

ULSTER COUNTY DEVELOPMENT CORPORATION  
MANAGEMENT DISCUSSION AND ANALYSIS

**Introduction**

Management's Discussion and Analysis of the Ulster County Development Corporation's (UCDC or the Corporation) financial performance provides an overview of the Corporation's financial activities for the fiscal year ended December 31, 2013. Please read this report in conjunction with the Corporation's 2013 financial statements. UCDC is a Local Development corporation which operates in Ulster County, New York and 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**

The Corporation's net position has decreased by \$130,050 (or 8.0%) as a result of operations in 2013.

In 2013, revenues decreased \$697,090 compared to 2012, or 85.9%.

In 2013, expenses decreased \$508,840 compared to 2012, or 67.5%.

**Corporation Highlights**

2013 UCDC highlights include:

- In 2013, UCDC, through significant efforts, assisted in the retention of jobs in Ulster County. All involved the Revolving Loan Funds or other types of financing, or incentives given or offered to companies in niche manufacturing.
- In 2013, the Ulster County Office of Business Services assumed the administration of the Corporation, and the Ulster County Department of Finance has assumed the accounting responsibilities of the Corporation. The Corporation's employees were assumed by Ulster County.

**Using This Annual Report**

This Annual Report consists primarily of the Statement of Net Position, Statement of Revenues, Expenses, and Change in Net Position, 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 position and changes in net position. One way to measure the Corporation's financial position is to look at the net position - the difference between assets and liabilities.

See independent auditors' report.

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MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

**Condensed Comparative Financial Statements and Analysis**

The Corporation's net position at the end of the 2013 was \$1,488,913, a decrease of \$130,050 over 2012, adjusted net position of \$1,618,963.

Our analysis below focuses on net position (Table 1) and the changes in net position (Table 2) at December 31, 2013.

**Table 1 – Statement of Net Position**

<b>Assets</b>	
Current assets	\$1,176,996
Other assets	<u>695,351</u>
Total Assets	<u>\$1,872,357</u>
 <b>Liabilities</b>	
Current liabilities	\$ 13,027
Long-term liabilities	<u>370,417</u>
Total Liabilities	<u>\$ 383,444</u>
 <b>Net Position</b>	
Unrestricted	\$1,292,845
Restricted	194,180
Invested in Capital Assets	<u>1,888</u>
Total Net Position	<u>\$1,488,913</u>

**Assets:**

Cash totaled \$902,607 at the end 2013 versus \$1,082,308 at the end of 2012. The decrease in cash was a direct result of a short term/temporary infusion of cash from the IDA of \$126,015 in 2012. The Loans Receivable totaled \$829,044 at the end of 2013 versus \$732,552 at the end of 2012.

**Liabilities:**

Liabilities at the end of 2013 were \$383,444 versus \$1,026,313 at the end of 2012.

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**Table 2 – Change in Net Position**

<b>Revenues:</b>	
Professional Services	\$ 75,000
Interest on Loans	24,097
Other Income	<u>15,297</u>
Total Revenues	<u>114,394</u>
<b>Expenses:</b>	
Operating Expenses	240,627
Non-operating Expenses	<u>3,817</u>
Total Expenses	<u>244,444</u>
<b>Change in Net Position</b>	<b><u>\$130,050</u></b>

The Corporation's revenues in 2013 were \$114,394 versus \$811,484 in 2012. Expenses in 2013 were \$244,444 versus \$753,284 in 2012. The revenue decrease in 2013 compared to 2012 was primarily caused by the Ulster County Industrial Development Agency and the Ulster County Capital Resource Corporation no longer contracting with the Corporation for administrative services in 2013. The expenses decreased in 2013 predominantly due to the Corporation no longer having payroll expenses in 2013. UCDC's employees became Ulster County employees in the Office of Business Services as of January 1, 2013.

**Capital Assets and Long-Term Debt**

The Corporation did not take on any long-term debt in 2013. There were no capital asset additions in 2013.

**Budget**

In January 2013, the Corporation adopted a 2013 budget projecting revenues to be \$10,000 and expenses to be \$113,358. Actual 2013 revenues totaled \$114,394 and actual 2013 expenses totaled \$244,444. Much of the increase in actual revenues and expenses was due to the receipt of a professional services grant from Ulster County of \$75,000 subsequently awarded to the Solar Energy Consortium during the year ended 2013.

**Contacting UCDC Financial Administrator**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Corporation's finances and to show the Corporation'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 4265, Kingston, New York 12402-4265.

See independent auditors' report.