

UCCRC

Ulster County Capital Resource Corporation
P.O. Box 4265, Kingston, NY 12402-4265

March 17, 2021 - 10:30 AM

via Zoom - <https://us02web.zoom.us/j/81641119687> Meeting ID: 816 4111 9687
One tap mobile - +16465588656, 81641119687# US (New York)

AGENDA

1. Call to Order
2. Roll Call (**Page 2**)
3. Mission Statement
4. Approval of the Minutes – February 17, 2021 Regular Meeting (**Page 3**)
5. Executive Session (*if necessary*)
6. Financials
7. Chair's Report
8. Chief Executive Officer's Report
9. Committee Reports
 - Audit
 - 2020 Audited Financial Statements (**Page 8**)
 - Finance
 - Governance
10. Old Business
11. New Business
12. Public Comment (Agenda Items Only)
13. Adjournment

The mission of the Ulster County Capital Resource Corporation (UCCRC) is to promote community and economic development in Ulster County in ways that complement the work of Ulster County, primarily through issuing and selling bonds for non-profit institutions.

Item 2.

Roll Call

	<u>Present</u>	<u>Absent</u>
James Malcolm, Chair	_____	_____
Diane Eynon, Vice Chair/Treasurer	_____	_____
Michael J. Ham, Secretary	_____	_____
Faye Storms, Assistant Treasurer	_____	_____
Orlando Reece, Assistant Secretary	_____	_____
Daniel Savona, Assistant Secretary	_____	_____
Richard O. Jones, Member	_____	_____

UCCRC

Ulster County Capital Resource Corporation

ULSTER COUNTY CAPITAL RESOURCE CORPORATION MINUTES

February 17, 2021

A regular monthly meeting of the Ulster County Capital Resource Corporation was held on Wednesday, February 17, 2021 immediately following the monthly Board meeting of the Ulster County Industrial Development Agency via Zoom.

Roll Call:

The following agency members were present:

James Malcolm	Chair
Dr. Diane Eynon	Vice Chair/Treasurer
Michael J. Ham	Secretary
Faye Storms	Assistant Treasurer
Orlando Reece	Assistant Secretary
Richard O. Jones	Member/Chief Financial Officer

The following agency members were absent with notice:

Daniel Savona	Assistant Secretary
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Additional Attendees:

Rose Woodworth	Chief Executive Officer
A. Joseph Scott, Esq.	Agency Counsel

The meeting was called to order at 11:08 A.M. by Chair James Malcolm.

Roll Call

Roll was called, and it was noted that a quorum was present.

READING OF THE UCCRC MISSION STATEMENT

The mission of the Ulster County Capital Resource Corporation (UCCRC) is to promote community and economic development in Ulster County in ways that complement the work of Ulster County, primarily through issuing and selling bonds for non-profit institutions.

MINUTES

Motion: Faye Storms, seconded by Orlando Reece, moved to approve the minutes of the January 20, 2021 meeting as presented.

Vote: The motion was unanimously adopted (6-0).

Executive Session

None.

FINANCIALS

Chief Executive Officer Rose Woodworth presented the January financial report. Administrative staff fees and postage are negative because an adjustment was made for staff time and postage used for PPE Grants. The CRC only records general postage and staff time quarterly. The annual administrative fees income shown is what was billed out to the projects, not necessarily what was collected

CHAIR'S REPORT

Same as discussed in the Industrial Development Agency's meeting.

Chief Executive Officer's Report

No report.

COMMITTEE REPORTS

Audit Committee

Motion: Diane Eynon, seconded by James Malcolm, made a motion to amended in the Background Check Policy as done in the IDA meeting immediately preceding.

Vote: The Board voted on as follows:

James Malcolm	Aye
Faye Storms	Aye
Dr. Diane Eynon	Aye
Michael J. Ham	Aye
Orlando Reece	Aye
Daniel Savona	Absent
Richard O. Jones	Aye

Motion: Diane Eynon, seconded by James Malcolm, made a motion to amended the the Procurement Policy as done in the IDA meeting immediately preceding.

Vote: The Board voted on as follows:

James Malcolm	Aye
Faye Storms	Aye
Dr. Diane Eynon	Aye
Michael J. Ham	Aye
Orlando Reece	Aye
Daniel Savona	Absent
Richard O. Jones	Aye

Motion: Diane Eynon, seconded by James Malcolm, made a motion to amended the the Enforcement of Agency Projects Policy as done in the IDA meeting immediately preceding.

Vote: The Board voted on as follows:

James Malcolm	Aye
Faye Storms	Aye
Dr. Diane Eynon	Aye
Michael J. Ham	Aye
Orlando Reece	Aye
Daniel Savona	Absent
Richard O. Jones	Aye

Finance Committee

No report.

Governance Committee

Same as discussed in the Industrial Development Agency's meeting.

OLD BUSINESS

None.

NEW BUSINESS

PPE Grants for Board Consideration

The Board reviewed the applications presented for PPE Grants.

Motion: Daniel Savona, seconded by Michael J. Ham, made a motion to approve the grants to the applicants on the list presented.

Vote: The motion was unanimously adopted (6-0).

PUBLIC COMMENT

None.

ADJOURNMENT

Motion: Michael J. Ham, seconded by Orlando Reece, moved to adjourn the meeting.

Vote: The motion was unanimously adopted (6-0).

The meeting was adjourned at 11:27 A.M.

Respectfully submitted,

Michael Ham, Secretary

**ULSTER COUNTY
CAPITAL RESOURCE CORPORATION**
(a component unit of Ulster County, New York)

AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

Draft

ULSTER COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of Ulster County, New York)

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Management Discussion and Analysis	3
Financial Statements	
Statements of Net Position	6
Statements of Revenues, Expenses and Changes in Net Position	7
Statements of Cash Flows	8
Notes to Financial Statements	9
Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	13
Supplementary Information:	
Schedule of Revenues and Expenditures - Budget and Actual	15
Schedule of Conduit Debt Obligations	16

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ulster County Capital Resource Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Ulster County Capital Resource Corporation (a component unit of the County of Ulster, New York), (the "Corporation"), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise Ulster County Capital Resource Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Ulster County Capital Resource Corporation, as of December 31, 2020 and 2019, and the respective changes in financial position and, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Ulster County Capital Resource Corporation's basic financial statements. The Schedule of Revenues and Expenditures – Budget and Actual and Schedule of Conduit Debt Obligations are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues and Expenditures – Budget and Actual and Schedule of Conduit Debt Obligations are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues and Expenditures – Budget and Actual and Schedule of Conduit Debt Obligations are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March __, 2021 on our consideration of Ulster County Capital Resource Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ulster County Capital Resource Corporation's internal control over financial reporting and compliance.

Kingston, New York
March __, 2021

ULSTER COUNTY CAPITAL RESOURCE CORPORATION

(a component unit of Ulster County, New York)

MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2020 and 2019

Introduction

Our discussion and analysis of Ulster County Capital Resource Corporation (the “Corporation” or “UCCRC”) financial performance provides an overview of the Corporation’s financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the Corporation’s financial statements that follow this discussion and analysis. Ulster County Capital Resource Corporation is a not-for-profit corporation which operates in Ulster County, New York. The Corporation is classified by the New York State Authorities Budget Office as a public authority. This summary discussion and analysis includes only the financial and general business of the Corporation.

Financial Highlights

The Corporation’s net position decreased by \$42,609 as a result of operations in 2020.

In 2020, revenues increased \$808 compared to 2019. In 2019, revenues increased \$1,058 compared to 2018. No operating revenues were generated in 2019.

In 2020, expenses increased \$40,231 compared to 2019.

In 2019, expenses decreased \$124,591 compared to 2018.

Corporation Highlights

During 2020, the UCCRC provided a grant program to provide personal protective equipment to local businesses and organizations to help respond to COVID-19.

During 2019, the UCCRC successfully established administrative processes after the end of the contract for administrative services with Ulster County.

Using This Annual Report

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

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

One way to measure the Corporation’s financial position is to look at the net position - the difference between assets and liabilities.

Condensed Comparative Financial Statements and Analysis

The Corporation’s net position at the end of the 2020 was \$604,189, a decrease of \$42,609 from \$646,798 in 2019. The Corporation’s net position at the end of 2019 was \$646,798, a decrease of \$3,186 from \$649,984 in 2018.

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

See independent auditor’s report.

ULSTER COUNTY CAPITAL RESOURCE CORPORATION

(a component unit of Ulster County, New York)

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

December 31, 2020 and 2019

Table 1 – Net Position

	2020	2019	2018
Current Assets	\$ 605,039	\$ 646,798	\$ 651,234
Current Liabilities	\$ 850	\$ -	\$ 1,250
Net Position - Unrestricted	\$ 604,189	\$ 646,798	\$ 649,984

Current Assets:

Cash and certificates of deposit totals at the end 2020 were \$605,039 versus \$646,798 at the end of 2019. The decrease in cash and certificates of deposit was a result of no projects closing during 2020 and the personal protective equipment grants issued. Cash and certificates of deposit totals at the end of 2019 were \$646,798 versus \$651,234 at the end of 2018. The decrease in cash and certificates of deposit was a result of no projects closing during 2019.

The Corporation purchased certificates of deposit to obtain a better interest rate return given the increase in assets over the past three years.

Current Liabilities:

As of December 31, 2020, the Corporation had payables of \$850. As of December 31, 2018, the Corporation owed Ulster County \$1,250.

Table 2 – Changes in Net Position

	2020	2019	2018
Revenues:			
Administrative fees	\$ 3,250	\$ -	\$ -
Other income	4,458	6,900	5,842
Total Revenues	7,708	6,900	5,842
Expenses:			
Operating Expenses	50,317	10,086	134,677
Total Expenses	50,317	10,086	134,677
Changes in Net Position:	\$ (42,609)	\$ (3,186)	\$ (128,835)

The Corporation's revenues in 2020 were \$7,708 versus \$6,900 in 2019. Expenses in 2020 were \$50,317 versus \$10,086 in 2019. The increase in expenses in 2020 over 2019 was predominantly due to the issuance of grants.

The Corporation's revenues in 2019 were \$6,900 versus \$5,842 in 2018. Expenses in 2019 were \$10,086 versus \$134,677 in 2018. The decrease in expenses in 2019 over 2018 was predominantly due to a decrease in contract for services expenditures.

See independent auditor's report.

ULSTER COUNTY CAPITAL RESOURCE CORPORATION

(a component unit of Ulster County, New York)

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

December 31, 2020 and 2019

Capital Assets and Long-Term Debt

There were no capital asset additions in 2020 or 2019 and the Corporation did not take on any long-term debt in 2020 or 2019.

Budget

The Corporation adopted an amended 2020 budget projecting revenues to be \$7,700 and expenses to be \$115,480. Actual 2020 revenues totaled \$7,708 and actual 2020 expenses totaled \$50,317. There were no new projects in 2020, however differences from budget are significant. The most significant difference from the budget was grants paid. The difference is due to the Corporation anticipating a larger amount of grant applications than they received for the PPE grants.

Contacting UCCRC Financial Administrator

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

See independent auditor's report.

ULSTER COUNTY CAPITAL RESOURCE CORPORATION

(a component unit of Ulster County, New York)

STATEMENTS OF NET POSITION

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 404,511	\$ 393,867
Certificates of deposit	200,528	252,931
Total assets	<u>\$ 605,039</u>	<u>\$ 646,798</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 750	\$ -
Due to Ulster County IDA	100	-
Total liabilities	<u>850</u>	<u>-</u>
NET POSITION		
Unrestricted	604,189	646,798
Total liabilities and net position	<u>\$ 605,039</u>	<u>\$ 646,798</u>

See notes to financial statements.

ULSTER COUNTY CAPITAL RESOURCE CORPORATION
 (a component unit of Ulster County, New York)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Administrative fees	\$ 3,250	\$ -
Total revenues	<u>3,250</u>	<u>-</u>
OPERATING EXPENSES		
Administration	8,450	3,163
Grants	37,455	-
Professional fees	4,000	6,550
Office	412	373
Total operating expenses	<u>50,317</u>	<u>10,086</u>
Operating loss	<u>(47,067)</u>	<u>(10,086)</u>
OTHER INCOME		
Interest income	4,458	6,900
Total other income	<u>4,458</u>	<u>6,900</u>
Change in net position		
	<u>(42,609)</u>	<u>(3,186)</u>
Net position, beginning	<u>646,798</u>	<u>649,984</u>
Net position, ending	<u>\$ 604,189</u>	<u>\$ 646,798</u>

See notes to financial statements.

ULSTER COUNTY CAPITAL RESOURCE CORPORATION

(a component unit of Ulster County, New York)

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Administrative fees	\$ 3,250	\$ -
Payments to vendors	(4,412)	(6,923)
Grants provided	(37,455)	-
Administrative expense	(7,600)	(4,413)
Net cash used for operating activities	<u>(46,217)</u>	<u>(11,336)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,458	6,900
Redemption of certificates of deposit	252,931	-
Purchase of investments	(200,528)	(252,931)
Net cash provided by (used for) investing activities	<u>56,861</u>	<u>(246,031)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	10,644	(257,367)
CASH AND CASH EQUIVALENTS, beginning of year	<u>393,867</u>	<u>651,234</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 404,511</u>	<u>\$ 393,867</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	\$ (47,067)	\$ (10,086)
Changes in operating assets and liabilities		
Accounts payable	750	-
Due to Ulster County IDA	100	-
Due to Ulster County	-	(1,250)
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (46,217)</u>	<u>\$ (11,336)</u>

See notes to financial statements.

ULSTER COUNTY CAPITAL RESOURCE CORPORATION

(a component unit of Ulster County, New York)

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 — NATURE OF ORGANIZATION

The Ulster County Capital Resource Corporation, a component unit of the County of Ulster, New York, (the “Corporation”) was established on May 11, 2010, pursuant to Sections 402 and 1411 of the Not-For-Profit Corporation Laws of the State of New York. The Corporation promotes community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the County of Ulster by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses, and other entities to access low interest tax-exempt and non-tax exempt financing for their eligible projects.

Additionally, the Corporation’s purpose is to undertake projects and activities within the County of Ulster for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the County of Ulster by attracting new industry to the County or by encouraging the development of, or retention of, an industry in the County, and lessening the burdens of government and acting in the public interest. The directors of the Corporation are appointed by the County of Ulster’s legislature. The Corporation’s directors have complete responsibility for management of the Corporation and accountability for fiscal matters.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities. Revenues are recorded when earned and expenses are recorded when incurred. In accordance with accounting principles generally accepted in the United States of America, the Corporation applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. The Corporation has chosen to only apply GASB pronouncements. The Corporation does not apply any Financial Accounting Standards Board (FASB) or AICPA pronouncements post November 30, 1989, as clarified by GASB No. 62 “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”. The government-wide financial statements include the Corporation’s only governmental fund (single enterprise fund).

Deferred Outflows/Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

Statement 63 changed how governments organize their statements of financial position (such as the current government-wide statement of net assets and the governmental funds balance sheet).

As a result of Statement 63, financial statements will include deferred outflows of resources and deferred inflows of resources (“deferrals”), in addition to assets and liabilities, and reports net position instead of net assets.

ULSTER COUNTY CAPITAL RESOURCE CORPORATION

(a component unit of Ulster County, New York)

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Data

The budget policies are as follows:

By October of each year, the CFO submits a tentative budget to the Finance Committee, and the Finance Committee recommends the budget to the Board of Directors for final approval for the next fiscal year which begins the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing.

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of reporting cash flows, the Corporation considers cash in operating bank accounts, demand deposit, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents.

Revenue Recognition

Fee revenue is recognized for administrative services and applications related to bond issuances in the period the services are performed generally when the related bond issuances are finalized.

Concentration of Credit and Market Risk

Financial instruments that potentially expose the Corporation to concentrations of credit and market risk consist primarily of cash and cash equivalents and certificates of deposit. Cash and cash equivalents and certificates of deposit are maintained at Federal Deposit Insurance Corporation insured financial institutions and credit exposure is limited to any one institution.

Net Position

Net position is an element of proprietary fund financial statements and is measured by the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflow of resources.

Risks and Uncertainties

In December 2019, a novel strain of coronavirus disease (“COVID-19”) was first reported in Wuhan, China. Less than four months later, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic.

The extent of COVID-19’s effect on the Organization’s operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the Organization’s finances. However, if the pandemic continues to endure, the disease could have a material adverse effect on the Organization’s activities, results of operations, financial condition and cash flow.

ULSTER COUNTY CAPITAL RESOURCE CORPORATION

(a component unit of Ulster County, New York)

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been evaluated through March __, 2021, which is the date the financial statements were available to be issued.

NOTE 3 — CONCENTRATION OF CREDIT RISK

The Corporation's investment policies are governed by New York State statutes. The Corporation's funds must be deposited in FDIC insured commercial banks or trust companies located within New York State. The Corporation is authorized to use demand accounts and certificates of deposit.

Collateral is required for demand deposits and certificates of deposit for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

As of December 31, 2020 and 2019, cash and cash equivalents were covered federal depository insurance and collateral held by the financial institutions. The following is a summary of cash and cash equivalents as included in the statement of net position at December 31, 2020 and 2019:

	2020		2019	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Checking and Savings Accounts	\$ 404,511	\$ 406,989	\$ 393,867	\$ 393,867
Certificates of deposit	200,528	200,638	252,931	253,175
Total	\$ 605,039	\$ 607,627	\$ 646,798	\$ 647,042
FDIC Coverage		\$ 450,635		\$ 250,000
Pledged Collateral		486,688		480,218
In Excess		\$ (329,696)		\$ (83,176)
	2020		2019	
Greene County Bank CD (1.85% due 05/10/2020)	\$ -		\$ 126,408	
Greene County Bank CD (2% due 08/10/2020)		-		126,523
Rhinebeck Bank CD (0.65% due 07/29/2021)		200,528		-
Total	\$ 200,528		\$ 252,931	

ULSTER COUNTY CAPITAL RESOURCE CORPORATION

(a component unit of Ulster County, New York)

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 5 — CONDUIT DEBT OBLIGATIONS

From time to time, the Ulster County Capital Resource Corporation issues negotiable bonds to provide financial assistance to not for profit entities for the acquisition and construction of facilities deemed to be in the interest of the public. The bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the not for profit entity served by the bond issuance. Neither the County of Ulster, Ulster County Capital Resource Corporation, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2020 and 2019, there were (7) series of Bonds outstanding, with an aggregate principal amount payable of \$78,406,288 and \$78,406,288 respectively.

NOTE 6 — RELATED PARTY TRANSACTIONS

As of December 31, 2020, and 2019, the amount due to Ulster County Industrial Development Agency (UCIDA) was \$100 and \$4,576, respectively. The amount due to the Agency was related to costs to create UCCRC's website along with the Agency's annual site visits and administration. For the year ended December 31, 2020 and 2019 the Corporation paid \$8,450 and \$3,163, respectively, in total administration fees, postage and other costs to the Agency.

Effective January 1, 2019, the Agency is no longer administered by the County of Ulster.

NOTE 7 – GRANTS

In response to COVID-19, the Corporation authorized a grant program during the year ended December 31, 2020 to reimburse the cost of personal protective equipment to Ulster County businesses and organizations. The Corporation authorized \$100,000. \$37,149 was issued in direct assistance while \$306 was spent to administer the program during the year ended December 31, 2020. Unspent funding of \$62,545 is available to the program until March 31, 2021.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ulster County Capital Resource Corporation
a Component Unit of the County of Ulster, New York

We have audited, 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, the financial statements of Ulster County Capital Resource Corporation as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Ulster County Capital Resource Corporation's basic financial statements, and have issued our report thereon dated March __, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Kingston, New York
March __, 2021

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SUPPLEMENTARY INFORMATION

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ULSTER COUNTY CAPITAL RESOURCE CORPORATION
 (a component unit of Ulster County, New York)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 Year ended December 31, 2020

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Administrative fees	\$ 2,000	\$ 3,250	\$ 3,250	\$ -
Interest income - Banks	8,400	4,450	4,458	8
Total revenues	<u>10,400</u>	<u>7,700</u>	<u>7,708</u>	<u>8</u>
 Expenditures:				
Administration	9,000	9,000	8,450	550
Professional fees	9,500	6,000	4,000	2,000
Grants	-	100,000	37,455	62,545
Office	1,800	480	412	68
Total expenditures	<u>20,300</u>	<u>115,480</u>	<u>50,317</u>	<u>65,163</u>
Total revenues in excess of expenditures	<u><u>\$ (9,900)</u></u>	<u><u>\$ (107,780)</u></u>	<u><u>\$ (42,609)</u></u>	<u><u>\$ 65,171</u></u>

ULSTER COUNTY CAPITAL RESOURCE CORPORATION

(a component unit of Ulster County, New York)

SCHEDULE OF CONDUIT DEBT OBLIGATIONS

Year ended December 31, 2020

<u>Bonds Listing</u>	<u>Outstanding Beginning of the Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Final Maturity Date</u>
Center for Spectrum Services	\$ 1,883,352	\$ -	\$ 78,697	\$ 1,804,655	2021
Kingston Hospital	152,936	-	-	152,936	2025
Woodland Pond #1	5,810,000	-	845,000	4,965,000	2025
Woodland Pond #2	17,665,000	-	-	17,665,000	2037
Woodland Pond #3	11,075,000	-	-	11,075,000	2042
Woodland Pond #4	14,295,000	-	-	14,295,000	2047
Woodland Pond #5	27,525,000	-	-	27,525,000	2053
	<u>\$ 78,406,288</u>	<u>\$ -</u>	<u>\$ 923,697</u>	<u>\$ 77,482,591</u>	

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