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Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2009Open to Public
Inspection**A** For the **2009** calendar year, or tax year beginning **JUL 1, 2009** and ending **JUN 30, 2010****B** Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

Please use IRS label or print or type
See Specific Instructions**C** Name of organization**WATERBURY DEVELOPMENT CORPORATION**

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

24 LEAVENWORTH STREET

City or town, state or country, and ZIP + 4

WATERBURY, CT 06702**F** Name and address of principal officer: **LEO J. FRANK****24 LEAVENWORTH STREET, WATERBURY, CT 06702****D** Employer identification number**06-1549006****E** Telephone number**(203) 346-2607****G** Gross receipts \$**7,851,020.****H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)**H(c)** Group exemption number ▶**I** Tax-exempt status ☒ 501(c) (**3**) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ **HTTP://WDCONLINE.ORG****K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: **2004** **M** State of legal domicile: **CT****Part I** **Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities LONG RANGE PLANNING FOR ECONOMIC DEVELOPMENT	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets	
	3	Number of voting members of the governing body (Part VI, line 1a)	25
	4	Number of independent voting members of the governing body (Part VI, line 1b)	0
	5	Total number of employees (Part V, line 2a)	19
	6	Total number of volunteers (estimate if necessary)	0
	Revenue	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12
b		Net unrelated business taxable income from Form 990-T, line 34	0.
8		Contributions and grants (Part VIII, line 1h)	7,412,359.
9		Program service revenue (Part VIII, line 2a)	281,675.
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	43,690.
11		Other revenue (Part VIII, column (A), lines 5, 6, 8c, 9c, 10c, and 11e)	53,581.
12		Total revenue. Add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,737,724.
13		Grants and similar amounts paid (Part IX, column (A), lines 1-3)	2,393,156.
14		Benefits paid to or for members (Part IX, column (A), line 4)	1,161,507.
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,247,707.
Expenses	16a	Professional fundraising fees (Part IX, column (A), line 11e)	
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	4,072,980.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	7,627,643.
	19	Revenue less expenses. Subtract line 18 from line 12	110,081.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	16,261,713.
	21	Total liabilities (Part X, line 26)	15,328,022.
	22	Net assets or fund balances. Subtract line 21 from line 20	933,691.
			707,176.

Part II **Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

1-19-11**LEO J. FRANK, CHIEF EXECUTIVE OFFICER**

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

Firm's name (or yours if self-employed), address, and ZIP + 4

BLUM, SHAPIRO & COMPANY, P.C., CPA'S
29 S. MAIN STREET, P.O. BOX 272000
WEST HARTFORD, CT 06127-2000

Date

1/13/11Check if self-employed ☐

Preparer's identifying number (see instructions)

EIN ▶

Phone no. ▶ **860 561-4000**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

932001 02-04-10

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2009)

SCANNED FEB 10 2011

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Part III Statement of Program Service Accomplishments

- 1 Briefly describe the organization's mission.
TO STIMULATE AND SUPPORT THE COMMUNITY AND ECONOMIC DEVELOPMENT WITHIN THE CITY OF WATERBURY.
-
- 2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
 If "Yes," describe these new services on Schedule O
- 3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
 If "Yes," describe these changes on Schedule O
- 4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code:) (Expenses \$ **7,725,084.** including grants of \$ **818,723.**) (Revenue \$ **448,813.**)
TO STIMULATE & SUPPORT ECONOMIC AND HOUSING DEVELOPMENT IN THE CITY OF WATERBURY

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O)
 (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► \$ **7,725,084.**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>		
• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		
• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		
• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		
• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		
• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X</i>		
12 Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>	X	
12A Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

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Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21 X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22 X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27	X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33 X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	38	X

Note. All Form 990 filers are required to complete Schedule O.Form **990** (2009)

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	13	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	19	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	X
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body	25	
1b Enter the number of voting members that are independent	0	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?		X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?		X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		X
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done		X
13 Does the organization have a written whistleblower policy?		X
14 Does the organization have a written document retention and destruction policy?		X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
b Other officers or key employees of the organization		X
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **CT**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **SANDRA ROSA - (203) 346-2607**
24 LEAVENWORTH STREET, WATERBURY, CT 06702

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
PAUL K. PERNEREWski, JR. BOARD MEMBER	1.00	X						0.	0.	0.
LYNN WARD BOARD MEMBER	1.00	X						0.	0.	0.
JAMES H. GATLING, PH.D. BOARD MEMBER	1.00	X						0.	0.	0.
ANTHONY T. PICCOCHI BOARD MEMBER	1.00	X						0.	0.	0.
KRISTEN BULKOVITCH BOARD MEMBER	1.00	X						0.	0.	0.
DON PIOMBO BOARD MEMBER	1.00	X						0.	0.	0.
FREDERICK L. LUEDKE BOARD MEMBER	1.00	X						0.	0.	0.
JIMMIE L. GRIFFIN BOARD MEMBER	1.00	X						0.	0.	0.
EDE REYNOLDS BOARD MEMBER	1.00	X						0.	0.	0.
CICERO BOOKER BOARD MEMBER	1.00	X						0.	0.	0.
RICHARD O'BRIEN BOARD MEMBER	1.00	X						0.	0.	0.
MICHAEL NOVAK BOARD MEMBER	1.00	X						0.	0.	0.
JOSEPH SAVOY BOARD MEMBER	1.00	X						0.	0.	0.
FRANK TAVERA BOARD MEMBER	1.00	X						0.	0.	0.
WILLIAM KOLO BOARD MEMBER	1.00	X						0.	0.	0.
COS D'OCCHIO BOARD MEMBER	1.00	X						0.	0.	0.
JEFFREY BERGER BOARD MEMBER	1.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
GREGORY EVERETT BOARD MEMBER	1.00	X						0.	0.	0.
RICHARD DUPONT BOARD MEMBER	1.00	X						0.	0.	0.
DR. JOHN H. TOBIN CHAIRMAN	1.00			X				0.	0.	0.
JOE GEARY VICE CHAIRMAN	1.00			X				0.	0.	0.
CATHERINE AWWAD SECRETARY	1.00			X				0.	0.	0.
JOHN T. DADDONA TREASURER	1.00			X				0.	0.	0.
LEO FRANK CHIEF EXECUTIVE OFFICER	40.00				X	X		128,769.	0.	0.
1b Total								128,769.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **1**

- 3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4		X
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
EQ NORTHEAST, INC. P.O. BOX 673974, DETROIT, MI 48267-3974	ENVIRONMENTAL REMEDICATION AT EAST	547,940.
MT. CARMEL CONSTRUCTION P.O. BOX 2098, NORT HAVEN, CT 06437	GENERAL CONTRACTOR FOR HOUSING REHAB PR	547,428.
SHOCK ELECTRICAL CONTRACTORS, INC. 178 OSBORNE STREET, DANBURY, CT 06811	LIGHTING AT MUNICIPAL STADIUM	461,274.
UNITED RETEK OF CT, LLC P.O. BOX 1550, WATERBURY, CT 06721	SOIL REMEDIATION SERVICES AT EAST MAI	369,824.
RICHARDS CORPORATION, 72 NORTH HARWINTON AVENUE, TERRYVILLE, CT 06786	GENERAL CONTRACTOR FOR NORTH END REC CE	317,903.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **5**

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	7402207.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f			7402207.			
Program Service Revenue	2 a <u>PROGRAM REVENUE</u>	Business Code	900099	381,363.	381,363.		
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			381,363.			
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			13,869.	13,869.	
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
6 a Gross Rents		(i) Real	(ii) Personal				
b Less: rental expenses							
c Rental income or (loss)							
d Net rental income or (loss)							
7 a Gross amount from sales of assets other than inventory		(i) Securities	(ii) Other				
b Less cost or other basis and sales expenses							
c Gain or (loss)							
d Net gain or (loss)							
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18							
b Less direct expenses							
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities See Part IV, line 19							
b Less direct expenses							
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances							
b Less: cost of goods sold							
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code				
11 a <u>OTHER INCOME</u>		900099	53,581.	53,581.			
b							
c							
d All other revenue							
e Total. Add lines 11a-11d			53,581.				
12 Total revenue. See instructions.			7851020.	448,813.	0.	0.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	725,243.	725,243.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	1,656,001.	1,656,001.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	135,148.	135,148.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	789,771.	787,343.	2,428.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	45,236.	45,115.	121.	
9 Other employee benefits	202,078.	201,502.	576.	
10 Payroll taxes	75,474.	75,286.	188.	
11 Fees for services (non-employees):				
a Management				
b Legal	596,906.	361,540.	235,366.	
c Accounting	22,000.	21,523.	477.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	748,989.	738,222.	10,767.	
12 Advertising and promotion	7,641.	7,641.		
13 Office expenses	39,765.	39,376.	389.	
14 Information technology				
15 Royalties				
16 Occupancy	55,962.	55,757.	205.	
17 Travel	7,338.	7,338.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	4,743.	3,518.	1,225.	
20 Interest	5,000.	5,000.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,873.		3,873.	
23 Insurance	29,299.	29,159.	140.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a LAND IMPROVEMENTS	854,649.	854,649.		
b ENVIRONMENTAL SERVICES	795,886.	795,886.		
c ROAD IMPROVEMENTS	278,368.	278,368.		
d DEMOLITION	265,874.	215,874.	50,000.	
e RELOCATION	240,670.	240,670.		
f All other expenses	491,621.	444,925.	46,696.	
25 Total functional expenses. Add lines 1 through 24f	8,077,535.	7,725,084.	352,451.	0.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	1,567,748.	1	1,754,217.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	476,127.	3	772,709.
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	12,368,164.	7	12,212,624.
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	1,969.	9	5,152.
	10a Land, buildings, and equipment - cost or other basis. Complete Part VI of Schedule D	10a 234,059.		
	b Less accumulated depreciation	10b 16,602.	10c	217,457.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	1,835,078.	12	2,609,087.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	16,261,713.	16	17,571,246.	
Liabilities	17 Accounts payable and accrued expenses	421,477.	17	1,245,680.
	18 Grants payable		18	
	19 Deferred revenue	291,642.	19	225,075.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	150,000.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	14,614,903.	25	15,243,315.
	26 Total liabilities. Add lines 17 through 25	15,328,022.	26	16,864,070.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	933,691.	27	707,176.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	933,691.	33	707,176.
	34 Total liabilities and net assets/fund balances	16,261,713.	34	17,571,246.

Form 990 (2009)

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
- b** Were the organization's financial statements audited by an independent accountant?
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both
☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form **990** (2009)

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

WATERBURY DEVELOPMENT CORPORATION

Employer identification number

06-1549006

Part I	Reason for Public Charity Status (All organizations must complete this part) See instructions.
---------------	--

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box _____

g ☐ Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) A family member of a person described in (i) above?

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

h ☐ Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

[illegible]

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4,638,592.	7,827,302.	5,425,851.	6,509,705.	6,376,249.	30,777,699.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	4,638,592.	7,827,302.	5,425,851.	6,509,705.	6,376,249.	30,777,699.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						30,777,699.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	4,638,592.	7,827,302.	5,425,851.	6,509,705.	6,376,249.	30,777,699.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources		137,512.	74,332.	43,693.	13,869.	269,406.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						31,047,105.
12 Gross receipts from related activities, etc. (see instructions)					12	351,216.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	99.13	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	99.13	%
16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input checked="" type="checkbox"/>			
b 33 1/3% support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>			
17a 10% -facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>			
b 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>			
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>			

Schedule A (Form 990 or 990-EZ) 2009

Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

WATERBURY DEVELOPMENT CORPORATION

Employer identification number

06-1549006

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
(ii) Assets included in Form 990, Part X	▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b Assets included in Form 990, Part X	▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations
 d ☐ Loan or exchange programs
 e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

- c Beginning balance
 d Additions during the year
 e Distributions during the year
 f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ► _____ %
 b Permanent endowment ► _____ %
 c Term endowment ► _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		200,000.		200,000.
b Buildings				
c Leasehold improvements				
d Equipment				
e Other		34,059.	16,602.	17,457.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				217,457.

Schedule D (Form 990) 2009

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
RESTRICTED CASH FOR DECD LOAN ASSISTANCE	2,609,087.	COST
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.)	2,609,087.	

Part VIII Investments - Program Related. See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15

(a) Description	(b) Book value
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.)	

Part X Other Liabilities. See Form 990, Part X, line 25

1 (a) Description of liability	(b) Amount
Federal income taxes	
LOANS - CITY OF WATERBURY	7,000,966.
CASH AVAILABLE - DECD ASSISTANCE	2,609,087.
REVOLVING LOAN - DECD ASSISTANCE	5,133,262.
CAPITAL FUNDING CERTIFICATE PAYABLE	500,000.
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	15,243,315.

2. FIN 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

WATERBURY DEVELOPMENT CORPORATION

Employer identification number
06-1549006

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☒ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II **Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed. ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CATHOLIC CHARITIES, INC. 56 CHURCH STREET WATERBURY, CT 06702	06-0667607		7,000.	0.			CITY-WIDE CASE MANAGEMENT SERVICES TO LOW/MOD PERSONS
CONNECTICUT LEGAL SERVICES, INC. 85 CENTRAL AVENUE WATERBURY, CT 06702	06-0955461		11,318.	0.			LEGAL SERVICES TO LOW/MOD RESIDENTS OF WATERBURY
FAMILY SERVICE 34 MURRAY STREET WATERBURY, CT 06710	06-0646627		24,898.	0.			EMERGENCY SANCTUARY FOR CHILDREN
GREATER WATERBURY INTERFAITH MINISTRIES - 515 SOUTH MAIN STREET - WATERBURY, CT 06706	06-0658070		25,127.	0.			FOOD PANTRY SERVICE AND SOUP KITCHEN
IN-THE-MAKING, INC. 233 MILL STREET WATERBURY, CT 06706	06-1521333		23,494.	0.			EMPLOYMENT TRAINING FACILITY FOR UNEMPLOYED WOMEN
LA CASA BIENVENIDA 135 EAST LIBERTY STREET WATERBURY, CT 06706	06-1004779		12,990.	0.			NUTRITIONAL AND EDUCATIONAL SERVICES FOR THE ELDERLY

2 Enter total number of section 501(c)(3) and government organizations

3 Enter total number of other organizations

23.
0.

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) 2009

Name of the organization

Employer identification number
06-1549006

WATERBURY DEVELOPMENT CORPORATION							
Part I	Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II)						
(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
LITERACY VOLUNTEERS 267 GRAND STREET WATERBURY, CT 06702	06-1452659		7,500.	0.			READING CENTER TO INDIVIDUALS WHO CAN NOT READ
MATTATUCK HISTORICAL SOCIETY 144 WEST MAIN STREET WATERBURY, CT 06702	06-0443990		5,000.	0.			AFTERSCHOOL HOMEWORK AND TUTORING ASSISTANCE
MATTATUCK SENIOR CENTER, INC. 117 SOUTHWAYD ROAD WATERBURY, CT 06705	06-1233672		9,076.	0.			NUTRITIONAL AND EDUCATIONAL SERVICES FOR THE ELDERLY
MORRIS FOUNDATION 402 EAST MAIN STREET WATERBURY, CT 06702	06-0846975		22,249.	0.			TREATMENT FOR ALCOHOL AND SUBSTANCE ABUSE
MT. OLIVE SENIOR CENTER 86 PEARL STREET, P.O. BOX 2387 WATERBURY, CT 06720	22-3092504		13,828.	0.			NUTRITIONAL AND ENTERTAINMENT SERVICES FOR THE ELDERLY
NEIGHBORHOOD HOUSING SERVICES OF WATERBURY, INC. - 161 NORTH MAIN STREET - WATERBURY, CT 06702	06-1022915		13,750.	0.			FORECLOSURE PREVENTION COUNSELING/CHDO OPERATING
POLICE ACTIVITY LEAGUE 64 DIVISION STREET WATERBURY, CT 06704	20-8262614		28,047.	0.			AFTERSCHOOL PROGRAM
SAFE HAVEN OF GREATER WATERBURY P.O. BOX 1503 WATERBURY, CT 06721	06-0996479		28,694.	0.			COUNSELING AND A SHELTER FOR ABUSED WOMEN

SCHEDULE I-1
(Form 990)
Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule I (Form 990)
► Attach to Form 990 to list additional information for
Schedule I (Form 990), Part II or Part III.

OMB No. 1545-0047
2009
Open to Public
Inspection

Name of the organization

Employer identification number
06-1549006

WATERBURY DEVELOPMENT CORPORATION

Part I Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SALVATION ARMY 74 CENTRAL AVENUE WATERBURY, CT 06702	13-5562351		14,117.	0.			A SHELTER FOR CITY-WIDE FAMILIES
ST. VINCENT DEPAUL P.O. BOX 1612 WILLOW STREET, 2ND FL WATERBURY, CT 06721	06-1001527		75,570.	0.			HOMELESS SHELTER AND OTHER SUPPORT SERVICES
ST. MARGARET'S WILLOW PLAZA 60 ELMWOOD AVENUE WATERBURY, CT 06710	30-0196431		30,000.	0.			AFTERSCHOOL PROGRAM
STAYWELL HEALTH CARE INC. 80 PHOENIX AVENUE WATERBURY, CT 06702	22-3160873		8,000.	0.			COMMUNITY HEALTH CARE AND SOCIAL SERVICES
WALNUT ORANGE WALSH NRZ ASSOCIATION - 308 WALNUT STREET - WATERBURY, CT 06704	06-1026176		37,638.	0.			AFTERSCHOOL PROGRAM
WATERBURY DAY NURSERY ASSOCIATION 74 BUCKINGHAM STREET WATERBURY, CT 06710	06-0646949		5,000.	0.			CITY-WIDE DAYCARE AND NUTRITIONAL PROGRAMS
WATERBURY YOUTH SERVICE SYSTEM, INC. - 95 NORTH MAIN STREET - WATERBURY, CT 06702	06-1219372		10,000.	0.			TRUANCY PREVENTION PROGRAM
WELLPATH, INC. 70 PINE STREET WATERBURY, CT 06710	06-0669107		9,450.	0.			YOUTH AND FAMILY COUNSELING

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I-1 (Form 990) 2009

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

WATERBURY DEVLOPMENT CORPORATION

Employer identification number

06-1549006

FORM 990, PART VI, SECTION B, LINE 11: THE FORM 990 IS REVIEWED BY THE
CHIEF EXECUTIVE OFFICER AND THE CONTROLLER. AFTER COMPLETION, IT IS SIGNED
BY THE CHIEF EXECUTIVE OFFICER TO BE FILED.

FORM 990, PART VI, SECTION B, LINE 15A: A COMMITTEE CONSISTING OF THE
CHAIRMAN AND TWO BOARD MEMEBERS DISCUSS CEO'S PERFORMANCE AND DISCUSS
APPROPRIATE RAISE BASED ON BUDGETARY ALLOWANCE. A MEMORANDUM IS THEN DRAWN
UP AND SIGNED BY THE CHAIRMAN OF THE BOARD STATING THE CEO'S RAISE.

FORM 990, PART VI, SECTION C, LINE 19: ALL DOCUMENTS ARE AVAILABLE FOR
REVIEW UPON REQUEST.

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?**a** Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to other organization(s)**c** Gift, grant, or capital contribution from other organization(s)**d** Loans or loan guarantees to or for other organization(s)**e** Loans or loan guarantees by other organization(s)**f** Sale of assets to other organization(s)**g** Purchase of assets from other organization(s)**h** Exchange of assets**i** Lease of facilities, equipment, or other assets to other organization(s)**j** Lease of facilities, equipment, or other assets from other organization(s)**k** Performance of services or membership or fundraising solicitations for other organization(s)**l** Performance of services or membership or fundraising solicitations by other organization(s)**m** Sharing of facilities, equipment, mailing lists, or other assets**n** Sharing of paid employees**o** Reimbursement paid to other organization for expenses**p** Reimbursement paid by other organization for expenses**q** Other transfer of cash or property to other organization(s)**r** Other transfer of cash or property from other organization(s)**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization(s)	(b) Transaction type (a-r)	(c) Amount involved	
			Yes	No
(1)			1a	
(2)			1b	
(3)			1c	
(4)			1d	
(5)			1e	
(6)			1f	
			1g	
			1h	
			1i	
			1j	
			1k	
			1l	
			1m	
			1n	
			1o	
			1p	
			1q	
			1r	

2009 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 10

990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	COPIER	063004	SL	5.00	16	5,741.			5,741.	5,741.		0.
2	COMPUTER	020106	SL	4.00	16	1,398.			1,398.	1,165.		233.
3	SOFTWARE	122105	SL	3.00	16	1,995.			1,995.	1,995.		0.
5	COMPUTER 2	093006	SL	5.00	16	1,214.			1,214.	486.		243.
6	SOFTWARE 2	060107	SL	3.00	16	3,100.			3,100.	3,100.		0.
7	COPIER 3	063009	SL	5.00	16	11,908.			11,908.			2,382.
8	CUBICLES	120109	SL	5.00	16	8,703.			8,703.			1,015.
10	LAND	070109	L									0.
* TOTAL 990 PAGE 10 DEPR						34,059.		0.	34,059.	12,487.	0.	3,873.

WATERBURY DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

WATERBURY DEVELOPMENT CORPORATION

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BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

Board of Directors
Waterbury Development Corporation

We have audited the accompanying statements of financial position of Waterbury Development Corporation as of June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Waterbury Development Corporation'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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waterbury Development Corporation as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the year 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 December 4, 2010 on our consideration of Waterbury Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Blum, Shapiro & Company, P.C.

December 4, 2010

WATERBURY DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,056,585	\$ 948,338
Restricted cash for loan administration	697,632	619,410
Due from City of Waterbury	770,171	314,372
Other grants receivable	2,538	161,755
Prepaid expenses	5,152	1,969
Total current assets	<u>2,532,078</u>	<u>2,045,844</u>
Other Assets		
Restricted cash for DECD loan assistance	2,609,087	1,835,078
Housing and rehabilitation loans receivable (held in agent capacity)	7,000,966	5,975,505
Business loans receivable	5,133,262	6,304,320
Micro-loans receivable	78,396	88,339
Total other assets	<u>14,821,711</u>	<u>14,203,242</u>
Property and Equipment, Net	<u>217,457</u>	<u>12,627</u>
Total Assets	<u>\$ 17,571,246</u>	<u>\$ 16,261,713</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,245,680	\$ 421,477
Deferred revenue	225,075	291,642
Note payable	150,000	-
Total current liabilities	<u>1,620,755</u>	<u>713,119</u>
Noncurrent Liabilities		
Capital funding certificate payable (Micro-loans)	500,000	500,000
Funds held for future loans (DECD Assistance Agreements):		
Cash available for future loans	2,609,087	1,835,078
Loans receivable - due to the City of Waterbury	7,000,966	5,975,505
Revolving loan receivable balances	5,133,262	6,304,320
Total noncurrent liabilities	<u>15,243,315</u>	<u>14,614,903</u>
Total liabilities	16,864,070	15,328,022
Net Assets		
Unrestricted	<u>707,176</u>	<u>933,691</u>
Total Liabilities and Net Assets	<u>\$ 17,571,246</u>	<u>\$ 16,261,713</u>

The accompanying notes are an integral part of the financial statements

WATERBURY DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Changes in Unrestricted Net Assets		
Revenues and other support:		
Grants and contributions:		
Governmental grants	\$ 6,196,857	\$ 6,422,562
	1,205,350	989,797
Other grants and program reimbursements	381,363	281,675
Investment income	13,869	43,690
Other income	53,581	-
Total revenues and other support	<u>7,851,020</u>	<u>7,737,724</u>
Expenses:		
Program services	7,725,084	7,569,317
Management and general	352,451	58,326
Total expenses	<u>8,077,535</u>	<u>7,627,643</u>
Increase (Decrease) in Net Assets	(226,515)	110,081
Net Assets - Beginning of Year	<u>933,691</u>	<u>823,610</u>
Net Assets - End of Year	<u>\$ 707,176</u>	<u>\$ 933,691</u>

The accompanying notes are an integral part of the financial statements

WATERBURY DEVELOPMENT CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010			2009		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Personnel costs:						
Salaries	\$ 922,491	\$ 2,428	\$ 924,919 ✓	\$ 885,205	\$ 10,352	\$ 895,557
Fringe benefits	321,903	885	322,788	260,945	5,005	265,950
Travel and mileage	✓ 7,338	-	7,338 ✓	4,521	184	4,705
General and administrative:						
Professional services	96,902	235,403	332,305	120,446	2,053	122,499
Insurance	29,159	140	29,299 ✓	26,154	176	26,330
Rent, utilities, security and cleaning	61,245	27,112	88,357	76,503	3,350	79,853
Telephone	12,556	254	12,810	12,029	488	12,517
Office supplies and equipment	22,514	231	22,745	36,002	1,206	37,208
Dues and subscription	3,186	-	3,186	3,224	1	3,225
Meetings	3,518	1,225	4,743 ✓	2,513	1,924	4,437
Other costs:						
Purchased services	4,569,814	80,900	4,650,714	4,099,707	30,081	4,129,788
Business loan assistance	93,480	-	93,480	243,450	-	243,450
Residential loan assistance	1,562,521	-	1,562,521	1,768,654	-	1,768,654
Marketing, advertising and printing	18,457	-	18,457	29,964	885	30,849
Depreciation	-	3,873	3,873 ✓	-	2,621	2,621
Total	\$ 7,725,084	\$ 352,451	\$ 8,077,535	\$ 7,569,317	\$ 58,326	\$ 7,627,643

The accompanying notes are an integral part of the financial statements

WATERBURY DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ (226,515)	\$ 110,081
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	3,873	2,621
Increase in restricted cash	(78,222)	(129,010)
(Increase) decrease in operating assets:		
Grants receivable	159,217	(122,402)
Prepaid expenses	(3,183)	552
Other receivables	(455,799)	147,904
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	824,203	(118,812)
Deferred revenue	(66,567)	267,264
Net cash provided by operating activities	<u>157,007</u>	<u>158,198</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from notes payable	150,000	-
Purchase of capital assets	(207,004)	(11,908)
Net cash used in capital activities	<u>(57,004)</u>	<u>(11,908)</u>
Cash Flows from Investing Activities		
DECD Assistance Agreements:		
DECD grant assistance	44,356	243,450
Loans issued	(325,000)	(1,199,856)
Loan repayments	1,110,924	930,585
(Increase) decrease in cash restricted for DECD loan assistance	(774,009)	25,821
Administration of Micro-loans:		
Decrease in interest receivable	61	54
Loan repayments	9,882	8,533
Administration of Waterbury loans:		
Loans issued	(1,562,561)	(1,780,498)
Loan repayments	25,941	32,713
Net program/grant proceeds provided by the City to fund the Waterbury loan program	<u>1,478,650</u>	<u>1,747,785</u>
Net cash provided by investing activities	<u>8,244</u>	<u>8,587</u>
Net Increase in Cash and Cash Equivalents	108,247	154,877
Cash and Cash Equivalents - Beginning of Year	<u>948,338</u>	<u>793,461</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,056,585</u>	<u>\$ 948,338</u>

The accompanying notes are an integral part of the financial statements

**WATERBURY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Waterbury Development Corporation (the Corporation) is a not-for-profit corporation founded as a partnership of the public and private sectors to help the City of Waterbury (the City) conduct long-range planning for economic development and housing activity. The purpose of the Corporation is to stimulate and support economic and housing development in the City and, where appropriate, the Greater Waterbury region. In furtherance of the foregoing purpose, the activities of the Corporation shall include the planning, promotion and coordination of economic and housing development for the City, the retention of existing businesses, the creation of new businesses, the creation of jobs, the marketing of the City and the region, and the fostering of a strong business climate.

Basis of Presentation - The accompanying financial statements of the Corporation 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 or absence of donor-imposed restrictions. Accordingly, the net assets of the Corporation and changes therein are classified 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 stipulations that may or will be met, either by actions of the Corporation and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement 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 Corporation. Generally, the donors of these assets permit the Corporation to use all or part of the income earned on any related investment for general or specific purposes.

Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - The Corporation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents, exclusive of restricted cash. The Corporation maintains deposits in financial institutions that may, at times, exceed federal depository insurance limits. Management believes that the Corporation's deposits are not subject to significant credit risk.

**WATERBURY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U.S. Department of Housing & Urban Development (HUD) Funded Loans - City of Waterbury - The City, by ordinance, has seceded its rights, title and interests in the assets and liabilities relative to the City's Office of Housing and Neighborhood Development, including federal loan programs funded by grants from the U.S. Department of Housing and Urban Development (HUD) to the Corporation. Under the current sub-recipient agreement with the City, the Corporation administers the City's housing and rehabilitation loan program funded by HUD grants passed through the City to the Corporation. The Corporation is required to remit all loan repayments to the City. Loan repayments are considered program income to the City and available for distribution back to the Corporation as part of the City's HUD sub-recipient grant provided to the Corporation to fund community development including housing and rehabilitation loans.

The balances of HUD-funded loans administered by the Corporation are presented on the statements of financial position as loans - held in agent capacity. The balance of loan receivables and loan repayments not remitted to the City are recorded as loans receivable - due to the City of Waterbury. The Corporation records sub-recipient grant income for loans issued by the Corporation on behalf of the City.

State Department of Economic and Community Development (DECD) - Funded Loans - The Naugatuck Valley Development Corporation (NVDC) has assigned its rights, duties and obligations under three assistance agreements with DECD to the Corporation per a Financial Assistance Assumption Agreement approved by the Commissioner of DECD on May 6, 2005. Per the agreement, NVDC transferred loan receivable balances and related program cash balances to the Corporation to continue the administration of programs for regional business investment, downtown incentive and information technology incentive purposes. Funding for the loan programs was initially provided by grants from DECD to NVDC under program assistance agreements now assigned to the Corporation. The balances of DECD-funded loans administered by the Corporation are presented on the statements of financial position as business loans, with a corresponding liability of the same amount.

Property and Equipment - Property and equipment are carried at cost or, if donated, at the approximate fair value of the date of donation. It is the Corporation's policy to capitalize all equipment with an original carrying value over \$1,000. Depreciation is provided over an estimated five-year useful life of the equipment using the straight-line method.

Grants and Contracts - Governmental grants and contracts are generally considered to be exchange transactions rather than contributions. Revenue from cost-reimbursement grants and contracts is recognized to the extent of costs incurred. Revenue from performance-based grants and contracts are recognized to the extent of performance achieved. Grant and contract receipts in excess of revenue recognized are presented as deferred revenue.

**WATERBURY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

City of Waterbury - Community Development Block Grant Sub-Recipient Agreement - The City, by ordinance, has designated the Corporation, among other designations, as the City's economic development agency, housing site development agency and community development agency. Under a sub-recipient agreement between the City and the Corporation, the Corporation has assumed certain City responsibilities and obligations to administer grants and programs on behalf of the City. As such, eligible program expenditures incurred by the Corporation are reported to the City for reimbursement in the form of pass-through grant funding to the Corporation. The City provides pass-through grant reimbursement to the Corporation from the City's Community Development Block Grant, HOME Program Grant, Neighborhood Stabilization Program Grant and ESG Program Grant.

Contributions - Contributions, including unconditional promises to give, are recognized when pledged or received as applicable. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on the statements of functional expenses. These costs include direct and indirect costs that have been allocated on a consistent basis.

Advertising Costs - The Corporation's policy is to expense advertising costs as incurred. Advertising and program-related marketing costs for the years ended June 30, 2010 and 2009, were \$17,773 and \$29,444, respectively.

Federal Income Taxes - The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements.

Subsequent Events - In preparing these financial statements, management has evaluated subsequent events through December 4, 2010, which represents the date the financial statements were available to be issued.

NOTE 2 - RESTRICTED CASH

The Corporation administers revolving loan programs derived from assistance agreement funding provided by the DECD. The Corporation has determined that both interest income on the cash held for future loans and interest and administration fees paid by loan recipients is available to the Corporation for reimbursement of reasonable loan administration costs. Restricted cash from the above-referenced sources is \$697,632 at June 30, 2010. Additionally, cash on deposit from the repayment of principal loans in the amount of \$2,609,087 at June 30, 2010 is restricted for future loan issuances as part of the DECD revolving loan program administered by the Corporation.

**WATERBURY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - LOAN ASSISTANCE PROGRAMS

The Corporation administers the following loan assistance programs:

Loan Program - City of Waterbury

<u>Loan Assistance Program</u>	<u>Principal Balance</u>	<u>Interest Balance</u>	<u>Total*</u>
HOME Program	\$ 409,075	\$ 37,389	\$ 446,464
CDBG	141,258	39,413	180,671
HOME program - deferred loans	4,920,358	-	4,920,358
LEAD & ADDI - deferred loans	54,000	-	54,000
NHS	275,249	-	275,249
NSP	1,124,224	-	1,124,224
Total Loans Receivable	\$ <u>6,924,164</u>	\$ <u>76,802</u>	\$ <u>7,000,966</u>

* Loan receivable balances administered by the Corporation, funded by sub-recipient grants from the City of Waterbury, are recorded as payable to the City of Waterbury as all repayments are required to be remitted to the City in accordance with the sub-recipient agreement between the Corporation and the City. Deferred loans will be forgiven when specific criteria are met by the loan recipient during the loan provision period. Loans forgiven during the year ended June 30, 2010 totaled \$488,733.

Loan Program - State Department of Economic and Community Development

<u>Loan Assistance Program</u>	<u>Principal Balance</u>	<u>Interest Balance</u>	<u>Total</u>
RBIF Program	\$ 2,344,830	\$ 7,535	\$ 2,352,365
DDIF/ITZ Program**	1,446,015	3,622	1,449,637
Waterbury Fund Phase II**	1,328,116	3,144	1,331,260
Total Loans Receivable	\$ <u>5,118,961</u>	\$ <u>14,301</u>	\$ <u>5,133,262</u>

** Includes deferred loans that will be forgiven when specific criteria are met by the loan recipient during the loan provision period. Loans forgiven during the year ended June 30, 2010 totaled \$382,813.

WATERBURY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - DECD - ASSETS HELD BY CORPORATION

The Corporation, per a Financial Assistance Assumption Agreement dated May 6, 2005 (the Agreement), received cash and loan receivable assets from NVDC. In accordance with the Agreement, the Corporation has assumed all liabilities and obligations under the terms of the original Assistance Agreements between NVDC and the DECD. Additionally, the Corporation began administering a \$2,000,000 DECD Assistance Agreement for Waterbury Downtown Incentive Phase II (Waterbury Fund) during 2006. The following assets are held by the Corporation for the program purposes as outlined in the DECD Assistance Agreements. The following cash and loan balances comprise the assets held by the Corporation related to DECD Assistance Agreement funding:

	<u>Agreement Date</u>	<u>Original Authorization</u>	<u>Revolving Loan Cash Balance</u>	<u>Loans Receivable</u>
Assistance Agreements:				
Revolving Loan Fund				
Project	01/03/1995	\$ 3,500,000	\$ 843,255	\$ 2,352,365
Downtown Incentive/ITZ				
Project	03/04/2002	1,500,000	1,299,178	1,449,637
Downtown Incentive Phase II -				
Waterbury Fund	11/11/2005	2,000,000	<u>466,654</u>	<u>1,331,260</u>
Total			\$ <u>2,609,087</u>	\$ <u>5,133,262</u>

NOTE 5 - CAPITAL FUNDING CERTIFICATE - MICRO-LOAN PROGRAM (CITIZENS BANK OF CONNECTICUT)

The Corporation, per an agreement dated October 3, 2006 with Citizens Bank of Connecticut, has received capital funding in the amount of \$500,000 to administer a micro-loan program. The capital funding provided by Citizens Bank will be used to extend individual loans up to \$50,000 to qualified borrowers in the Waterbury area in support of the Citizens' Community Reinvestment Act Assessment area in the City of Waterbury. During 2010, no loans were issued to qualified recipients under the Micro-Loan Program.

The capital funding is subject to repayment in full to Citizens Bank on October 3, 2011. Interest of 1% is payable annually on the principal balance. Due to the nature of the high-risk loans that will be issued, provisions exist to provide for negotiating the repayment of the capital funding in consideration of the actual loan repayments to the Corporation.

WATERBURY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Nondepreciable assets:		
Land	\$ <u>200,000</u>	\$ <u>-</u>
Depreciable assets:		
Furniture, fixtures and equipment	34,059	27,055
Less accumulated depreciation	<u>(16,602)</u>	<u>(14,428)</u>
Net depreciable assets	<u>17,457</u>	<u>12,627</u>
Net Property and Equipment	\$ <u><u>217,457</u></u>	\$ <u><u>12,627</u></u>

Depreciation expense for the years ended June 30, 2010 and 2009, was \$3,873 and \$2,621, respectively.

NOTE 7 - NOTE PAYABLE

The Corporation purchased land located at 16 Cherry Avenue, Waterbury, Connecticut, from Camelot Limited Partnership for a purchase price of \$200,000, of which \$50,000 was paid in cash at closing and \$150,000 was financed using a noninterest-bearing promissory note with an original maturity date of June 28, 2010. Interest is to be accrued at an annual rate of ten percent per annum after the maturity date. Note payable was liquidated in a lump-sum payment made on November 4, 2010.

NOTE 8 - LEASE COMMITMENTS

In November 2008, the Corporation entered into a lease for office space that expires in November 2011. The Corporation's rent expenses were \$55,962 and \$55,000 for the years ended June 30, 2010 and 2009, respectively.

In January 2008, the Corporation entered into a three-year vehicle lease. Vehicle lease payments were \$9,218 and \$8,580 for the years ended June 30, 2010 and 2009, respectively.

NOTE 9 - EMPLOYEE RETIREMENT PLAN

The Corporation has established an employee profit-sharing plan as defined under Section 401(k) of the Internal Revenue Code. All salaried employees are eligible upon their hiring date. The Corporation contributes 5% of employees' salary annually. The Corporation's contributions for the years ended June 30, 2010 and 2009, were \$45,236 and \$37,848, respectively.

**WATERBURY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - COMMITMENTS

The Corporation, per the agreement with NVDC, has assumed all the rights, duties and obligations for the \$1,500,000 Downtown Incentive/ITZ Project and \$3,500,000 Revolving Loan Fund Project funding provided through Assistance Agreements with the DECD. The Corporation has specifically acknowledged that any assumption or alteration of the structure of Waterbury Development Corporation in violation of the Assistance Documents shall entitle the State to require repayment of the financial assistance and such other remedies as are available under the Assistance Agreements.

In accordance with grant funds awarded to Waterbury Partnership for Growth, Inc., the Corporation's predecessor organization, the Corporation must comply with various terms and conditions, including the following:

- The Corporation may not be dissolved or terminated and may not transfer, sell or assign all or a material portion of its property or assets or enter into a merger or consolidation without the consent of the Commissioner of Economic and Community Development.
- Operations must remain in Connecticut for a period of no less than ten years from the date of the final grant payment.
- Financial reports must be submitted to the Department of Economic and Community Development annually or as requested by the Commissioner.

NOTE 11 - RELATED PARTY TRANSACTIONS

Various members of the Board of Directors in their capacity with outside businesses and other organizations are involved in business transactions with the Corporation. Each of the Board members receives a copy of the Corporation's conflict of interest policy and agrees to its terms. Additionally, as an agent for the City of Waterbury, each of the Board members agrees to abide by Chapter 40 (Ethics and Conflicts of Interest) of the ordinances of the City of Waterbury.

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No 1545-1709

► File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization	Employer identification number
	WATERBURY DEVELOPMENT CORPORATION	06-1549006
	Number, street, and room or suite no. If a P.O. box, see instructions	
	24 LEAVENWORTH STREET	
File by the due date for filing your return. See instructions	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	WATERBURY, CT 06702	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

SANDRA ROSA

- The books are in the care of ► **24 LEAVENWORTH STREET - WATERBURY, CT 06702**
Telephone No. ► **(203) 346-2607** FAX No ► **(203) 346-3910**
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover

- 1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until **FEBRUARY 15, 2011**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► ☐ calendar year _____ or
 ► ☒ tax year beginning **JUL 1, 2009**, and ending **JUN 30, 2010**

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 4-2009)