

ULSTER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Ulster County, New York)

AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ulster County Industrial Development Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the Ulster County Industrial Development Agency (a component unit of Ulster County, New York), (the "Agency") 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 Industrial Development Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Ulster County Industrial Development Agency'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 financial position of the Ulster County Industrial Development Agency as of December 31, 2020 and 2019, and the 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 audits 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

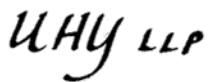
Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Ulster County Industrial Development Agency's basic financial statements. The Schedule of Revenues and Expenditures – Budget and Actual, Schedule of Conduit Debt Obligations, Schedule of Projects and Exemptions and the Schedule of PILOTS are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues and Expenditures – Budget and Actual, Schedule of Conduit Debt Obligations, Schedule of Projects and Exemptions and the Schedule of PILOTS 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, Schedule of Conduit Debt Obligations, Schedule of Projects and Exemptions and the Schedule of PILOTS are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Full Time Equivalent Jobs has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2021 on our consideration of Ulster County Industrial Development Agency'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 solely 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 Industrial Development Agency's internal control over financial reporting and compliance.

The logo for UHY LLP, featuring the letters 'UHY' in a large, stylized, handwritten font, with 'LLP' in a smaller, simpler font to the right.

Kingston, New York
May 27, 2021

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(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 Industrial Development Agency's (the Agency) financial performance provides an overview of the Agency's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the Agency's financial statements that follow this discussion and analysis. Ulster County Industrial Development Agency is a New York State public authority and industrial development agency operating in the County of Ulster, New York. This summary discussion and analysis includes only the financial and general business of the Agency.

Financial Highlights

The Agency's net position decreased by \$142,510 (or 15.8%) as a result of operations in 2020.

In 2020, revenues decreased \$112,055 compared to 2019, or (34)%.

In 2019, revenues decreased \$192,967 compared to 2018, or (37)%.

In 2020, expenses increased \$186,499 compared to 2019, or 105%.

In 2019, expenses increased \$5,694 compared to 2018, or 3%.

Agency Highlights

For the year ended December 31, 2020, the Agency authorized the modification of incentives for one (1) reassignment of benefits of an existing project for new ownership. The project is paying nearly double the amount of tax to all jurisdictions, expected to retain fifty (50) more jobs than the original owners had committed to, and maintain the same Medicare ratings and hours of certain nursing professionals. All of these changes will help to contribute to Ulster County's economic diversity and vitality. The Agency collected \$150,000 in project fees and \$66,568 in other various administrative fees.

For the year ended December 31, 2019, the Agency authorized incentives for two (2) new projects and one (1) assumption through sale of building with the retention of the existing employees from the old project by the new project operator with a requirement for the same job threshold. The new development projects benefited applicants in the distillery and event venue, bottling, and hotel/resort/golf course sectors. Each project is expected to retain and create new job opportunities and contribute to Ulster County's economic diversity and vitality. The Agency collected \$239,530 in administrative fees. The benefit from the new projects to the Mid-Hudson Economic Development Region include the addition of 20 additional full-time equivalent ("FTE") employees added to an existing staff roster of 135 FTE employees at a local bottling plant and warehouse facility and the addition of 10.25 new FTE employees added to an existing staff roster of 1.75 FTE employees in the resort/venue sectors in the Ulster County region.

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 Agency only.

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

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

December 31, 2020 and 2019

Condensed Comparative Financial Statements and Analysis

The Agency's net position at the end of the 2020 was \$760,525, a decrease of \$142,510 from \$903,035 at December 31, 2019. The Agency's net position at the end of the 2019 was \$903,035, an increase of \$156,044 from \$746,991 at December 31, 2018.

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

Table 1 – Net Assets

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Current Assets	<u>\$ 776,496</u>	<u>\$ 940,787</u>	<u>\$ 759,626</u>
Current Liabilities	<u>\$ 15,971</u>	<u>\$ 37,752</u>	<u>\$ 12,635</u>
Net Position - Unrestricted	<u>\$ 760,525</u>	<u>\$ 903,035</u>	<u>\$ 746,991</u>

Current Assets:

Cash and cash equivalents totals at the end of 2020 were \$497,066 versus \$679,202 at the end of 2019. The decrease is a direct result of issuance of personal protective equipment grants in 2020. Cash and cash equivalents totals at the end of 2019 were \$679,202 versus \$737,612 at the end of 2018. The decrease in cash and cash equivalents was a direct result of allocating money to time deposits in 2019.

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

Current Liabilities:

Outstanding payables were for services performed in the current fiscal year and paid for in the subsequent fiscal year.

During the year ended December 31, 2019, the Agency began collecting an additional fee held in escrow for labor audits. As those labor audit fees are incurred, the IDA recognizes revenue and expense. Any remaining escrow money not spent at the end of the project is returned to the project owner.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

December 31, 2020 and 2019

Condensed Comparative Financial Statements and Analysis (Continued)

Table 2 – Changes in Net Assets

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:			
Project fees	\$ 187,250	\$ 239,530	\$ 519,249
Project admin fees	14,268	4,848	-
Application fees	2,000	1,000	3,500
Interest income	4,970	8,215	3,811
Other income	13,050	80,000	-
Total revenues	<u>221,538</u>	<u>333,593</u>	<u>526,560</u>
Expenses:			
Operating expenses	<u>364,048</u>	<u>177,549</u>	<u>171,855</u>
Total expenses	<u>364,048</u>	<u>177,549</u>	<u>171,855</u>
Changes in Net Position	<u>\$ (142,510)</u>	<u>\$ 156,044</u>	<u>\$ 354,705</u>

The Agency's revenues in 2020 were \$221,538 versus \$333,593 in 2019. Other income in 2019 includes recovery of legal fees from prior costs incurred in litigation from an applicant that was denied project benefits. Expenses in 2020 were \$364,048 versus \$177,549 in 2019. The revenue decrease in 2020 over 2019 was caused by a significant decrease in Project closing fees. The expenses increased in 2020 predominantly due to Administrative staff fees and grant expense from 2020 over 2019. The Agency's revenues in 2019 were \$333,593 versus \$526,560 in 2018. Expenses in 2019 were \$177,549 versus \$171,855 in 2018. The revenue decreases in 2019 over 2018 was caused by significant decrease in Project closing fees. The expenses increased in 2019 predominantly due to an increase in Administrative staff fees from 2019 over 2018.

Capital Assets and Long-Term Debt

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

Budget

In October 2019, the Agency adopted and amended the 2020 budget projecting revenues to be \$222,450 and expenses to be \$431,200. Actual 2020 revenues totaled \$221,538 and actual 2020 expenses totaled \$364,048. Much of the decrease in actual expenses over budget was the result of less than expected number of grants closing in 2020.

Contacting UCIDA Financial Administrator

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

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(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	\$ 497,066	\$ 679,202
Certificates of deposit	200,524	253,175
Accounts receivable	78,806	3,609
Due from UCCRC	100	4,576
Prepaid expenses	-	225
Total assets	<u>\$ 776,496</u>	<u>\$ 940,787</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 11,531	\$ 23,077
Escrow payable	4,440	14,675
Total liabilities	<u>15,971</u>	<u>37,752</u>
NET POSITION		
Unrestricted	<u>760,525</u>	<u>903,035</u>
Total liabilities and net position	<u>\$ 776,496</u>	<u>\$ 940,787</u>

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(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	\$ 37,250	\$ -
Application fees	2,000	1,000
Miscellaneous and late fees	13,050	-
Project fees	150,000	239,530
Project pass-thru fees	14,268	4,848
Recovery of legal fees	-	80,000
Total operating revenues	<u>216,568</u>	<u>325,378</u>
OPERATING EXPENSES		
Administrative	134,623	54,176
Contracts for services	2,326	4,770
Grant Expense	159,043	-
Insurance	3,063	2,298
Membership dues	850	858
Miscellaneous	655	337
Project pass-thru expenses	14,168	5,513
Professional	47,821	103,766
Website	1,499	5,831
Total operating expenses	<u>364,048</u>	<u>177,549</u>
Operating (loss) income	<u>(147,480)</u>	<u>147,829</u>
OTHER REVENUES		
Interest income	4,970	8,215
Total other revenues	<u>4,970</u>	<u>8,215</u>
CHANGE IN NET POSITION	(142,510)	156,044
NET POSITION, Beginning of year	<u>903,035</u>	<u>746,991</u>
NET POSITION, End of year	<u>\$ 760,525</u>	<u>\$ 903,035</u>

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Project fees	\$ 93,547	\$ 272,882
Application fees	2,000	1,000
Administrative fees	37,250	-
Recovery of legal fees	-	80,000
Other fees	13,050	-
Payments for vendors	(59,157)	(109,932)
Payments for grants given	(159,043)	-
Payments for administrative expenses	(167,404)	(57,400)
Net cash (used for) provided by operating activities	<u>(239,757)</u>	<u>186,550</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,970	8,215
Purchase of investments	(200,524)	(253,175)
Redemption of investments	253,175	-
Net cash provided by (used for) investing activities	<u>57,621</u>	<u>(244,960)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(182,136)	(58,410)
CASH AND CASH EQUIVALENTS, Beginning of year	679,202	737,612
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 497,066</u>	<u>\$ 679,202</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ (147,480)	\$ 147,829
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(75,197)	18,405
Decrease (increase) in due from UCCRC	4,476	(4,576)
Decrease in due to Ulster County	-	(12,500)
Decrease (increase) in prepaid expenses	225	(225)
(Decrease) increase in accounts payable	(11,546)	22,942
(Decrease) increase in escrow payable	(10,235)	14,675
Net cash (used for) provided by operating activities	<u>\$ (239,757)</u>	<u>\$ 186,550</u>

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 — NATURE OF ORGANIZATION

The Ulster County Industrial Development Agency, a component unit of Ulster County, New York, (the "Agency"), a public benefit corporation, was established by New York State legislation and commenced operations in 1978.

The Agency's present function is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

The Agency also has the power to acquire, construct, reconstruct, lease, sell, improve, maintain, equip, or furnish certain properties and facilities.

The members of the Agency are appointed by the County of Ulster's legislature. Agency members have complete responsibility for management of the Agency and accountability for fiscal matters.

The Agency is exempt from federal, state and local income taxes.

Payment in lieu of taxes (PILOT):

The Agency enters into and administers PILOT agreements for various companies in the surrounding area. The PILOT agreements are entered into between the Agency and a third-party business. Title to Property owned by the third-party business is transferred to the Agency for a period of time. During the term of the agreement (when the Agency holds the title to the property), the third-party business pays the Agency an annual PILOT amount based on a calculation derived by a formula in the agreement. The calculation is performed by the Agency and sent to the municipalities. The PILOTS allow the participants to make payments at a lower rate than if the company paid the property's assessed value at the current tax rates for county, town and school taxes. Certain requirements are to be met by the company to be able to maintain their PILOT. These requirements, stated in the PILOT agreement, can be comprised of reaching and maintaining certain employment goals and paying their PILOT in a timely fashion. This promotes employment and economic development. The Agency will in turn pay the respective tax authorities. At the completion of the PILOT program, title to the property is transferred back to the third-party business owner and the property goes back on the respective tax rolls.

The Agency generates fees from PILOT agreements called "Administrative and Application Fees." The Agency also administers bonds for several projects and receives an administrative fee upon issuance of the bond.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Agency 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 Agency applies all applicable Governmental Accounting Standards Board (GASB) pronouncements including GASB Statement 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 Agency's only fund (single enterprise fund).

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 will report net position instead of net assets.

Budgetary Data

The budget policies are as follows:

By October of each year, the Chief Financial Officer 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 Agency considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents.

Certificates of Deposit

The Corporation records certificate of deposits at amortized cost.

Revenue Recognition

The Agency recognizes revenue annually in the period services are performed. Revenue is recognized for administrative services performed related to bond issuances in the period the services are performed generally when the related bond issuances are finalized.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

PILOT receipts and PILOT payments related to the property not owned by the Agency to the respective taxing authorities are accounted for as pass through transactions and are not included in the revenues or expenses of the Agency. The Agency has the responsibility for administering the program, but the jurisdictions ultimately bear the risk of loss if PILOT payments are not paid by the respective companies. Participants in the PILOT program are instructed to pay the taxing authorities directly.

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.

Project pass-thru fees and expenses

The Agency incurs costs as part of its project oversight due diligence. Project owners provide the Agency with advanced funds that remain in escrow. The funds are recognized as project pass-thru fees and expenses on the Statement of Revenues, Expenses and Changes in Net Position as the costs are incurred.

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 considering the rapidly evolving landscape. 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 evolve into a severe worldwide health crisis, the disease could have a material adverse effect on the Organization's activities, results of operations, financial condition and cash flow.

Subsequent Events

Subsequent events have been evaluated through May 27, 2021, which is the date the financial statements were available to be issued.

NOTE 3 — CONCENTRATIONS

Credit Risk

The Agency's investment policies are governed by New York State statutes. The Agency's funds must be deposited in FDIC insured commercial banks or trust companies located within New York State. The Agency 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 the New York State and its municipalities and school districts. The certificates of deposit shown above are covered by pledged collateral.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 3 — CONCENTRATIONS (Continued)

As of December 31, 2020 and 2019, cash and cash equivalents were covered by federal depository insurance up to \$250,000. The following is a summary of cash and cash equivalents as included in the statements of net position at December 31, 2020 and 2019:

	2020		2019	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Checking and Savings Accounts	\$ 497,066	\$ 521,879	\$ 679,202	\$ 724,465
Certificates of deposit:	200,524	200,635	253,175	253,175
Total	<u>\$ 697,590</u>	<u>\$ 722,514</u>	<u>\$ 932,377</u>	<u>\$ 977,640</u>
FDIC Coverage		\$ 450,635		\$ 250,000
Pledged Collateral		596,564		920,748
In Excess		<u>\$ (324,685)</u>		<u>\$ (193,108)</u>
			2020	2019
Greene County Bank CD (1.85% due 05/10/2020)			\$ -	\$ 126,525
Greene County Bank CD (2% due 08/10/2020)			-	126,650
Rhinebeck Bank CD (0.65% due 07/29/2021)			200,524	-
Total			<u>\$ 200,524</u>	<u>\$ 253,175</u>

Project fees

Project fees totaling \$150,000 and \$239,530 for the years ended December 31, 2020 and 2019 were derived from one and four project applicants, respectively.

NOTE 4 — CONDUIT DEBT OBLIGATIONS

From time to time, the Ulster County Industrial Development Agency issues Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the interest of the public. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County of Ulster Industrial Development Agency, 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, outstanding bonds totaled \$7,886,594 and \$9,174,169, respectively.

NOTE 5 — RELATED PARTY TRANSACTIONS

As of December 31, 2020 and 2019, the amount due from Ulster County Capital Resource Corporation (UCCRC) 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 Ulster County Capital Resource 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.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 6 — LEGAL SETTLEMENT

During the year ended December 31, 2019, the Agency settled a lawsuit for the denial of benefits to a project applicant. The Agency expensed \$33,012 and \$61,466 in legal fees for the years ended December 31, 2019 and 2018, respectively, and recovered \$80,000 in 2019.

NOTE 7 — GRANTS

In response to COVID-19, the Agency authorized a grant program during the year ended December 31, 2020 to reimburse the cost of personal protective equipment to Ulster County businesses and charities. The agency authorized \$200,000. \$141,904 was issued for direct grants, and \$17,139 was spent to administer the program during the year ended December 31, 2020. At December 31, 2020, the grant program had \$40,957 of unspent funds which were spent in 2021.

SUPPLEMENTARY INFORMATION

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 Industrial Development Agency
A Component Unit of Ulster County, 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 Industrial Development Agency as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Ulster County Industrial Development Agency's basic financial statements, and have issued our report thereon dated May 27, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ulster County Industrial Development Agency's internal control over financial reporting (internal control) as a basis for designing 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 Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Ulster County Industrial Development Agency'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 Industrial Development Agency'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.

The logo for UHY LLP, featuring the letters 'UHY' in a large, stylized, cursive font, with 'LLP' in a smaller, simpler font to the right.

Kingston, New York
May 27, 2021

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL

Year ended December 31, 2020

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Administrative fees	\$ -	\$ 37,250	\$ 37,250	\$ -
Application fees	2,000	3,000	2,000	(1,000)
Miscellaneous and late fees	-	14,550	13,050	(1,500)
Project fees	150,000	150,000	150,000	-
Project pass-thru fees	5,000	12,500	14,268	1,768
Investment earnings	10,000	5,150	4,970	(180)
Total revenues	167,000	222,450	221,538	(912)
Expenditures:				
Administrative	97,000	147,000	134,623	12,377
Contracts for services	5,500	2,480	2,326	154
Grants	-	200,000	159,043	40,957
Insurance	2,500	3,200	3,063	137
Membership dues	1,000	750	850	(100)
Miscellaneous	5,000	14,170	655	13,515
Project pass-thru expenses	5,000	12,500	14,168	(1,668)
Professional	36,000	49,100	47,821	1,279
Website	15,000	2,000	1,499	501
Total expenditures	167,000	431,200	364,048	67,152
Total revenues in excess of expenditures (expenditures in excess of revenues)	\$ -	\$ (208,750)	\$ (142,510)	\$ 66,240

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF CONDUIT DEBT OBLIGATIONS

Year ended December 31, 2020

<u>Bonds Listing</u>	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Final Maturity Date
Amthor	\$ 800,270	\$ -	\$ 65,111	\$ 735,159	2029
Benedictine	1,100,000	-	535,000	565,000	2021
Partition Street	6,244,899	-	402,464	5,842,435	2022
Selux	390,000	-	120,000	270,000	2024
Viking Industries	639,000	-	165,000	474,000	2026
	<u>\$ 9,174,169</u>	<u>\$ -</u>	<u>\$ 1,287,575</u>	<u>\$ 7,886,594</u>	

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF PROJECTS AND EXEMPTIONS

Year ended December 31, 2020

Project Code	Project Owner	Real Property Tax Exemptions County	Real Property Tax Exemptions Local	Real Property Tax Exemptions School	Sales Tax	Mortgage Recording	Total Exemptions
5101-13-02a	Ulster NH Realty LLC 99 Golden Hill Drive Kingston, NY 12401	\$ -	\$ -	\$ 313,884	\$ -	\$ -	\$ 313,884
5101-16-01	2007 Route 9W, LLC 10 Lumen Lane Highland, NY 12528	4,338	5,581	26,289	-	-	36,209
5101-11-02	Central Hudson Tomson Rd & NYS Rt 212 Saugerties, NY 12477	35,296	54,943	177,077	-	-	267,316
5101-15-01	Darien Lake Kingston, LLC 8250 Park Road Batavia, NY 14020	42,096	70,008	303,339	-	-	415,443
5101-13-02	Golden Hill Acquisition, LLC 99 Golden Hill Drive Kingston, NY 12401	39,361	141,976	-	-	-	181,337
5101-98-02	Hudson River Valley LLC 24 Lohmaier Lane Lake Katrine, NY 12449	125,377	208,510	903,858	-	-	1,237,744
5101-09-001	Jimlee Realty 203 Malden Turnpike Saugerties, NY 12477	8,380	13,045	-	-	-	21,425

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF PROJECTS AND EXEMPTIONS (CONTINUED)

Year ended December 31, 2020

<u>Project Code</u>	<u>Project Owner</u>	<u>Real Property Tax Exemptions County</u>	<u>Real Property Tax Exemptions Local</u>	<u>Real Property Tax Exemptions School</u>	<u>Sales Tax</u>	<u>Mortgage Recording</u>	<u>Total Exemptions</u>
5101-03-02	Kingston Medical Properties 111 Marys Ave Kingston, NY 12401	10,306	37,174	82,185	-	-	129,665
5101-98-03	Lasalle New Paltz Medical Office New Paltz, NY 12561	19,802	56,781	112,137	-	-	188,720
5101-13-01	MHMG-KM Kingston, LLC 1561 Ulster Avenue Lake Katrine, NY 12449	187,395	311,650	1,350,349	-	-	1,849,393
5101-11-01	MHVFCU - Port Ewen 185 Broadway Port Ewen, NY 12466	4,422	3,960	28,082	-	-	36,463
5101-10-01	PSH Development 2976 Route 9W Saugerties, NY 12477	5,886	9,162	29,528	-	-	44,576

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF PROJECTS AND EXEMPTIONS (CONTINUED)

Year ended December 31, 2020

<u>Project Code</u>	<u>Project Owner</u>	<u>Real Property Tax Exemptions County</u>	<u>Real Property Tax Exemptions Local</u>	<u>Real Property Tax Exemptions School</u>	<u>Sales Tax</u>	<u>Mortgage Recording</u>	<u>Total Exemptions</u>
5101-10-002	Partition Street Partition and Dock Streets Saugerties, NY 12477	17,110	42,274	85,838	-	-	145,222
5101-09-002	Rocking Horse Ranch 600 Route 44/55 Plattekill, NY 12568	2,483	2,272	-	-	-	4,755
5101-17-03	Saugerties NY Hospitality LLC 2778 Route 32 Saugerties, NY 12477	16,988	26,444	85,226	-	-	128,658
5101-12-02	Stavo Industries, Inc. 132 Flatbush Avenue Kingston, NY 12401	8,058	29,067	64,263	-	-	101,388
5101-17-02	UPAC, LLC 601 Broadway Kingston, NY 12401	13,517	48,755	107,789	-	-	170,061
5101-12-01	Wolf-tec, Inc. 132 Flatbush Avenue Kingston, NY 12401	13,093	47,225	104,407	-	-	164,725

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF PROJECTS AND EXEMPTIONS (CONTINUED)

Year ended December 31, 2020

Project Code	Project Owner	Real Property Tax Exemptions County	Real Property Tax Exemptions Local	Real Property Tax Exemptions School	Sales Tax	Mortgage Recording	Total Exemptions
5101-18-01	Henry Stout and Creative Environments, LLC 1 Valley View Road Big Indian, NY 12410	10,050	15,501	31,628	-	-	57,178
5101-18-03	Hudson Valley Kingston Development, LLC and Sojourn Hotel, LLC 161 Chrystie Street New York, NY 10002	10,805	38,975	93,122	64,668	-	207,571
5101-18-04	Landmark Preservation, LP 295 Broadway Kingston, NY 12401	42,683	153,957	530,032	-	-	726,671
5101-18-02	Marlboro Distr. RTE 9 LLC 1100 NYS Route 9W Marlboro, NY 12542	-	-	111,813	-	-	111,813
5101-17-04	The Greenhouses Hotel, LLC 2187 Bruynswick Road Walkkill, NY 12589	8,049	6,967	50,173	-	-	65,190
5101-07-02	Woodland Ponds 60 Park Lane, Suite 5 Highland, NY 12528	148,248	425,101	839,527	-	-	1,412,876

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF PROJECTS AND EXEMPTIONS (CONTINUED)

Year ended December 31, 2020

<u>Project Code</u>	<u>Project Owner</u>	<u>Real Property Tax Exemptions County</u>	<u>Real Property Tax Exemptions Local</u>	<u>Real Property Tax Exemptions School</u>	<u>Sales Tax</u>	<u>Mortgage Recording</u>	<u>Total Exemptions</u>
5101-19-02	Inness NY LLC 161 Chrystie Street New York, NY 10002	-	-	23,345	200,091	-	223,436
5101-19-01	Star Estate Development Group LLC 1835 Broadway West Park, NY 12493	-	-	27,465	37,666	1,725	66,856
5101-19-03	Ham III Realty, LLC PO Box 808 Milton, NY 12547	-	-	-	89,572	-	89,572
		<u>\$ 773,741</u>	<u>\$ 1,749,328</u>	<u>\$ 5,481,356</u>	<u>\$ 391,996</u>	<u>\$ 1,725</u>	<u>\$ 8,398,147</u>

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Ulster County, New York)
SCHEDULE OF PILOTS
Year ended December 31, 2020

Project Name	Project Code	County		School	Total
		PILOT	Local PILOT	PILOT	PILOTS
2007 Route 9W, LLC	5101-16-01	\$ 809	\$ 1,041	\$ 10,250	\$ 12,101
Central Hudson	5101-11-02	44,712	69,600	220,529	334,841
Darien Lake Kingston, LLC	5101-15-01	12,968	21,567	93,448	127,983
Golden Hill Acquisition, LLC	5101-13-02	12,982	46,797	-	59,779
Henry Stout and Creative Enviroments, LLC	5101-18-01	4,962	7,654	15,617	28,233
Hudson River Valley LLC	5101-98-02	93,005	154,674	670,577	918,256
Hudson Valley Kingston Development, LLC and Sojourm Hotel, LLC.	5101-18-03	7,297	26,322	58,193	91,813
Inness NY LLC	5101-19-02	-	-	23,345	23,345
Jimlee Realty	5101-09-001	4,883	7,600	-	12,483
Kingston Medical Properties	5101-03-02	4,220	15,223	33,655	53,098
LaSalle New Paltz	5101-98-03	-	12,151	-	12,151
Landmark Preservation, L.P.	5101-18-04	30,203	108,943	229,354	368,500
MHMG-KM Kingston, LLC	5101-13-01	19,907	33,107	143,466	196,479
MHVFCU- Port Ewen	5101-11-01	2,696	2,415	16,531	21,643
Marlboro Distr. RTE 9 LLC.	5101-18-02	-	-	64,563	64,563
PSH Development	5101-10-01	3,607	5,615	18,098	27,321
Partition Street	5101-10-002	9,636	23,809	48,343	81,788
Rocking Horse Ranch	5101-09-002	1,242	1,136	-	2,378
Saugerties NY Hospitality, LLC	5101-17-03	1,799	2,800	9,024	13,623
Star Estate Development Group LLC	5101-19-01	-	-	-	-
Stavo Industries, Inc.	5101-12-02	5,524	19,926	41,950	67,400
The Greenhouses Hotel, LLC.	5101-17-04	-	-	-	-
Ulster NH Realty LLC	5101-13-02a	-	-	94,361	94,361
UPAC, LLC	5101-17-02	-	-	-	-
Wolf-tec, Inc.	5101-12-01	6,516	23,503	49,481	79,500
Woodland Ponds	5101-07-02	79,510	242,995	442,496	765,000
	Total	<u>\$ 346,479</u>	<u>\$ 826,877</u>	<u>\$ 2,283,282</u>	<u>\$ 3,456,638</u>

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF FULL TIME EQUIVALENT JOBS

Year ended December 31, 2020

Project Name	Project Code	# of FTE			# of Current FTE Employees	# of FTE Construction Jobs Created During Fiscal Year
		Employees at Project Location Before IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained		
2007 Route 9W, LLC	5101-16-01	21	5	21	25	0
Amthor	5101-09-003	29	10	29	0	0
Benedictine Hospital	5101-06-04	726	0	726	424	0
Central Hudson	5101-11-02	6	0	6	0	0
Darien Lake Kingston, LLC	5101-15-01	0	27	0	15	0
Gardiner Library	5101-07-03	2	3	2	3	0
Golden Hill Acquisition, LLC	5101-13-02	279	11	279	265	0
Ham III Realty, LLC	5101-19-03	135	20	135	144	0
Henry Stout and Creative Environments, LLC	5101-18-01	47	6	47	22	0
Hudson River Valley LLC	5101-98-02	0	383	0	329	0
Hudson Valley Kingston Development, LLC and Sojourn Hotel, LLC	5101-18-03	0	50	0	20	0
Inness NY LLC	5101-19-02	2	10	2	2	0
Jimlee Realty	5101-09-001	38	31	38	69	0
Kingston Medical Properties	5101-03-02	51	0	51	47	0
LaSalle New Paltz	5101-98-03	28	46	28	145	0
Landmark Preservation, L.P.	5101-18-04	0	8	0	11	0
MHMG-KM Kingston, LLC	5101-13-01	88	54	88	122	0
MHVFCU - Port Ewen	5101-11-01	0	7	0	9	0
Marlboro Distr. RTE 9 LLC.	5101-18-02	11	13	11	8	0
PSH Development	5101-10-01	0	11	0	11	0
Partition Street	5101-10-002	0	40	0	50	0
Rocking Horse Ranch	5101-09-002	225	24	225	161	0
Saugerties NY Hospitality, LLC	5101-17-03	0	11	0	11	0
Selux Corporation	5101-01-04	122	36	122	171	0
Star Estate Development Group LLC	5101-19-01	2	26	2	0	0
Stavo Industries, Inc.	5101-12-02	51	8	51	63	0
The Greenhouses Hotel, LLC	5101-17-04	0	17	0	4	0
Ulster NH Realty LLC	5101-13-02a	330	0	330	201	0
UPAC, LLC	5101-17-02	13	3	13	13	0
Viking Industries	5101-98-07	62	10	62	75	0
Wolf-tec, Inc.	5101-12-01	74	31	74	97	0
Woodland Ponds	5101-07-02	0	126	0	208	0

See notes to financial statements.