 01/01/2012
End Date: 12/31/2012
Amount: \$22,132
Amount Expended for Fiscal Year: \$22,132
Fair market value: \$22,132
Explain why the fair market value is less than the amount:

Address Line1: 1 Deveopment Court
Address Line2:
City: KINGSTON
State: NY
Postal Code: 12401
Plus 4:
Province Region:
Country: USA
Procurement Description: Rent

Procurement Transactions Listing:

7. Vendor Name: Wiltwyck Country Club

Type of Procurement: Other
Award Process: Non Contract Procurement/Purchase Order
Award Date:
End Date:
Amount:
Amount Expended for Fiscal Year: \$10,238.2
Fair market value:

Explain why the fair market value is less than the amount:

Address Line1: 404 Stewart's Lane
Address Line2:
City: KINGSTON
State: NY
Postal Code: 12401
Plus 4:
Province Region:
Country: USA
Procurement Description: Caterer

Procurement Transactions Listing:

Additional Comments:

Financial Documents:

Question	Response	URL (if applicable)	Attachments
1. Attach the independent audit of the Authority's financial statements.	N/A	www.ulsterny.com	Attachment Included
2. Has the Authority's independent auditor issued a management letter to the Authority in connection with its audit of the Authority's financial statements?	Yes	www.ulsterny.com	Attachment Included
3. Has the Authority's independent auditor issued a Report on Internal Controls Over Financial Reporting to the Authority?	Yes	www.ulsterny.com	Attachment Included
4. Attach any other communication required or allowed by government auditing standards issued by the Comptroller General of the United States to be issued by the Authority's independent auditor in connection with its annual audit of the Authority's financial statements.			

Additional Comments:

SUPPLEMENTAL INFORMATION

ULSTER COUNTY DEVELOPMENT CORPORATION

USDA Intermediary Relending Program Loan Fund
Balance Sheets

December 31

	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 197,161	\$ 88,917
Loan receivable - current portion	<u>2,656</u>	<u>2,552</u>
Total current assets	199,817	91,469
Loan receivable - non current portion	<u>14,170</u>	<u>16,826</u>
Total Assets	<u>\$ 213,987</u>	<u>\$ 108,295</u>
Liabilities:		
Long-term debt	\$ 119,000	\$ 14,000
Net assets:		
Unrestricted	<u>94,987</u>	<u>94,295</u>
Total Liabilities And Net Assets	<u>\$ 213,987</u>	<u>\$ 108,295</u>

USDA Intermediary Relending Program Loan Fund
Statements Of Revenues And Expenses

For The Years Ended December 31

	<u>2012</u>	<u>2011</u>
Unrestricted net assets:		
Unrestricted support and revenues:		
Grants	\$ -	\$ 4,000
Revenues:		
Interest	<u>692</u>	<u>287</u>
Total unrestricted support and revenues	<u>692</u>	<u>4,287</u>
Increase in net assets	692	4,287
Net assets - beginning	<u>94,295</u>	<u>90,008</u>
Net Assets - Ending	<u>\$ 94,987</u>	<u>\$ 94,295</u>



**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of
Financial Statements Performed In Accordance With
*Government Auditing Standards***

The Board of Directors
Ulster County Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Ulster County Development Corporation's, financial statements, and have issued our report thereon July 25, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Teal Becker & Charamonte CPAs PC

Albany, New York
July 25, 2013