

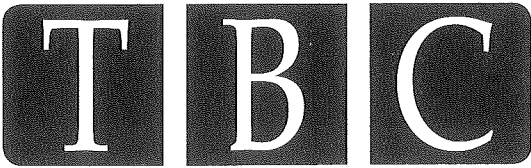
***ULSTER COUNTY  
DEVELOPMENT CORPORATION***

***FINANCIAL STATEMENTS***

***DECEMBER 31, 2011***

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

### Independent Auditors' Report

We have audited the accompanying statements of financial position of Ulster County Development Corporation (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

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, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2012, on our consideration of the Organization's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying Management's Discussion and Analysis, Corporation Mission and Goals Measurement Report, and the additional reports presented on pages 3 through 9 and on pages 25 through 67 are presented for the purpose of additional analysis and are not a required part of the financial statements. The accompanying Management's Discussion and Analysis, Corporation Mission and Goals Measurement Report and additional reports on pages 3 through 9 and 25 through 67 have 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 them.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information, USDA Intermediary Relending Program Loan Fund Balance Sheets and Statements of Revenues and Expenses, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information 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. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

*Ted Beecher & Charamonte LLPs P.C.*

Albany, New York  
March 26, 2012



## **2011 ANNUAL REPORT - MANAGEMENT'S DISCUSSION & ANALYSIS**

### **Introduction**

Management's Discussion and Analysis of 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, 2011. Please read this report in conjunction with the UCDC 2011 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 Corporation.

### **Financial Highlights**

The Corporation's total net assets have decreased by \$139,280, or 8.0% as a result of operations in 2011. (See Table 1)

In 2011, total revenues decreased by \$197,061 from the end of 2010, or 31.0%. (See Table 2.)

In 2011, total expenses decreased by \$129,907 from the end of 2010, or 18.0%. (See Table 2.)

Note: Pass-through type transactions were excluded in both Revenues and Expenses. \$596,376 was excluded in 2011 and \$518,248 in 2010.

The Corporation's operating net assets have decreased by \$129,167, or 27.6% as a result of operations in 2011. (See Table 3.)

In 2011, operating revenues decreased by \$119,157 from the end of 2010, or 10.09%.

In 2011, operating expenses decreased by \$51,779 from the end of 2010, or 4.0%.

### **Corporation Highlights**

2011 UCDC highlights include:

- Assisted in facilitating retention of at least 833 jobs.
- Assisted in facilitating actual hiring of at least 85 jobs.
- See also activities listed in 2011 UCDC Mission and Goals Measurement Report.
- Total net private contributions in 2011 increased by 52.4% over 2010 level (from \$24,600 to \$37,500) due to additional fundraising efforts.
- Annual Awards Dinner sponsorships were up by 47.3% (from \$14,050 to \$20,700) and net cash to UCDC from the event was up 38.5% over 2010 level (from \$7,000 to \$9,700).

**Ulster County Development Corporation  
2011 Annual Report – Management’s Discussion & Analysis**

**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 Corporation only.

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

**Condensed Comparative Financial Statements and Analysis**

The Corporation’s net assets at the end of the 2011 were \$1,595,870, a decrease of \$139,280 from \$1,735,150 in 2010. Our analysis below focuses on net assets (Table 1) and the changes in net assets. (See Table 2.)

**Table 1 - Net Assets (Statements Of Financial Position)**

	<u>2011</u>	<u>2010</u>
<b>Total Assets</b>	\$2,500,768	\$2,391,261
<b>Total Liabilities</b>	<u>904,898</u>	<u>656,111</u>
<b>Total Net Assets</b>	1,595,870	1,735,150
<b>Unrestricted Net Assets</b>	1,402,091	423,225
<b>Temp Restricted Net Assets</b>	<u>193,779</u>	<u>1,311,925</u>
<b>Total Net Assets</b>	<u>\$1,595,870</u>	<u>\$1,735,150</u>

**Current Assets:**

Cash totals at the end of 2011 were \$868,899 versus \$615,807 at the end of 2010. The increase in cash was primarily from deferred revenue grants to the Ready-To-Go Fund and the Solar Industry Research Contract payment. The Fixed Asset total at the end of 2011 was \$13,960 versus \$53,219 at the end of 2010. The decrease in Fixed Assets was due to depreciation of fixed assets. The Loans Receivable total at the end of 2011 was \$880,872 versus \$835,164 at the end of 2010. The increase in Loans Receivable was due to closing on two new loans in 2011.

**Ulster County Development Corporation**  
**2011 Annual Report – Management’s Discussion & Analysis**

Current Liabilities:

Liabilities at the end of 2011 were \$904,898 versus \$656,111 at the end of 2010, an increase of \$248,787 or 38%. This increase is primarily due to the new deferred revenue liability in the Ready-To-Go fund.

Changes in Total Net Assets

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

	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>		
Charges for Services	\$ 340,703	\$547,468
Fundraising/Contributions	72,100	58,248
Financing Income	21,157	23,749
Interest Income	<u>850</u>	<u>2,406</u>
Total Revenues	<u>434,810</u>	<u>631,871</u>
<b>Expenses:</b>		
Operating Expenses	574,090	703,997
Non-Operating Expenses	<u>-</u>	<u>-</u>
Total Expenses	<u>574,090</u>	<u>703,997</u>
<b>Decrease In Net Assets</b>	<b><u>\$(139,280)</u></b>	<b><u>\$(72,126)</u></b>

The Corporation’s revenues in 2011 decreased from revenues in 2010 by \$197,061 (31.0%). 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 2011 as compared to 2010. The decrease in Financing Income was due primarily to fewer active loans generating administrative fees in 2011 as compared to 2010. Expenses in 2011 decreased from expenses in 2010 by \$129,907 (18%). These decreases came predominantly from reduced staff and efforts to control spending.

Note: Pass-through type transactions were excluded in both Revenue and Expenses. \$596,376 was excluded in 2011 and \$518,248 in 2010.

**UCDC Operating Fund**

The Assets and Liabilities reported above encompass UCDC’s Operating Fund, eight loan funds and one advertising fund. In order to better understand the Corporation’s trends we will note here in Table 3 the Net Assets in the UCDC Operating Fund only.

**Ulster County Development Corporation  
2011 Annual Report – Management’s Discussion & Analysis**

**Table 3 – UCDC Operating Fund Net Assets**

	<u>2011</u>	<u>2010</u>
<b>Total Assets</b>	\$ 346,040	\$477,920
<b>Total Liabilities</b>	<u>6,398</u>	<u>9,111</u>
<b>Total Net Assets</b>	339,642	468,809
<b>Unrestricted Net Assets</b>	468,809	378,865
<b>Temp Restricted Net Assets</b>	<u>-</u>	<u>88,640</u>
<b>Net Income (Loss)</b>	<u>\$(129,167)</u>	<u>\$ 1,304</u>

The change in Net Assets was (\$129,167). Depreciated equipment accounted for (\$44,245). Savings in expenses of \$114,716 against the planned budget was insufficient to offset shortfalls in revenue totaling (\$199,638) against the planned budget. The revenue shortfall against the planned budget was primarily caused by shortfalls in: Incentive Funding (\$169,750), Contributions and Fundraising (\$20,900), and an Administrative Fee for Shovel Ready slipping to 2012 (\$10,000). Other revenue items came in marginally above and below the planned budget.

**Economic Factors and Next Year’s Budget**

One of the most important questions asked about the Corporation’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 Corporation’s website provides access into the Corporation’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. As funding from Ulster County is 65% of our budget, further cuts would raise sustainability concerns. The 2012 budget requires no draw on prior year’s cash, provided the budget fundraising target is realized.

**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, 5 Development Court, Kingston, New York 12401.





## 2011 CORPORATION MISSION AND GOALS MEASUREMENT REPORT

### **Name of Corporation:**

*Ulster County Development Corporation (UCDC)*

### **Corporation's Mission Statement:**

*The mission of the Ulster County Development Corporation is to promote quality jobs and business in Ulster County.*

### **List of Performance Goals and Measurement of Progress in Meeting Goals:**

#### *1. Retain 100 jobs*

In 2011 UCDC assisted in the facilitation of retaining at least 833 jobs in Ulster County, of which seven are expected to qualify as "quality jobs" retained with the "significant efforts" of UCDC for purposes of UCDC's incentive compensation contract with Ulster County. All the retained jobs involved active UCDC efforts (IDA or RLF or other financing and/or incentives given or offered) with companies in niche manufacturing, health care, and educational services. The retention of a substantial number of additional jobs was supported by regular business support and problem-solving by UCDC staff. The kinds of problems addressed included permitting, licenses, financing/cash flow, market challenges, and others.

#### *2. Create 100 jobs*

In 2011 UCDC assisted in the facilitation of creating at least 85 jobs in Ulster County, of which 25 are expected to qualify as "quality jobs" created with the "significant efforts" of UCDC for purposes of UCDC's incentive compensation contract with Ulster County. All of these created jobs were actually hired with active UCDC efforts (IDA or RLF or other financing and/or incentives given or offered) with companies in niche and solar manufacturing, hospitality, financial services, and other sectors.

#### *3. Advance the development of three shovel ready sites (two to completion, one in process).*

In 2011 UCDC facilitated the advancement of three shovel ready sites: TechCity (support for GEIS, which was approved), the Town of Marlboro (road infrastructure bonding in support of industrial zone; construction was completed), and the Saugerties King's Highway Corridor Sewer and Water Infrastructure Bonding (construction was completed). In addition, UCDC supported development of the Ulster County Ready-To-Go Program (with UCIDA, Ulster County Executive/Ulster County Planning Department, Ulster County Legislature, and Central Hudson – will support pre-permitting for industrial buildings on shovel ready sites; \$148,000 in funding is in place).

**Ulster County Development Corporation  
2011 Corporation Mission and Goals Measurement Report**

*4. Support key industry clusters, including solar/green, ag-business, arts/creative/innovation economy, niche manufacturing, and tourism/hospitality.*

Facilitated events and projects in all these sectors:

- At least seven solar/green retention/expansion/recruitment efforts.
- At least nine ag-business meetings, events, problem-solving, and retention/expansion/recruitment efforts.
- At least four creative economy/arts meetings, events, problem-solving, and retention/expansion/recruitment efforts.
- At least seven niche manufacturing and technology/info/knowledge-based retention/expansion/recruitment efforts.
- At least six tourism/hospitality retention/expansion/recruitment efforts.

*5. Increase visibility of, and support for, Ulster County economic development.*

Expanded visibility of Ulster County development in media interviews/articles and talks. UCDC was mentioned in at least 22 media articles in 2011. UCDC has received unsolicited compliments from five Ulster County employers. Utilized UCIDA project financing and incentives tools in two projects closed: (Mid-Hudson Valley Federal Credit Union branch facility and Central Hudson new substation) and one revolving loan project (Costas & Tate Insurance Agency). Strengthened UCDC operational efficiency by effecting administrative cost savings. UCDC referred at least 169 businesses to the Mid-Hudson Valley Small Business Development Center for business counseling services. Reported regularly to Ulster County Legislature on UCDC activities.

*6. Advocate for economic development.*

Advocated for economic development with public at county and local level and with officials at local, county, state, and federal levels. Held or participated in 11 well-attended public forums discussing aspects of business or economic development.

Additional questions regarding 2011 measurement of UCDC progress against mission and performance goals:

**1. Have the Board members acknowledged that they have read and understood the mission of the Corporation?**

*Yes*

**2. Who has the power to appoint the management of the Corporation?**

*The UCDC Board appoints its management.*

**3. If the Board appoints management, do you have a policy you follow when appointing the management of the Corporation?**

*The Board appoints management at this time based on those best qualified to administer an economic development organization in Ulster County, New York. At this time, UCDC has no formal policy on appointment of management.*

**Ulster County Development Corporation  
2011 Corporation Mission and Goals Measurement Report**

**4. Briefly describe the role of the Board and the role of management in the implementation of the mission.**

*The Board of UCDC sets policies and overall strategy for the Corporation, appoints and oversees management and financial operations and controls – all in support of its mission and goals.*

*The management of UCDC promotes and administers its services, operations, finances, contracts, and projects in support of its mission and goals and in accordance with the strategy, direction, and policies established by the Board.*

**5. Has the Board acknowledged that they have read and understood the responses to each of these questions?**

*The Board is well aware of each of the responses to these questions, but as of now its members have not formally certified that they have read and understood them.*

# ULSTER COUNTY DEVELOPMENT CORPORATION

## Statements Of Financial Position

December 31

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
<b>Current assets:</b>		
Cash and cash equivalents (Note 2)	\$ 868,899	\$ 615,807
Accounts receivable	204,767	293,790
Loans receivable - current portion, net	117,760	97,208
Due from Ulster County - restricted (Note 6)	520,262	582,905
Prepaid expenses	<u>12,008</u>	<u>10,376</u>
<b>Total current assets</b>	<b>1,723,696</b>	<b>1,600,086</b>
<b>Loans receivable - non current portion, net</b>	<b>763,112</b>	<b>737,956</b>
<b>Property and equipment, net (Note 3)</b>	<b><u>13,960</u></b>	<b><u>53,219</u></b>
<b>Total Assets</b>	<b><u>\$ 2,500,768</u></b>	<b><u>\$ 2,391,261</u></b>
 <u>Liabilities And Net Assets</u>		
<b>Current liabilities:</b>		
Accounts payable	\$ 112,557	\$ 716
Current portion of long-term debt (Note 4)	<u>75,184</u>	<u>75,055</u>
<b>Total current liabilities</b>	<b><u>187,741</u></b>	<b><u>75,771</u></b>
<b>Noncurrent liabilities:</b>		
Long-term debt (Note 4)	519,157	580,340
Deferred revenue	<u>198,000</u>	<u>-</u>
<b>Total noncurrent liabilities</b>	<b><u>717,157</u></b>	<b><u>580,340</u></b>
<b>Total liabilities</b>	<b><u>904,898</u></b>	<b><u>656,111</u></b>
<b>Net assets:</b>		
Unrestricted (Note 7)	1,402,091	423,225
Temporarily restricted (Note 8)	<u>193,779</u>	<u>1,311,925</u>
<b>Total net assets</b>	<b><u>1,595,870</u></b>	<b><u>1,735,150</u></b>
<b>Total Liabilities And Net Assets</b>	<b><u>\$ 2,500,768</u></b>	<b><u>\$ 2,391,261</u></b>

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>2011</u>	<u>2010</u>
<b>Unrestricted net assets:</b>		
<b>Unrestricted support and revenues:</b>		
<b>Support:</b>		
Contributions	\$ 37,500	\$ 24,600
Contributed services	11,040	11,040
Total support	<u>48,540</u>	<u>35,640</u>
<b>Revenues:</b>		
Contract and administrative fees	920,082	1,037,658
Annual awards event	34,600	33,648
Interest on loans	19,257	21,389
Annual awards event - in-kind	4,000	3,500
Late fees collected	1,246	1,581
Website sponsorship	1,000	1,625
Interest on deposits	754	2,081
Miscellaneous income	379	11,893
Total revenues	<u>981,318</u>	<u>1,113,375</u>
<b>Total unrestricted support and revenues</b>	<u>1,029,858</u>	<u>1,149,015</u>
<b>Operating expenses:</b>		
Program services	1,059,488	1,097,344
Supporting services:		
Fundraising	55,746	65,962
Management and general	55,232	58,939
Total operating expenses	<u>1,170,466</u>	<u>1,222,245</u>
<b>Operating loss</b>	(140,608)	(73,230)
<b>Net assets released from restrictions</b>	<u>1,119,474</u>	<u>783</u>
<b>Net increase (decrease) in unrestricted net assets</b>	<u>978,866</u>	<u>(72,447)</u>
<b>Temporarily restricted net assets:</b>		
Interest on loans	654	772
Miscellaneous	578	-
Interest on deposits	96	325
Late fees collected	-	7
Net assets released from restrictions	<u>(1,119,474)</u>	<u>(783)</u>
<b>Net increase (decrease) in temporarily restricted net assets</b>	<u>(1,118,146)</u>	<u>321</u>
<b>Decrease in net assets</b>	(139,280)	(72,126)
<b>Net assets - beginning</b>	<u>1,735,150</u>	<u>1,807,276</u>
<b>Net Assets - Ending</b>	<u>\$ 1,595,870</u>	<u>\$ 1,735,150</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>
<b>Personnel services:</b>				
Salaries	\$ 281,680	\$ 15,649	\$ 15,649	\$ 312,978
Fringe benefits and payroll taxes	37,673	2,093	2,093	41,859
Total personnel services	<u>319,353</u>	<u>17,742</u>	<u>17,742</u>	<u>354,837</u>
<b>Other expenses:</b>				
Contractual expense	315,332	-	-	315,332
Other operating expenses	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>
<b>Total expenses before depreciation</b>	1,015,686	55,011	55,525	1,126,222
<b>Depreciation</b>	<u>43,802</u>	<u>221</u>	<u>221</u>	<u>44,244</u>
<b>Total Expenses</b>	<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**

Statement Of Functional Expenses

For The Year Ended December 31, 2010

	<u>Program</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Personnel services:</b>				
Salaries	\$ 316,577	\$ 17,587	\$ 17,587	\$ 351,751
Fringe benefits and payroll taxes	29,115	1,618	1,618	32,351
Total personnel services	<u>345,692</u>	<u>19,205</u>	<u>19,205</u>	<u>384,102</u>
<b>Other expenses:</b>				
Contractual expense	450,000	-	-	450,000
Other operating expense	50,208	-	-	50,208
Bad debt expense	67,755	-	-	67,755
Annual awards event expense	-	-	28,912	28,912
Professional fees	21,430	7,144	-	28,574
Dues and subscriptions	-	22,405	-	22,405
Occupancy expenses	19,918	1,107	1,107	22,132
Equipment maintenance and repairs	15,445	858	858	17,161
Marketing and advertising	15,173	-	1,686	16,859
Promotions	-	-	13,462	13,462
Telephone	10,502	583	583	11,668
Contributed services	9,936	1,104	-	11,040
Travel	8,790	488	488	9,766
Interest	8,650	-	-	8,650
Office supplies	7,248	403	403	8,054
Conferences and meetings	5,340	297	297	5,934
Insurance	-	4,569	-	4,569
Postage	529	29	29	587
Training	500	-	-	500
Ulster showcase	495	-	-	495
Personnel search	-	375	-	375
Underwriting fees	300	-	-	300
Public relations	140	-	140	280
Total other expenses	<u>692,359</u>	<u>39,362</u>	<u>47,965</u>	<u>779,686</u>
<b>Total expenses before depreciation</b>	1,039,473	58,646	65,669	1,163,788
<b>Depreciation</b>	<u>57,871</u>	<u>293</u>	<u>293</u>	<u>58,457</u>
<b>Total Expenses</b>	<u>\$ 1,097,344</u>	<u>\$ 58,939</u>	<u>\$ 65,962</u>	<u>\$ 1,222,245</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>2011</u>	<u>2010</u>
<b>Operating activities:</b>		
Decrease in net assets	\$ (139,280)	\$ (72,126)
Adjustments to reconcile decrease in net assets to net cash flows from operating activities:		
Depreciation	44,244	58,457
Changes in allowance for bad debts	550	(90,820)
Write off of loan receivables	-	175,119
Changes in operating assets and liabilities:		
Accounts receivable	89,023	(46,133)
Due from Ulster County	62,643	29,527
Prepaid expenses	(1,632)	3,190
Accounts payable	111,841	(36,051)
Deferred revenue	198,000	-
Net cash flows from operating activities	<u>365,389</u>	<u>21,163</u>
<b>Investing activities:</b>		
Principal amounts loaned on notes receivable	(170,000)	(475,000)
Principal payments received on notes receivable	123,742	178,304
Capital expenditures	(4,985)	-
Net cash flows for investing activities	<u>(51,243)</u>	<u>(296,696)</u>
<b>Financing activities:</b>		
Note payable principal repayments	(75,054)	(44,405)
Notes payable borrowings	14,000	-
Net cash flows for financing activities	<u>(61,054)</u>	<u>(44,405)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	253,092	(319,938)
<b>Cash and cash equivalents - beginning</b>	<u>615,807</u>	<u>935,745</u>
<b>Cash And Cash Equivalents - Ending</b>	<u>\$ 868,899</u>	<u>\$ 615,807</u>
<b>Supplemental disclosures of cash flows information:</b>		
Interest Paid	<u>\$ 7,434</u>	<u>\$ 8,650</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) 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.

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.

Tech City Fund - Includes the activities for analysis of the physical plant infrastructure, real estate, and economic factors to determine a plan to market the Tech City business park located in Ulster County for resale or full occupancy.

Ready-To-Go Fund - UCDC is the fiscal agent for the Ulster County Ready-To-Go Program, a joint activity of UCDC with Ulster County, Central Hudson, and the Ulster County Industrial Development Agency (UCIDA). 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 financial assistance up to \$100,000 to communities, developers, facility owners, and businesses with existing buildings having limited potential due to lack of current telecommunications infrastructure or high-speed internet access.

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, 2011 and 2010 was \$17,593 and \$17,043, 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, 2011 and 2010, 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 conformity 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 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 as included in the statements of financial position at December 31:

	<u>2011</u>	<u>2010</u>
<b>Current assets:</b>		
UCDC Operating Funds	<u>\$237,774</u>	<u>\$130,493</u>
<b>Grant and Loan Funds:</b>		
Shovel Ready Fund	198,296	275
Telecommunications Fund	166,581	163,207
Community Development Grant Program	155,621	207,235
USDA Intermediary Fund	88,917	90,008
Section 108 Loan Fund	19,031	19,261
Revolving Loan Fund	2,329	3,328
Tech City Fund	<u>350</u>	<u>2,000</u>
<b>Total Grant and Loan Funds</b>	<u>631,125</u>	<u>485,314</u>
<b>Total</b>	<u>\$868,899</u>	<u>\$615,807</u>

At December 31, 2011, the carrying amount of the Organization's deposits, including cash is \$868,899. The insured and collateral status of the year end bank balances are as follows:

Status of bank balance:	
Covered by federal deposit insurance	\$492,276
Collateralized with securities held by the pledging financial institution	<u>390,589</u>
<b>Total Bank Balance</b>	<u>\$882,865</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>2011</u>		<u>2010</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Equipment - grant related	\$352,485	\$352,485	\$352,485	\$314,201
Vehicle and office equipment	<u>70,567</u>	<u>56,607</u>	<u>73,289</u>	<u>58,354</u>
	423,052	<u>\$409,092</u>	425,774	<u>\$372,555</u>
Less: accumulated depreciation	<u>409,092</u>		<u>372,555</u>	
<b>Total</b>	<u>\$ 13,960</u>		<u>\$ 53,219</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>2011</u>	<u>2010</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, 2011 and 2010 totaled \$91,000 and \$104,000, respectively. The interim loan totals on December 31, 2011 and 2010 were \$483,000 and \$543,000, respectively.	\$574,000	\$647,000

# ULSTER COUNTY DEVELOPMENT CORPORATION

## Notes To Financial Statements

### Note 4: Long-Term Debt (Continued)

	<u>2011</u>	<u>2010</u>
The Organization administers loans from the USDA Intermediary Relending Program. The Organization pays interest only at 1% until 2014.	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.	<u>6,341</u>	<u>8,395</u>
	594,341	655,395
Less: current portion	<u>75,184</u>	<u>75,055</u>
<b>Long-Term Portion</b>	<b><u>\$519,157</u></b>	<b><u>\$580,340</u></b>

Maturities of long-term debt are as follows:

2012	\$ 75,184
2013	75,318
2014	74,839
2015	73,000
2016	73,000
Thereafter	<u>223,000</u>
<b>Total</b>	<b><u>\$594,341</u></b>

### Note 5: Concentration Of Support

The Organization receives approximately 74% of its support and revenue from the County of Ulster and Ulster County Industrial Development Agency.

### Note 6: Due From Ulster County

At December 31, 2011 and 2010, the Organization had a total balance of \$520,262 and \$582,905, 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.

**ULSTER COUNTY DEVELOPMENT CORPORATION**

Notes To Financial Statements

**Note 7: Unrestricted Net Assets**

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

	<u>2011</u>			
	<u>Balance</u> <u>January 1,</u> <u>2011</u>	<u>Activity</u>	<u>Reclassifications</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>
Ulster County Development Corporation	\$ 380,169	\$(129,166)	\$ 88,640	\$ 339,643
USDA Intermediary	90,008	4,287	-	94,295
108 Funds 2.5M	47,139	(155)	-	46,984
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	(13,781)	(2,814)	421,421	404,826
Tech City	<u>-</u>	<u>(1,650)</u>	<u>2,000</u>	<u>350</u>
<b>Total</b>	<b><u>\$ 423,225</u></b>	<b><u>\$(140,608)</u></b>	<b><u>\$1,119,474</u></b>	<b><u>\$1,402,091</u></b>
	<u>2010</u>			
	<u>Balance</u> <u>January 1,</u> <u>2010</u>	<u>Activity</u>	<u>Reclassifications</u>	<u>Balance</u> <u>December 31,</u> <u>2010</u>
Ulster County Development Corporation	\$ 378,868	\$ 1,301	\$ -	\$ 380,169
USDA Intermediary	-	90,008	-	90,008
108 Funds 2.5M	46,227	912	-	47,139
108 Funds 2M	30,392	17	-	30,409
Revolving Loan Fund	19,306	(15,978)	-	3,328
CDBG Funds 1996	(41,371)	(72,676)	-	(114,047)
CDBG Funds 1998	<u>62,250</u>	<u>(76,031)</u>	<u>-</u>	<u>(13,781)</u>
<b>Total</b>	<b><u>\$ 495,672</u></b>	<b><u>\$(72,447)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 423,225</u></b>

**ULSTER COUNTY DEVELOPMENT CORPORATION**

Notes To Financial Statements

**Note 8: Temporarily Restricted Net Assets**

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

	<b>2011</b>			
	<b>Balance January 1, <u>2011</u></b>	<b>Activity</b>	<b>Reclassifications</b>	<b>Balance December 31, <u>2011</u></b>
Telecommunications	\$ 192,176	\$1,307	\$ -	\$ 193,483
Ready-To-Go 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	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>
<b>Total</b>	<b><u>\$1,311,925</u></b>	<b><u>\$1,328</u></b>	<b><u>\$(1,119,474)</u></b>	<b><u>\$ 193,779</u></b>
	<b>2010</b>			
	<b>Balance January 1, <u>2010</u></b>	<b>Activity</b>	<b>Reclassifications</b>	<b>Balance December 31, <u>2010</u></b>
Telecommunications	\$ 191,072	\$1,104	\$ -	\$ 192,176
Ready-To-Go Fund	275	-	-	275
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	<u>2,783</u>	<u>(783)</u>	<u>-</u>	<u>2,000</u>
<b>Total</b>	<b><u>\$1,311,604</u></b>	<b><u>\$ 321</u></b>	<b><u>\$ -</u></b>	<b><u>\$1,311,925</u></b>



# ULSTER COUNTY DEVELOPMENT CORPORATION

## Notes To Financial Statements

### **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 2011 and 2010 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. Included in administrative fees and accounts receivable at December 31, 2011 and 2010 was \$-0- and \$32,000, respectively, of administrative fees due from UCCRC.

### **Note 10: Operating Lease**

The Organization leases office equipment under a 48-month operating lease requiring monthly payments of approximately \$104. The current lease expires in December 2012.

Future minimum lease payments under the operating lease are as follows:

2012	<u>\$1,245</u>
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### **Note 11: 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.

# ULSTER COUNTY DEVELOPMENT CORPORATION

## Notes To Financial Statements

### **Note 11: Commitments And Contingencies (Continued)**

The Organization follows the guidance for uncertainty in income taxes. As of December 31, 2011, 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 2008.

### **Note 12: Subsequent Events**

Subsequent events have been evaluated through March 26, 2012, 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):	Yes	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	Yes	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	No	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	Spearman, William	Name	Gallo, Shayne
Chair of Board	No	Chair of Board	No
If Yes, Chair designated By.		If Yes, Chair designated By.	
Term Start Date	04/01/2011	Term Start Date	01/01/2011
Term Expiration Date	12/31/2012	Term Expiration Date	12/31/2012
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Ex-officio	No	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?	Yes	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	Appeldorn, Jacquelyn
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	09/01/2006
Term Expiration Date	12/31/2012	Term Expiration Date	12/31/2013
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Ex-officio	No	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?	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?	No

**Board of Directors Listing**

Name	Ratner, Joshua	O'Halloran, David
Chair of Board	No	No
If yes, Chair designated By.		
Term Start Date	06/17/2010	01/01/2010
Term Expiration Date	12/31/2013	12/31/2012
Title		
Has the Board member appointed a designee?		
Ex-officio	No	No
Nominated By	Other	Other
Appointed By	Other	Other
Confirmed by Senate?		
Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes	No
Complied with training requirement of Section 2824?	Yes	Yes
Does the Board member/designee also hold an elected or appointed State gove	No	No
Does the Board member/designee also hold an elected or appointed municipal government position?	No	No

Board of Directors Listing

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



Board of Directors Listing

Name	Campagiorni, Anthony	Wieneke, Daniel
Chair of Board	No	No
If yes, Chair designated By.		
Term Start Date	06/17/2010	02/19/2009
Term Expiration Date	12/31/2012	12/31/2014
Title		
Has the Board member appointed a designee?		
Ex-officio	No	No
Nominated By	Other	Other
Appointed By	Other	Other
Confirmed by Senate?		
Has the Board member/designee signed the acknowledgement of fiduciary duty?	No	No
Complied with training requirement of Section 2824?	No	No
Does the Board member/designee also hold an elected or appointed State gove	No	No
Does the Board member/designee also hold an elected or appointed municipal government position?	No	No

Board of Directors Listing

Name	Valk, John	Name	Todd, Ward
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	01/01/2010
Term Expiration Date	12/31/2012	Term Expiration Date	12/31/2012
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Ex-officio	No	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?	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?	No

**Board of Directors Listing**

Name	Schaefer, Nancy	Name	Katt, Donald
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	01/01/2010
Term Expiration Date	12/31/2012	Term Expiration Date	12/31/2012
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Ex-officio	No	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?	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

**Board of Directors Listing**

Name	Hein, Michael	Christian, Donald
Chair of Board	No	No
If Yes, Chair designated By.		
Term Start Date	01/01/2009	01/01/2010
Term Expiration Date	12/31/2012	12/31/2012
Title		
Has the Board member appointed a designee?		
Ex-officio	No	No
Nominated By	Other	Other
Appointed By	Other	Other
Confirmed by Senate?		
Has the Board member/designee signed the acknowledgement of fiduciary duty?	No	No
Complied with training requirement of Section 2824?	No	No
Does the Board member/designee also hold an elected or appointed State gove	No	No
Does the Board member/designee also hold an elected or appointed municipal government position?	Yes	No

**Board of Directors Listing**

Name	Khoury, Charles	Hauspurg, Dan
Chair of Board	No	No
If yes, Chair designated By.		
Term Start Date	01/01/2011	04/01/2011
Term Expiration Date	12/31/2012	12/31/2013
Title		
Has the Board member appointed a designee?		
Ex-officio	No	No
Nominated By	Other	Other
Appointed By	Other	Other
Confirmed by Senate?		
Has the Board member/designee signed the acknowledgement of fiduciary duty?	No	No
Complied with training requirement of Section 2824?	No	Yes
Does the Board member/designee also hold an elected or appointed State gove	No	No
Does the Board member/designee also hold an elected or appointed municipal government position?	Yes	No

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Staff Listing

Name	Title	Group	Department / Subsidiary	Union Name	Bargaining Unit	Full Time/ Part Time	Exempt Base Salary	Actual salary paid to the Individual	Over time paid by Authority	Performance Bonus	Extra Pay	Other Compensation/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	Director	Professional				FT	62,783.00	62,783	0	0	0	0	62,783	No	
Clark, Linda	Office Manger	Administrative and Clerical				FT	47,180.00	47,180	0	0	0	0	47,180	No	
Ensminger, Joan	Director	Professional				FT	573.00	573	0	0	0	0	573	No	
Fadelici, Lisa	Controller	Professional				PT	59,776.00	59,776	0	0	0	0	59,776	No	
Lebron, Blashia	Receptionist	Administrative and Clerical				PT	14,805.00	14,805	0	0	0	0	14,805	No	
Matteson, Lance	President	Executive				FT	127,961.00	127,961	0	0	0	0	127,961	No	

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**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 Memberships	Use of Corporate Credit Cards	Personal Loans	Auto Registration	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of These Benefits	Other
Hauspurg, Dan	Board of Directors											X	
Spearman, William	Board of Directors											X	
Christian, Donald	Board of Directors											X	
Hein, Michael	Board of Directors											X	
Katt, Donald	Board of Directors											X	
Schaefer, Nancy	Board of Directors											X	
Todd, Ward	Board of Directors											X	
Valk, John	Board of Directors											X	
Wieneke, Daniel	Board of Directors											X	
Campagnoni, Anthony	Board of Directors											X	
Libonati, Joseph	Board of Directors											X	
Marquette, Ronald	Board of Directors											X	
O'Halloran, David	Board of Directors											X	
Rather, Joshua	Board of Directors											X	
Appeldorn, Jacquelyn	Board of Directors											X	
Bernardo, Terry	Board of Directors											X	
Gallo, Shayne	Board of Directors											X	
Khoury, Charles	Board of Directors											X	

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Staff

Name	Title	Severance Package	Payment for Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto Registration	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of These Benefits	Other
Matteson, Lance	President												X	



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**Subsidiary/Component Unit Verification**

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

Name of Subsidiary/Component Unit	Status	Requested Changes
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**Subsidiary/Component Unit Creation**

Name of Subsidiary/Component Unit	Establishment Date	Entity Purpose
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**Subsidiary/Component Unit Termination**

Name of Subsidiary/Component Unit	Termination Date	Termination Reason	Proof of Termination
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No Data has been entered by the Authority for this section in PARIS

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

Assets

Current Assets

Cash and cash equivalents	\$868,899
Investments	\$0
Receivables, net	\$842,789
Other assets	\$12,008
<b>Total Current Assets</b>	<b>\$1,723,696</b>

Noncurrent Assets

Restricted cash and investments	\$0
Long-term receivables, net	\$763,112
Other assets	\$0

Capital Assets

Land and other nondepreciable property	\$0
Buildings and equipment	\$13,960
Infrastructure	\$0
Accumulated depreciation	\$0
Net Capital Assets	\$13,960

<b>Total Noncurrent Assets</b>	<b>\$777,072</b>
<b>Total Assets</b>	<b>\$2,500,768</b>

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable	\$112,557
Pension contribution payable	\$0
Other post-employment benefits	\$0
Accrued liabilities	\$0
Deferred revenues	\$0
Bonds and notes payable	\$75,184
Other long-term obligations due within one year	\$0
<b>Total Current Liabilities</b>	<b>\$187,741</b>
<u>Noncurrent Liabilities</u>	
Pension contribution payable	\$0
Other post-employment benefits	\$0
Bonds and notes payable	\$519,157
Long Term Leases	\$0
Other long-term obligations	\$198,000
<b>Total Noncurrent Liabilities</b>	<b>\$717,157</b>
<b>Total Liabilities</b>	<b>\$904,898</b>
<u>Net Asset (Deficit)</u>	
<u>Net Asset</u>	
Invested in capital assets, net of related debt	\$0
Restricted	\$193,779
Unrestricted	\$1,402,091
<b>Total Net Assets</b>	<b>\$1,595,870</b>

Summary Financial Information

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETS

<u>Operating Revenues</u>	
Charges for services	\$920,082
Rental & financing income	\$21,232
Other operating revenues	\$89,100
<b>Total Operating Revenue</b>	<b>\$1,030,414</b>
<u>Operating Expenses</u>	
Salaries and wages	\$354,837
Other employee benefits	\$0
Professional services contracts	\$20,908
Supplies and materials	\$9,818
Depreciation & amortization	\$44,244
Other operating expenses	\$733,228
<b>Total Operating Expenses</b>	<b>\$1,163,035</b>
<b>Operating Income (loss)</b>	<b>(\$132,621)</b>
<u>Nonoperating Revenues</u>	
Investment earnings	\$775
State subsidies/grants	\$0
Federal subsidies/grants	\$0
Municipal subsidies/grants	\$0
Public authority subsidies	\$0
Other nonoperating revenues	\$0
<b>Total Nonoperating Revenue</b>	<b>\$775</b>

Summary Financial Information

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETS

<u>Nonoperating Expenses</u>	
Interest and other financing charges	\$7,434
Subsidies to other public authorities	\$0
Grants and donations	\$0
Other nonoperating expenses	\$0
<b>Total Nonoperating Expenses</b>	<b>\$7,434</b>
Income (Loss) Before Contributions	<b>(\$139,280)</b>
Capital Contributions	\$0
Change in net assets	(\$139,280)
Net assets (deficit) beginning of year	\$1,735,150
Other net assets changes	\$0
<b>Net assets (deficit) at end of year</b>	<b>\$1,595,870</b>

**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?	Yes

**New Debt Issuances List by Type of Debt and Program**

Type Of Debt: Authority Debt - Other

Program:

Project	Amounts	CUSIP Number	Bond Closing Date	Taxable Status	Issue Process	True Interest Cost	Interest Type	Term	Cost of Issuance (\$)	PACB Project	URL
USDA Refunding	0.00		02/10/2011		Negotiated	1	Fixed	30	0.00		
Intermed New	14,000.00										
Loan	14,000.00										
Program											

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	112,385.00	14,000.00	15,044.00	111,341.00
Conduit					
Conduit Debt					
Conduit Debt - Pilot Increment Financing					

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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: \$7,806.92 Purpose of Loan: Business Expansion/Startup	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: \$32,778.00 Purpose of Loan: Business Expansion/Startup
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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? 0  
 Have the terms of the loan been  
 completed? No

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

<p>3. Source of Loan Funds: Federal          Name of Loan Recipient: Columbia Beauty          Address Line1: 66 North Front Street          Address Line2:          City: KINGSTON          State: NY          Zip - Plus4: 12401          Province/Region:          Country: USA          Original Amount of Loan: \$75,000          Date Loan Awarded: 06/01/2004          Interest Rate(%): 4          Length of Loan(# of years          to repay): 7          Amount of Loan Principal Repaid          to Date: \$75,000.00          Purpose of Loan: Commercial Property          Construction/Acquisition/Revitalization/I          mprovement</p>	<p>4. 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 Principal Repaid          to Date: \$622.00          Purpose of Loan: Business Expansion/Startup</p>
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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? 0

Have the terms of the loan been  
 completed? Yes

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

Loan Information

<p>5. 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 Principal Repaid          to Date: \$16,042.00          Purpose of Loan: Business Expansion/Startup</p>	<p>6. 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: \$30,000.00          Purpose of Loan: Equipment and Fixed Asset Acquisition</p>
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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? 0  
 Have the terms of the loan been  
 completed? No

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

Loan Information

7. 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: \$24,415.00  
 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

8. 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: \$53,289.00  
 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? 0  
 Have the terms of the loan been  
 completed? No

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Loan Information

<p>9. 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: \$24,429.00          Purpose of Loan: Commercial Property          Construction/Acquisition/Revitalization/I          mprovement</p>	<p>10. Source of Loan Funds: State          Name of Loan Recipient: Oxclose 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: \$73,888.00          Purpose of Loan: Equipment and Fixed Asset Acquisition</p>
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Was the Loan expected to result  
 in new jobs being created? Yes  
 If yes, how many jobs were planned? 10  
 to be created? 10  
 If yes, how many jobs have been  
 created to date? 0  
 Have the terms of the loan been  
 completed? No



Loan Information

11.	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: \$47,446.00 Purpose of Loan: Equipment and Fixed Asset Acquisition	12.	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: \$83,698.00 Purpose of Loan: Equipment and Fixed Asset Acquisition
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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? 0

Have the terms of the loan been  
 completed? No

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? 0

Have the terms of the loan been  
 completed? No

Loan Information

13. Source of Loan Funds: Federal  
 Name of Loan Recipient: September Properties  
 Address Line1: P.O. Box 8  
 Address Line2:  
 City: NEW PALTZ  
 State: NY  
 Zip - Plus4: 12561  
 Province/Region:  
 Country: USA  
 Original Amount of Loan: \$55,000  
 Date Loan Awarded: 02/01/2004  
 Interest Rate(%): 4  
 Length of Loan(# of years  
 to repay): 6

Amount of Loan Principal Repaid  
 to Date: \$55,000.00  
 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? 12  
 If yes, how many jobs have been  
 created to date? 0  
 Have the terms of the loan been  
 completed? Yes

14. 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: \$36,064.00  
 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? 0  
 Have the terms of the loan been  
 completed? No

Loan Information

15. Source of Loan Funds: Federal  
 Name of Loan Recipient: Sumerano Variety  
 Address Line1: Simmons Plaza Route 9W  
 Address Line2:  
 City: SAUGERTIES  
 State: NY  
 Zip - Plus4: 12477  
 Province/Region:  
 Country: USA  
 Original Amount of Loan: \$65,000  
 Date Loan Awarded: 02/01/2004  
 Interest Rate(%): 4  
 Length of Loan(# of years  
 to repay): 7  
 Amount of Loan Principal Repaid  
 to Date: \$65,000.00  
 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? 5  
 If yes, how many jobs have been  
 created to date? 0  
 Have the terms of the loan been  
 completed? Yes

16. 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: \$11,060.00  
 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? 4  
 If yes, how many jobs have been  
 created to date? 0  
 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		
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	



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Procurement Transactions Listing:

<p>1. Vendor Name: Advanced Computer</p> <p>Type of Procurement: Design and Construction/Maintenance</p> <p>Award Process: Authority Contract - Non-Competitive Bid</p> <p>Award Date: 01/01/2011</p> <p>End Date: 12/31/2011</p> <p>Amount: \$8,000</p> <p>Amount Expended for Fiscal Year: \$13,211</p> <p>Address Line1: 157 Hurley Avenue</p> <p>Address Line2: KINGSTON</p> <p>City: KINGSTON</p> <p>State: NY</p> <p>Postal Code: 12401</p> <p>Plus 4:</p> <p>Province Region: USA</p> <p>Country: USA</p> <p>Procurement Description: Annual Computer Maintenance Contract and Computer related purchases</p>	<p>2. Vendor Name: Hudson Valley EDC</p> <p>Type of Procurement: Other Professional Services</p> <p>Award Process: Non Contract Procurement/Purchase Order</p> <p>Award Date:</p> <p>End Date:</p> <p>Amount: \$20,000</p> <p>Amount Expended for Fiscal Year:</p> <p>Address Line1: 555 Hudson Valley Avenue</p> <p>Address Line2:</p> <p>City: NEW WINDSOR</p> <p>State: NY</p> <p>Postal Code: 12553</p> <p>Plus 4:</p> <p>Province Region: USA</p> <p>Country: USA</p> <p>Procurement Description: Annual Membership</p>
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Procurement Transactions Listing:

<p>3. Vendor Name: RP Hubbell</p> <p>Type of Procurement: Other Professional Services Award Process: Non Contract Procurement/Purchase Order Award Date: End Date: Amount: \$6,000 Amount Expended for Fiscal Year: \$6,000</p> <p>Address Line1: 320 Main Street Address Line2: City: POUGHKEEPSIE State: NY Postal Code: 12601 Plus 4: Province Region: USA Country: Appraisor</p> <p>Procurement Description:</p>	<p>4. Vendor Name: Smith Printing</p> <p>Type of Procurement: Consulting Services Award Process: Non Contract Procurement/Purchase Order Award Date: End Date: Amount: \$8,182.25 Amount Expended for Fiscal Year:</p> <p>Address Line1: 783 Lucas Avenue Address Line2: City: HURLEY State: NY Postal Code: 12443 Plus 4: Province Region: USA Country: Marketing Consultant</p> <p>Procurement Description:</p>
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Status: CERTIFIED

Procurement Transactions Listing:

<p>5. Vendor Name: Teal, Becker, &amp; Chiaramonte</p> <p>Type of Procurement: Other Professional Services</p> <p>Award Process: Authority Contract - Competitive Bid</p> <p>Award Date: 01/01/2011</p> <p>End Date: 12/31/2011</p> <p>Amount: \$17,000</p> <p>Amount Expended for Fiscal Year: \$17,000</p> <p>Address Line1: 7 Washington Square</p> <p>Address Line2:</p> <p>City: ALBANY</p> <p>State: NY</p> <p>Postal Code: 12205</p> <p>Plus 4:</p> <p>Province Region: USA</p> <p>Country: USA</p> <p>Procurement Description: Audit Services</p>	<p>6. Vendor Name: Ulster County Community College</p> <p>Type of Procurement: Other</p> <p>Award Process: Authority Contract - Non-Competitive Bid</p> <p>Award Date: 01/01/2011</p> <p>End Date: 12/31/2011</p> <p>Amount: \$22,132</p> <p>Amount Expended for Fiscal Year: \$22,132</p> <p>Address Line1: 1 Deveopment Court</p> <p>Address Line2:</p> <p>City: KINGSTON</p> <p>State: NY</p> <p>Postal Code: 12401</p> <p>Plus 4:</p> <p>Province Region: USA</p> <p>Country: USA</p> <p>Procurement Description: Rent</p>
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Procurement Report for Ulster County Development Corporation

Run Date: 03/29/2012

Fiscal Year Ending: 12/31/2011

Status: CERTIFIED

Procurement Transactions Listing:

<p>7. Vendor Name: WB Mason</p> <p>Type of Procurement: Commodities/Supplies</p> <p>Award Process: Non Contract Procurement/Purchase Order</p> <p>Award Date:</p> <p>End Date:</p> <p>Amount: \$6,318</p> <p>Amount Expended for Fiscal Year:</p> <p>Address Line1: PO Box 55840</p> <p>Address Line2:</p> <p>City: BOSTON</p> <p>State: MA</p> <p>Postal Code: 02205</p> <p>Plus 4: 5840</p> <p>Province Region:</p> <p>Country: USA</p> <p>Procurement Description: Office Supplies</p>	<p>8. Vendor Name: Wiltwyck Country Club</p> <p>Type of Procurement: Other</p> <p>Award Process: Non Contract Procurement/Purchase Order</p> <p>Award Date:</p> <p>End Date:</p> <p>Amount: \$10,107.6</p> <p>Amount Expended for Fiscal Year:</p> <p>Address Line1: 404 Stewart's Lane</p> <p>Address Line2:</p> <p>City: KINGSTON</p> <p>State: NY</p> <p>Postal Code: 12401</p> <p>Plus 4:</p> <p>Province Region:</p> <p>Country: USA</p> <p>Procurement Description: Caterer</p>
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Procurement Report for Ulster County Development Corporation

Run Date: 03/29/2012

Fiscal Year Ending: 12/31/2011

Status: CERTIFIED

Procurement Transactions Listing:

Additional Comments:

**SUPPLEMENTAL INFORMATION**

**ULSTER COUNTY DEVELOPMENT CORPORATION**

**Schedule I**

USDA Intermediary Relending Program Loan Fund  
Balance Sheets

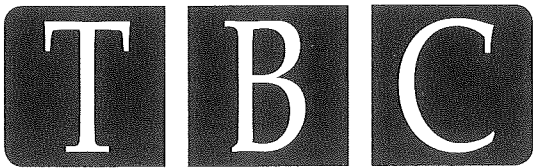
December 31

	<u>2011</u>	<u>2010</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 88,917	\$ 90,008
Loan receivable - current portion	<u>2,552</u>	<u>-</u>
Total current assets	91,469	90,008
Loan receivable - noncurrent portion	<u>16,826</u>	<u>-</u>
<b>Total Assets</b>	<b><u>\$ 108,295</u></b>	<b><u>\$ 90,008</u></b>
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 14,000	\$ -
<b>Net assets:</b>		
Unrestricted	<u>94,295</u>	<u>90,008</u>
<b>Total Liabilities And Net Assets</b>	<b><u>\$ 108,295</u></b>	<b><u>\$ 90,008</u></b>

USDA Intermediary Relending Program Loan Fund  
Statements Of Revenues And Expenses

For The Years Ended December 31

	<u>2011</u>	<u>2010</u>
<b>Unrestricted net assets:</b>		
<b>Unrestricted support and revenues:</b>		
Grants	\$ 4,000	\$ 90,000
<b>Revenues:</b>		
Interest	<u>287</u>	<u>8</u>
<b>Total unrestricted support and revenues</b>	<u>4,287</u>	<u>90,008</u>
<b>Increase in net assets</b>	4,287	90,008
<b>Net assets - beginning</b>	<u>90,008</u>	<u>-</u>
<b>Net Assets - Ending</b>	<b><u>\$ 94,295</u></b>	<b><u>\$ 90,008</u></b>



**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 the financial statements of the Ulster County Development Corporation (the Organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated March 26, 2012. We conducted our audit 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



**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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Organization in a separate letter dated March 26, 2012.

This report is intended solely for the information and use of management of the Organization and is not intended to be and should not be used by anyone other than these specified parties.

*Teal Becker & Charamonte CPAs P.C.*

Albany, New York  
March 26, 2012