

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF THE COUNTY OF ULSTER

2013 ANNUAL REPORT - MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

Our discussion and analysis of the Ulster County Industrial Development Agency, a Component Unit of the County of Ulster's (the Agency) financial performance provides an overview of the Agency's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the Agency's financial statements that follow this discussion and analysis. The Agency is a New York State public authority and industrial development agency operating in the County of Ulster, New York. This summary discussion and analysis includes only the financial and general business of the Agency.

Financial Highlights

The Agency's net position has increased by \$300,198 (or 93.6%) as a result of operations in 2013.

In 2013, revenues increased \$366,595 compared to 2012, or 283%.

In 2013, expenses increased \$13,888 compared to 2012, or 7.6%.

Agency Highlights

The Agency closed on two new projects during the year ended December 31, 2013, and restructured three other existing projects; in total generating \$492,897 in administrative fees. The County of Ulster should benefit by the increase of sixty four (64) new jobs these projects will provide, as well as ninety (90) construction jobs.

Using This Annual Report

This Annual Report consists primarily of the Statements of Net Position, Statements of Revenues, Expenses, and Changes In Fund Net Position and the Statements of Cash Flows, which provide information about the activities of the Agency only.

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

Condensed Comparative Financial Statements and Analysis

The Agency's net position at the end of 2013 was \$620,956, an increase of \$300,198 over \$320,758 in 2012.

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

Table 1 - Net Assets

| | <u>2013</u> | <u>2012</u> |
|------------------------------------|------------------|------------------|
| Current Assets | <u>\$652,773</u> | <u>\$323,258</u> |
| Current Liabilities | <u>\$ 31,817</u> | <u>\$ 2,500</u> |
| Net Position - Unrestricted | <u>\$620,956</u> | <u>\$320,758</u> |

Current Assets:

Cash totals at the end of 2013 were \$652,773 versus \$69,771 at the end of 2012. The increase in cash was a direct result of closing on 3 major projects in 2013.

Current Liabilities:

Outstanding payables were for services performed in 2013 and paid for in 2014.

Table 2 - Changes in Net Assets

| | <u>2013</u> | <u>2012</u> |
|-------------------------------|------------------|--------------------|
| Revenues: | | |
| Administration fees | \$492,897 | \$129,000 |
| Application fees | 2,500 | - |
| Interest income | <u>645</u> | <u>447</u> |
| Total Revenues | <u>496,042</u> | <u>129,447</u> |
| Expenses: | | |
| Operating expenses | <u>195,844</u> | <u>181,956</u> |
| Total Expenses | <u>195,844</u> | <u>181,956</u> |
| Change In Net Position | <u>\$300,198</u> | <u>\$ (52,509)</u> |

The Agency's revenues in 2013 were \$496,042 versus \$129,447 in 2012. Expenses in 2013 were \$195,844 versus \$181,956 in 2012. The revenue increase in 2013 over 2012 was caused by multiple projects closing in 2013. The expenses increased in 2013 predominantly due to an increase in contracts for service expenditures from 2013 over 2012.

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 2013 budget was to budget revenue based on projects already in the pipeline, and in keeping with the encouraging increase in project applications seen in 2009 through 2012. The 2013 budget has no draw on the prior year's cash.

Contacting UCIDA Financial Administrator

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