

OFFICIAL STATEMENT

NEW/RENEWAL ISSUE

STANDARD & POOR'S: "AA/STABLE OUTLOOK"

SERIAL BONDS & BOND ANTICIPATION NOTES

See "BOND RATING" herein

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds and Notes is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds and Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and Notes. See "TAX MATTERS" herein.

The Bonds and Notes will not be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$27,964,054

COUNTY OF ULSTER, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE #: 903766

\$8,673,654 Public Improvement (Serial) Bonds, 2020

(referred to herein as the "Bonds")

Dated: November 18, 2020

Due: November 15, 2021-2034

MATURITIES**

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2021	\$ 563,654	%	%		2026	\$ 600,000	%	%		2031	\$ 655,000*	%	%	
2022	570,000				2027	610,000				2032	665,000*			
2023	580,000				2028	620,000*				2033	675,000*			
2024	585,000				2029	630,000*				2034	690,000*			
2025	590,000				2030	640,000*								

* The Bonds maturing in the years 2028-2034 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption."

** Subject to change pursuant to the accompanying Notice of Bond Sale in order to achieve substantially level or declining annual debt service.

\$19,290,400 Bond Anticipation Notes, 2020

(the "Notes")

Dated: November 18, 2020

Due: November 18, 2021

(collectively referred to herein as the "Bonds and Notes")

The Bonds and Notes are general obligations of the County of Ulster, New York (the "County"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX LEVY LIMITATION LAW" and "NATURE OF OBLIGATION" herein.

The Notes will not be subject to redemption prior to maturity. The Bonds maturing in the years 2028-2034 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption."

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination with regard to the 2020 maturity which is or includes \$8,654. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on May 15, 2021, November 15, 2021 and semi-annually thereafter on May 15 and November 15 in each year until maturity. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, except for one necessary odd denomination with regards to the 2020 maturity which is or includes \$8,654. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than \$8,673,654 and accrued interest, if any, on the total principal amount of the Bonds. Proposals must be accompanied by a good faith deposit in the form of a wire transfer or certified or cashier's check, payable to the order of the County of Ulster, New York, in the amount of \$173,473.

At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the County.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$5,400. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the County to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

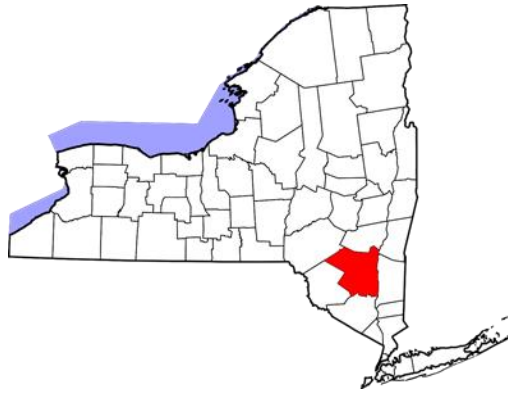
The Bonds and Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective approving legal opinions as to the validity of the Bonds and Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about November 18, 2020.

ELECTRONIC BIDS for the Bonds and Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on November 5, 2020 until 11:00 A.M., Eastern Time, pursuant to the respective Notices of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the County, each bid will constitute an irrevocable offer to purchase the Bonds and Notes pursuant to the terms provided in the respective Notices of Sale.

October 23, 2020

THE COUNTY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDERS, AS MORE FULLY DESCRIBED IN THE RESPECTIVE NOTICES OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE COUNTY WILL COVENANT IN AN UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE AS DEFINED IN THE RULE WITH RESPECT TO THE BONDS. SEE "CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS" HEREIN. THE COUNTY WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE WITH RESPECT TO THE NOTES. SEE "MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES" HEREIN.

COUNTY of ULSTER, NEW YORK



COUNTY LEGISLATURE

DAVID B. DONALDSON

Chairman

LYNN ARCHER
TRACEY A. BARTELS
AL BRUNO
BRIAN CAHILL
THOMAS CORCORAN, JR.
PETER CRISWELL
JAMES H. DELAUNE
DEAN FABIANO
JOHN GAVARIS
MANNA JO GREENE
HEIDI HAYNES

JONATHAN R. HEPPNER
HERBERT LITTS, III
CRAIG V. LOPEZ
MARY BETH MAIO
JOHN R. PARETE
LAURA PETIT
KEVIN A. ROBERTS
KENNETH J. RONK, JR.
ABE UCHITELLE
EVE WALTER
MARY WAWRO

COUNTY ADMINISTRATION

PATRICK K. RYAN

County Executive

BURTON GULNICK, JR.

Commissioner of Finance

NINA POSTUPACK

County Clerk

CLINTON JOHNSON, ESQ.

County Attorney



ORRICK, HERRINGTON & SUTCLIFFE LLP

Bond Counsel



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor

No person has been authorized by the County to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds and Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County.

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OFFICIAL STATEMENT
of the
COUNTY OF ULSTER, NEW YORK
Relating To
\$8,673,654 Public Improvement (Serial) Bonds, 2020
And
\$19,290,400 Bond Anticipation Notes, 2020

This Official Statement, which includes the cover page and all appendices, has been prepared by the County of Ulster, New York (the "County", and "State", respectively) in connection with the sale by the County of \$8,673,654 Public Improvement (Serial) Bonds, 2020 (referred to herein as the "Bonds") and \$19,290,400 Bond Anticipation Notes, 2020 (referred to herein as the "Notes") (collectively referred to herein as the "Bonds and Notes").

The factors affecting the County's financial condition and the Bonds and Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the County's tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York, and acts and proceedings of the County contained herein do not purport to be complete, and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and Notes and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and Notes and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the County's overall economic situation and outlook (and all of the specific County related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify.

NATURE OF OBLIGATION

Each bond and note, when duly issued and paid for will constitute a contract between the County and the holder thereof.

Holders of any series of notes or bonds of the County may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds and Notes will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the County has power and statutory authorization to levy ad valorem taxes on all real property within the County subject to such taxation by the County, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes. See "TAX LEVY LIMITATION LAW," herein.

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the County's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

THE BONDS

Description of the Bonds

The Bonds are general obligations of the County, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Bonds will be dated November 18, 2020 and will mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption." The "Record Date" of the Bonds will be the last business day of the calendar month preceding each such interest payment date. Interest will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination with regard to the 2021 maturity which is or includes \$8,654. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on May 15, 2021, November 15, 2021 and semi-annually thereafter on May 15 and November 15 in each year until maturity. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See “BOOK-ENTRY-ONLY SYSTEM” herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, except for one necessary odd denomination with regard to the 2021 maturity which is or includes \$8,654 and the County will act as paying agent. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Optional Redemption – The Bonds

The Bonds maturing on or before November 15, 2027 shall not be subject to redemption prior to maturity. The Bonds maturing on or after November 15, 2028 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the County on November 15, 2027 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the County by lot in any customary manner of selection as determined by the County Commissioner of Finance. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Purpose of Issue – The Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the County Law and the Local Finance Law and bond resolutions adopted by the County Legislature for the following purposes:

<u>Purpose</u>	<u>Authorization Date</u>	<u>Authorized Amount</u>	<u>Amount Outstanding</u>	<u>Paydown</u>	<u>New Money</u>	<u>Total Bond Amount</u>
	12/18/2012 & 12/17/15 & 6/20/17					
South Putt Corners Road Addition	& 10/17/17	\$ 807,076	\$ 803,000	\$ 499,000	\$ -	\$ 304,000
	2/15/2017 & 6/20/2017					
Reconstruction of Various Road Shoulders	6/20/2017	329,000	-	-	315,000	315,000
Public Works Adm. Building	03/22/17	148,000	148,000	56,000	-	92,000
New Paltz Road & South Chodikee Lake	03/22/17	320,000	320,000	204,000	-	116,000
Lucas Turnpike Shoulders	7/18/17 & 5/15/18	288,000	288,000	97,767	-	190,233
Replacement of Roofs - County Buildings	08/15/17	1,580,000	1,250,000	35,000	36,000	1,251,000
Mass Transit Buses	12/19/17	1,837,909	500,000	413,000	-	87,000
Donahue Bridge Reconstruction	05/15/18	236,930	200,000	-	-	200,000
Ashokan Rail Trail	7/17/2018 & 11/20/18	10,928,048	7,000,000	1,636,079	-	5,363,921
Replacement of Stone House Bridge & Enderly	02/19/19	350,000	275,000	-	62,500	337,500
Reconstruct slope on Old Tongore Road	04/16/19	532,000	532,000	115,000	-	417,000
		Total:	\$ 11,316,000	\$ 3,055,846	\$ 413,500	\$ 8,673,654

The proceeds of the Bonds, together with \$3,055,846 in available funds, will be used to redeem a \$11,316,000 portion of \$29,430,855 bond anticipation notes outstanding which mature on November 19, 2020 and will provide \$413,500 in new money to permanently finance the aforementioned purposes.

THE NOTES

Description of the Notes

The Notes are general obligations of the County, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX LEVY LIMITATION LAW" herein.

The Notes are dated November 18, 2020 and will mature, without option of prior redemption, on November 18, 2021. Interest on the Notes will be calculated on a 30-day month and 360-day year basis.

The Notes will be issued in registered certificated form at the option of the Purchaser(s) either (i) requested in the name of the purchaser, in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$5,400; or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption – The Notes

The Notes are not subject to redemption prior to maturity.

Purpose of Issue – The Notes

The Notes are issued pursuant to the Constitution and statutes of the State including among others, the Local Finance Law and various bond resolutions to provide funds for the following purposes and in the following amounts:

<u>Purpose</u>	<u>Authorization Date</u>	<u>Authorized Amount</u>	<u>Amount Outstanding</u>	<u>Paydown</u>	<u>New Money</u>	<u>Total BAN Amount</u>
HVAC Weatherization Various County Bld.	08/15/15	\$ 2,500,000	\$ 962,000	\$ 17,000	\$ 255,000	\$ 1,200,000
Road Reconstruction	01/26/16	425,000	220,000	110,000	-	110,000
Technology Upgrade - UCCC	07/19/16	300,000	50,000	10,000	-	40,000
Fire Training Center - Eng. & Design	08/16/16 & 10/16/18	6,877,855	6,877,855	92,855	-	6,785,000
Public Safety Enterprise Software	12/20/16	3,000,000	3,000,000	670,000	-	2,330,000
Reconstruction of Roads	02/15/17	425,000	300,000	60,000	-	240,000
	7/18/17 & 5/15/18 &					
Wolven Bridge on Zena Road - Engin.	9/20/18	284,409	50,000	-	-	50,000
Clean Energy Project - Law Enforcement	03/20/18	523,000	300,000	-	200,000	500,000
Highway Safety Program	03/20/18	400,000	400,000	30,000	-	370,000
Reconstructinon of Various Roads	04/17/18	425,000	425,000	95,000	-	330,000
Service Shelter at Veterans Cemetery (Design)	11/20/2018 & 7/16/19	170,400	100,000	-	70,400	170,400
Mass Transit Buses	12/18/18	763,459	450,000	-	-	450,000
Prelim. Eng. Maltby Hollow Bridge	02/19/19	120,000	100,000	60,000	-	40,000
Replace Stone Arch Bridge	02/19/19	235,000	235,000	-	-	235,000
Cameras and Software	03/19/19	320,826	275,000	20,000	-	255,000
Road Reconstruction	03/19/19	425,000	425,000	-	-	425,000
Purchase County Fleet Vehicles	04/16/19	805,000	805,000	-	-	805,000
Highway and Bridge Equipment	04/16/19	2,545,000	2,545,000	-	-	2,545,000
Replace Shawangunnk Kill Bridge	04/16/19	595,000	595,000	245,000	-	350,000
UCCC-SUNY Ulster Tech Eq.	06/18/19	300,000	-	-	150,000	150,000
Eng/Design Ulster County Fairgrounds	07/16/19	90,000	-	-	45,000	45,000
Improvements to Creekside Drive	08/20/19	360,000	-	-	360,000	360,000
HVAC County Information Building	10/15/19	74,600	-	-	70,000	70,000
Replace Existing Closed Drainage	11/19/19	560,000	-	-	560,000	560,000
Floyd Ackert Bridge Superstructure	02/18/20	175,000	-	-	175,000	175,000
Reconstruction of Roads	02/18/20	650,000	-	-	650,000	650,000
Superstructure for Various Bridges	03/17/20	390,000	-	-	50,000	50,000
Total:			\$ 18,114,855	\$ 1,409,855	\$ 2,585,400	\$ 19,290,400

The proceeds of the Notes, together with \$1,409,855 in budgeted appropriations, will partially redeem and renew a \$18,144,855 portion of \$29,430,855 bond anticipation notes outstanding which mature on November 19, 2020 and will provide \$2,585,400 in new money for the aforementioned purposes.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds and Notes, if requested. The Bonds and Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. The Bonds and Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC. One fully-registered note certificate will be issued for Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

Purchases of Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Bonds and Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds and Notes within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Principal and interest payments on the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and Notes at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond and note certificates will be printed and delivered.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS AND NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS AND NOTES, (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS AND NOTES, OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS AND NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS AND NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS AND NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE COUNTY MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving reasonable notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof, except for one necessary odd denomination with regard to the 2020 maturity which is or includes \$8,235. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the County upon termination of the book-entry-only system. Interest on the Bonds will remain payable May 15, 2021, November 15, 2021 and semi-annually thereafter on May 15 and November 15 in each year to maturity. Such interest will be payable by check drawn by the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply:

The Notes will be issued in registered certificated form registered in the name of the holder in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$5,855. Principal of and interest on the Notes will be payable at the County. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE COUNTY

General Information

The County is located in the east central portion of the State on the west side of the Hudson River between New York City and Albany. It is one of the original twelve counties of the State, founded on November 1, 1683. The County covers an area of 1,142.8 square miles. The southern border of the County is 70 miles north of New York City. Within the County are a variety of recreational, commercial, educational, residential and cultural facilities. The County includes a large part of the Catskill and Shawangunk Mountains.

The communities of the County reflect great diversity: Kingston is the County seat and service center, and is located on the Hudson River; immediately north of Kingston is the Town of Ulster, the retail/commercial center of the County; Woodstock is an art colony and cultural center located in the deeply wooded area slightly northwest of Kingston; New Paltz is the location of a State University of New York liberal arts college and is situated on the Wallkill River, 20 miles south of Kingston. The seventeenth century homes and churches along Huguenot Street in New Paltz comprise a national historic site; Saugerties, a Hudson River town is 10 miles north of Kingston. Phoenicia is a hunting and fishing center 24 miles northwest of Kingston in the Catskill Mountains and is a year-round resort and second home residential area; Hurley, one of the oldest communities in the County, is dotted with rugged, seventeenth-century stone homes, and is an agricultural and residential center; Highland is the center of the Hudson Valley wine industry with apple, peach and grape orchards and a growing manufacturing and retail base tied closely with the Poughkeepsie urbanized area on the east side of the Hudson. The southern tier of the County is experiencing residential growth pressure from neighboring Orange County. Ellenville is a vacation center and home of several resort hotels and is a recreational and trading center for several counties.

Source: County officials.

Education

Elementary and secondary education facilities are provided by 15 school districts. Seven of the districts are completely within the County and an additional eight are partially within the County. Higher education facilities are available at the State University of New York at New Paltz offering undergraduate and graduate degree programs in the liberal arts, business administration, and sciences, the fine and performing arts and education. The 257-acre campus has an enrollment of approximately 8,250. Ulster County Community College at Stone Ridge is a two-year college offering programs in liberal arts and sciences, nursing, fire protection technology, water quality monitoring, GIS and Computer Technology and business and secretarial courses.

Source: County officials.

Recreation

The County's Catskill and Minnewaska Mountains provide access to numerous scenic trails and form a natural backdrop to its many vacationers. Visitors may avail themselves of many recreational opportunities, historical sites or antique hunting. Many communities have their own swimming pools and numerous private/public golf courses are easily accessed. The County maintains town major parks with swimming facilities and campgrounds, resorts, dude ranches and ski facilities offer private recreational facilities. The County's Esopus Creek offers world-class trout fishing, the Hudson River offers access to sturgeon, with other lakes and streams offer freshwater fishing opportunities. Areas along the Hudson River now host glamping during the summer. The County also has about 50 miles of rail trails. The County is looking to expand on this network by among other things connecting the Ashokan Reservoir to the Walkway over the Hudson. The Walkway provides convenient access to the nearby Metro-North Station in Poughkeepsie with its trains to New York City. As of 2018, the Hudson Valley Rail Trail now extends past Highland and into the Town of New Paltz. Construction of this trail has begun in the Village of New Paltz, and will connect with the Wallkill Valley Rail Trail using on- and off-road facilities. The Midtown Linear Park in Kingston is a third complete. Both the Midtown Linear Park and the Hudson Valley Rail Trail will form segments of the future Empire State Rail Trail. The Kingston Rail Trail is having its construction plans and easement acquisitions finalized. It will connect Kingston to the O&W Rail Trail and towns in the Rondout Valley. The Ashokan Rail Trail continues to make progress with large segments of its surface completed.

Source: County officials.

Health Care

There are three voluntary, non-profit hospitals located in the County. In 2013, the Health Alliance of the Hudson Valley which was created in 2006, combined the functions of two hospitals, Benedictine Hospital (renamed Mary's Ave Campus), in the City of Kingston, which has a 222-bed capacity and Kingston Hospital (renamed Broadway Campus), also in Kingston, which has a 160- bed capacity. The third hospital is Ellenville Regional Hospital, a 25-bed facility serving the southwestern portion of the County. The Ellenville Regional Hospital offers rooms to patients on an individual basis. Both hospitals with the Health Alliance have postgraduate and continuing education affiliation with Albany Medical Center and Albany Medical College. Ellenville is also affiliated with the Westchester County Health Care Corporation. Health Quest opened small healthcare facilities in Kingston during the last few years, and last year opened a multispecialty center in Highland. Health Quest has another center under construction in Lake Katrine in a previously vacant area of the Hudson Valley Mall.

Source: County officials.

Transportation

The County stands between the nation's two most populous markets: New York and New England. Both can be reached via the New York State Thruway. The Thruway interconnects with other major roads: The Northway, the Massachusetts Turnpike, the New Jersey Turnpike and Interstates 84 and 95. In the early days the Hudson River was an inducement to industry, and it still carries river shipping south to New York City and north to Albany.

The Thruway has three exits serving the County for New Paltz, Kingston, and Saugerties, which connect with the roads that interlace the County. Route 28 heads northwest toward Woodstock, Shokan and Phoenicia. Route 209 heads southwest toward Ellenville. Route 52 bisects Ellenville and connects with Route 17. Routes 9W and 32 provide north-south travel. Access to the east bank of the Hudson River is available across the Kingston-Rhinecliff Bridge or Mid-Hudson Bridge. Albany Airport, about one hour north by auto, is served by American, Boutique Air, Cape Air, Delta, JetBlue, Southwest and United. Stewart Airport, just south of the County border, is served by five (5) airlines: Allegiant, American, Delta, JetBlue and Norwegian Air. Domestic passenger traffic increased from 366,130 in 2018 to 369,954 in 2019. International passenger traffic at Stewart accounted for 159,591 individuals in 2019. Norwegian Air currently concentrates its service between Stewart and Dublin, Ireland. Stewart is also the home of an active air freight terminal which houses Airborne, Emery and Federal Express. The National Guard uses the airport for a variety of flights, including transporting of supplies. Three private airports are located within the County. The airport complex of New York City - New Jersey is an hour and one-half south. The County is served by four bus systems - Adirondack Trailways, Short Line, Kingston CitiBus and Ulster County Area Transportation (UCAT).

Adirondack Trailways provides most of the regular inter-city bus service to and from points in Ulster County to New York City. In addition to relatively frequent service to New York City's Port Authority Bus Terminal, there is direct service to Long Island, Westchester County, Albany, Oneonta and intermediate points. New Paltz sees a lot of this inter-city bus service because it is a tourist destination and has a campus the State University of New York. From New Paltz, there are generally 20 departures to New York on weekdays, 14 Saturday departures, and 18 Sunday departures. Returning to New Paltz, there are up to 22 trips on weekdays, 17 on Saturdays, and 18 trips on Sundays. Some additional trips are added during peak travel periods, such as Friday afternoons. The fare between New York and New Paltz is \$23 for a one-way ticket. Trailways' bus terminal in Kingston is currently being renovated, and will be able to accommodate more bus traffic. Trailways service was suspended because of the COVID-19 pandemic, but modified service began on June 1st.

The Ulster-Poughkeepsie LINK is a Federal and State funded project which provides a regional public transit shuttle linking Ulster County and Poughkeepsie. The service reduces the number of single occupancy vehicles (SOV) crossing the bridge between Ulster County and Dutchess County, improves air quality and reduces the need for parking at the Poughkeepsie Train Station. UCAT extends this service into Kingston, giving residents of Ulster County's largest municipality direct public transit access to the Metro North Station in Poughkeepsie.

Source: County officials.

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Ulster County Capital Resource Corporation (UCCRC)

The Ulster County Capital Resource Corporation (“UCCRC”) was formed on May 11, 2010 to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of Ulster County 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. The County Legislature appoints the entire governing board and is therefore exercises control over the organization. UCCRC has a fiscal year that ends December 31. UCCRC is presented discretely as a component unit of the County. UCCRC debt is not guaranteed or otherwise payable by the County. Separate financial statements may be obtained from the Ulster County Capital Resource Corporation, P.O. Box 4265, Kingston, N.Y. 12402.

Source: County officials.

Ulster County Economic Development Alliance (UCEDA)

The Ulster County Economic Development Alliance (“UCEDA”), formerly known as the Ulster County Development Corporation, promotes job growth, economic development and community revitalization for Ulster County by unified regional and national marketing and provides business financing through a variety of countywide and municipal revolving loan funds. UCEDA’s sole Member is the County of Ulster, New York acting by and through the County Executive, ex officio. The number of Directors of the Corporation is seven, established by resolution adopted by the member. UCEDA has a fiscal year that ends December 31. UCEDA is presented as a nonmajor governmental special revenue fund of the County. UCEDA debt is not guaranteed or otherwise payable by the County. Separate financial statements may be obtained from the Ulster County Economic Development Alliance, P.O. Box 1800, Kingston, N.Y. 12402.

Source: County officials.

Ulster County Industrial Development Agency (UCIDA)

The Ulster County Industrial Development Agency (“UCIDA”) is a quasi-governmental agency which has the authority to issue tax-exempt and taxable industrial revenue bonds for eligible projects in the County. UCIDA debt is not guaranteed or otherwise payable by the County. UCIDA was formed to promote and develop the economic growth of Ulster County and assist in attracting industry to the County. The County Legislature appoints the entire governing board and therefore exercises control over the agency. UCIDA has a fiscal year that ends December 31, and is presented discretely as a component unit of the County. Separate financial statements may be obtained from the Ulster County Industrial Development Agency, P.O. Box 4265, Kingston, NY 12402.

Source: County officials.

Ulster County Resource Recovery Agency (UCRRA)

The Ulster County Resource Recovery Agency (“UCRRA”) was created on December 31, 1986 by State Legislation (Chapter 936, Laws of New York), which amended the Public Authorities Law. The County entered into an agreement on January 26, 1988 with UCRRA to develop a plan and manage solid waste and recovery systems within the County. The County agreed to finance and fund UCRRA until a solid waste management plan was developed and implemented. The County approved a solid waste management plan on December 30, 1991, which was subsequently approved by the NYS Department of Environmental Conservation in April 1993. This plan enabled UCRRA to issue revenue bonds, to repay the County and finance the operating and capital expenditures for a solid waste management system. The County entered into a service agreement with UCRRA; whereby UCRRA will construct, maintain and operate the system. In exchange, the County has guaranteed to fund any operating, capital or debt service deficits with the payment to UCRRA of a net service fee pursuant to the terms set forth in the service agreement. In December of 2012 a countywide Flow Control Law was passed by the Ulster County Legislature and signed into law by the Ulster County Executive. The Flow Control Law mandates that all municipal solid waste generated within the County of Ulster must be brought to the UCRRA. The major financial impacts of this new law resulted in an increase in solid waste service fees, the elimination of County net service fees, and the ability of UCRRA to be self-sustaining. The UCRRA met all of its obligations for fiscal year 2016 and thereafter without the assistance of a County subsidy.

Source: County officials.

Population Trends

The County's population is as follows:

U.S. Census 1960	118,804
U.S. Census 1970	141,241
U.S. Census 1980	158,158
U.S. Census 1990	165,304
U.S. Census 2000	177,749
U.S. Census 2010	182,493
U.S. Census 2019 (estimated) .	177,573

Source: U.S. Census Bureau, Population Division.

Selected Wealth and Income Indicators

Per capita income statistics are available for the County and State. Listed below are select figures from the 2000, 2006-2010 and 2014-2018 American Community Survey 5-Year Estimates reports.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2014-18</u>	<u>2000</u>	<u>2006-2010</u>	<u>2014-18</u>
County of:						
Ulster	\$ 20,846	\$ 28,954	\$ 33,879	\$ 51,708	\$ 70,513	\$ 79,640
State of:						
New York	23,389	30,948	37,470	51,691	67,405	80,419

Note: 2015-2019 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2014-2018 American Community Survey data.

Unemployment Rate Statistics

Unemployment statistics are available for the County as such. The information set forth below with respect to the County is included for informational purposes only.

	<u>Annual Average</u>							
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Ulster County	8.3%	7.1%	5.7%	4.8%	4.4%	4.5%	3.9%	3.8%
New York State	8.5%	7.7%	6.3%	5.3%	4.9%	4.7%	4.1%	4.0%

	<u>2020 Monthly Figures</u>								
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Ulster County	4.2%	4.1%	4.1%	14.9%	10.8%	11.2%	12.4%	N/A	N/A
New York State	4.1%	3.9%	4.2%	15.1%	14.2%	15.6%	16.0%	N/A	N/A

Note: Unemployment rates for August and September 2020 are unavailable as of the date of this Official Statement. Unemployment rates for the foreseeable future are expected to increase substantially over prior periods as a result of the COVID-19 pandemic. (See "MARKET AND RISK FACTORS -COVID-19" herein).

Source: Department of Labor, State of New York. Figures not seasonally adjusted.

Local Economy

Tourism and agriculture are important contributors to the economy of the County. The County offers easy accessibility from the New York City Metropolitan area and a variety of seasonal activities, including skiing, hiking, wine tours and trout fishing. Major hotels include Mohonk Mountain House, Hudson Valley Resort Spa & Conference Center, Super 8, Holiday Inn, Courtyard by Marriott, Rocking Horse Ranch, Quality Inn, Comfort Inn, Pine Grove and Emerson Inn and Spa. Additional hotels include the Hampton Inn, Minnewaska Lodge, Howard Johnson Hotel and Ramada Inn. New hotels opened recently, namely the Holiday Inn Express and Residence Inn by Marriott in the Town of Ulster and Esopus Farms (hotel and campground) in the Town of Esopus. Construction on Star Vodka, which is a distillery with a hotel and restaurant, continues in Esopus. Visitor spending in Ulster County for 2018, the most recent year available, was approximately \$651,530,000, an increase from \$586,983,000 in 2017. Ulster County composes a large portion of the tourism revenues in the region.

Ulster County has a number of very large proposed destination resort projects such as Bellayre Resort by Crossroads Ventures and the redevelopment of the Williams Lake Hotel. Between the two projects, \$450 million of investment is anticipated, with the accompanying creation of 700 jobs. Some internal infrastructure has been completed for the Williams Lake project in Rosendale with the subdivision municipal approvals for the residential phase. The Williams Lake project is currently in the process of obtaining approvals from the county health department and New York State Department of Environmental Conservation for the water and sewer treatment plant, ahead of the hotel and resort phase. Ulster County has welcomed a new tourism destination, Diamond Mills, a resort and conference center in Saugerties, that used \$11 million in recovery zone facility bonds issued through the Ulster County Industrial Development Agency and are not debt to the County. The Walkway Over the Hudson has attracted well over a million visitors in its few years of operation and a major branding effort is now underway. The County is working with NYS Parks to connect the Walkway to other trails and to enhance the impact of this attraction on local business. Finally, there are upgrades to resort properties, such as the former Granit to the Hudson Valley Spa and Conference Center and the former Fallsview to Honor's Haven Resort and Spa.

Race horse breeding has become a major industry as the County is host to over 50 horse facilities of which 10 are used for breeding race horses (Source: Ulster County Horse Facilities). The County is among State's largest producer of fresh market apples and sweet corn. Agricultural sales have been steadily increasing with a total now estimated in excess of \$50 million. The County has around 71,000 acres within State Certified Agricultural Districts to help protect this valuable industry. Ulster County is now home to the Local Economies Project (LEP) whose major initiatives revolve around food hubs (infrastructure and marketing), farm hubs (farmer training and services), and education (farm-to-school and community). The LEP has already created a Farm Hub that serves as a regional center for farmer training, agricultural research and demonstration of innovative farm technologies at Gill Farms in Hurley, NY. Gill Farms, in operation since 1937, is located on 1,255 acres of highly productive prime farmland in one of the most scenic and productive agricultural regions in the Hudson Valley. An increasing number of landowners with forested land are renting to producers of maple products, converting large tracts of underutilized land into income producing properties.

New York State and institutional employers are also major components of the County's economic base. The State University of New York at New Paltz currently employs around 1,500 persons. New Paltz, with its proximity to New York City and Long Island, is steadily increasing in prestige, particularly its art programs. Ulster County Community College currently employs about 300 persons. It continues to see enrollment increases, opposite the statewide trend with community colleges.

The State Correctional Department operates four major detention facilities in the County, none of which are slated for closure. There are two such facilities located in Napanoch. One is the Eastern Correction Facility (maximum security), which employs approximately 650 people; the other is the Ulster Correctional Facility (medium security) which employs approximately 420 persons. The State Correctional Facility (Shawangunk, mixed security) presently employs approximately 400 persons and the Wallkill Correctional Facility presently employs approximately 280 persons. In addition, the New York State Unified Court System employs approximately 50 judiciary employees within Ulster County. The State also operates a youth residential facility in Highland that employs approximately 220 persons.

The hospitals in the County are also major employers as well as providing important services. The Health Alliance of the Hudson Valley bought the two large hospitals in Kingston and merged them into one hospital with two campuses a few years ago. Together, the Broadway and Mary's Ave Campuses have approximately 1,700 employees, with certain employees travelling between both campuses. Another hospital, the Ellenville Regional Hospital located in southwestern Ulster County has approximately 215 employees. Skilled nursing facilities are also located in the County. The life-cycle community of Woodland Pond in New Paltz represents an investment of over \$94 million and has approximately 335 employees.

The County is a retail center, not only for its own residents but also for sections of neighboring counties. Large shopping centers serve the area; five in the Greater Kingston - Ulster area ; two in New Paltz; one in Saugerties; one in Highland, three in rural areas of Ulster County and two near Ellenville. Major chains such as Aeropostale, Dick's Sporting Goods, Wal-Mart, Sam's Club, Lowes, Home Depot, Target, Best Buy, Barnes & Noble, H & M, Old Navy, Kohl's, Marshalls, DSW, Tractor Supply Company, Men's Warehouse and Gander Outdoors are represented as are a wide range of specialty shops and restaurants

(Chipotle, Starbucks, Ninety-Nines, Texas Roadhouse, Applebee's, etc.) Retail chains continue to open operations in a variety of towns throughout the County. DSW opened a store in Lake Katrine in 2018. Tractor Supply operates an established store in Highland, and it opened new locations in Lake Katrine in 2017 and another in Napanoch in 2018.

A September 20, 2013 article in the *Wall Street Journal* profiled the City of Kingston and its “burgeoning small-business and dining scene.” The County’s main streets are enjoying a resurgence attributed to increased tourism, local entrepreneurs, advantageous use of social media and internet sales, and increasing sentiments to buy local. The feature article in the April 27, 2017 edition of the Kingston Times discussed the “agricultural renaissance” taking place in Ulster County because of the increased farming activity across the area. The feature article in following edition of the Kingston Times on May 4, 2017, discussed the film industry’s presence in the County with this area becoming increasingly popular as a location for filming movies. New York State extended its film tax credits to Ulster County in 2016, with films in production here on a regular basis. A new, multiplex movie theater opened in Lake Katrine in 2019, refurbishing and using the same space as the theater that closed in late 2018.

Finally, the County has been able to utilize its geographic location, cost advantages, quality of life, and abundant recreational opportunities to attract a solid base of small, highly successful knowledge based companies, the so called “creative economy” and “green economy”. These are exemplified by companies like Applestone Meat Company, DragonSearch, Sono-Tek, Se'lux, Fala Technologies, Hudson Valley Harvest, Farm to Table Co-Packers, Elna Magnetics, Visco, Zumtobel and 721 Media Center. DragonSearch is based out a newly renovated building called the Senate Garage. The Senate Garage rents “creative co-working space”, and is located on the grounds of the Senate House State Historic Site.

Source: County officials.

Recent Economic Developments

The average annual unemployment rate for Ulster County in 2019 was 3.8%, decreasing from 3.9% in 2018. The most recently available unemployment rate from April 2020 is 14.6%. In March 2020, it had been 4.1%. This sharp monthly increase is believed to be due to the COVID-19 pandemic. The annual labor force figure decreased from 2018 to 2019, going from 88,300 to 87,700, respectively. Since 2014, the average labor force has been around 88,000 people. Through 2019, Ulster County saw decreasing annual unemployment rates with roughly the same number of people in the labor force. However, the COVID-19 pandemic has affected said rate and it is not possible to project what the rate will be in the future.

Figures from the New York State Department of Labor (NYSDOL) show the average number of people employed in private-sector jobs in Ulster County increased steadily from 2012 to 2018, when average employment went from 43,705 to 47,901. Data for 2019 is preliminary, but with average annual employment at 47,635 for private-sector jobs. The most recent data from the U.S Census Bureau’s American Community Survey shows the trend of Ulster County residents finding employment in other areas reversing, albeit slightly. An estimated 64.8% of Ulster County workers remained in the County for employment in 2018, up slightly from 64.3% in 2017.

Per capita personal income data for the County shows an increase of 4.0% from 2017 to 2018, rising from \$48,508 to \$50,462, respectively. The median family income as calculated by the United States Department of Housing and Urban Development (HUD) went from \$83,300 for 2019 to \$83,700 in 2020.

The 2010 Census reports a total population of 182,493, a 2.7% increase from 177,749 as reported in the 2000 Census. The most recent Census estimates have the County’s population at 177,573 for 2019. The most recent figures from the New York State Association of Realtors has the County’s 2019 median sale price for residential properties at \$248,000, up from \$230,00 in 2018. The New York State Department of Taxation and Finance has a residential median sale price of \$218,250 for 2017 and \$228,000 for 2018. Another sizable increase came last year in 2019 when the median sale price was \$245,000. Rental housing data collected by the County Planning Department for 2019 has a vacancy rate of 3.51%.

Source: County officials.

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Larger Employers

In addition to the larger employers previously discussed, the following business concerns, each with approximately 100 or more employees, are located in the County.

Non-Retail Businesses

<u>Name</u>	<u>Employees</u>	<u>Product</u>	<u>City</u>
County of Ulster	A	Government	Kingston
Health Alliance of the Hudson Valley	A	Health Services	Kingston/New Paltz
State Correctional Facilities	A	Correctional Services	Wallkill/Napanoch
SUNY New Paltz	A	Educational Services	New Paltz
Bank of America, N.A.	B	Finance	Kingston
Mohonk Mountain House	B	Resort/Hotel	New Paltz
SUNY Ulster	B	Educational Services	Stone Ridge
BOCES	C	Educational Services	New Paltz/Port Ewen
City of Kingston	C	Government	Kingston
Hudson Valley Resort & Spa	C	Resort/Hotel	Kerhonkson
Kingston Consolidated School District	C	Educational Services	Kingston
Northeast Center for Special Care	C	Health Services	Lake Katrine
Ten Broeck Commons	C	Health Services	Lake Katrine
Honor's Haven	C	Resort/Hotel	Ellenville
Ulster Savings	C	Finance/Insurance	Kingston
Ametek Rotron	D	Electrical Manufacturing	Woodstock
Brooklyn Bottling Company	D	Food Manufacturing	Milton
CH Energy Group	D	Utility	Kingston
Ellenville Central School District	D	Educational Services	Ellenville
Ellenville Regional Hospital	D	Health Services	Ellenville
Elna Magnetics	D	Electrical Manufacturing	Saugerties
Fair Rite Products	D	Electronic Manufacturing	Wallkill
Fala Technologies	D	Electronic Manufacturing	Kingston
Full Moon Resort	D	Resort/Hotel	Shandaken
Gateway Community Industries	D	Miscellaneous Manufacturing	Kingston
GHI Insurance	D	Insurance	Lake Katrine
HUCK International	D	Metal Manufacturing	Kingston

Retail Businesses

<u>Name</u>	<u>Employees</u>	<u>Product</u>	<u>City</u>
Wal-Mart	B	Retail – All	Kingston
Hannaford	C	Retail - Grocery	Kingston (2)/Highland / Plattekill
Adams Fairacre Farms	D	Retail – Grocery/Garden	Kingston
Home Depot	D	Retail – Home Supply	Kingston
Kohl's	D	Retail – Department Store	Kingston
Lowe's	D	Retail – Home Supply	Kingston/Highland
Price Chopper	D	Retail – Grocery	Saugerties
Sam's Club	D	Retail – All	Kingston
Shop Rite	D	Retail – Grocery	Kingston/New Paltz
Target	D	Retail – Department Store	Kingston

Key

A Greater than 1,000 employees	C 250-499 employees
B 500-999 employees	D 100-249 employees

Source: County officials.

Note: Numbers predate the emergence of the COVID-19 pandemic.

Building Projects

Below are some of the larger building projects currently being undertaken within the County along with the status and unit of square foot impact.

<u>Project and Municipality</u>	<u>Type</u>	<u>Status</u>	<u>Impact</u>
850 Route 28 LLC	Industrial	Pending	Steel and concrete manufacturing
RT 209 Community Solar - Rochester	Solar	Completed	1.98 MW Large Scale Solar Facility
A.Montano Company Inc.	Commercial	Pending	30,000 SF large scale equipment retail
Amtek-Rotron	Industrial	Approved	Expansion of existing manufacturing
Arizona Hudson Valley	Commercial	Approved	Expansion of Existing Hotel/resort
Bayside Mixed-Use - Marlborough	Mixed Use	Approved	Residential/Commercial
Bellayre Resort - Shandaken	Commercial	Approved	2 Hotels, condos, ski resort
Bluestone Solar/Saugerties	Commercial	Approved	19.9 MW Solar Farm
Borrego Solar – Off Airport Rd - Rochester	Solar	Completed	Large Scale Solar Facility
Brohead Solar – Plattekill 1970-1976 St Rte 32	Solar	Pending	2 MW Community Solar
Brooklyn Bottling – Milton, NY	Commercial	Approved	53,300 expansion to existing distribution
Central Hudson Electric and Gas – Ulster – RT 9W	Commercial	Approved	40,351 training academy and 31,358 sf indoor training and outdoor gas “village”
CES Marbletown Solar	Solar	Approved	5 MW community solar
Country Meadows – V/Saugerties	Residential	Approved	53, 2-bedroom apartments
Church Communities - Esopus	Mixed-Use	Under Construction	Industrial, residential, religious use
CVS/Five Guys Burgers- New Paltz – NYS 299	Commercial	Pending	CVS Pharmacy and Fast Food
E2 Squared – C/Kingston	Mixed Use	Under Construction	Commercial w/60 apartments
E&L Farms LLC Photovoltaic Shawangunk Rt 52	Solar	Approved	2.5 MW Solar Farm
Feeney’s Shipyard – C/Kingston	Industrial	Completed	Shipyard for building barges
Fortune 488 - Rosendale	Residential	Approved	48 apartments
Greenfield Resorts LLC - Wawarsing	Residential	Under Construction	93-unit single family
The Greenhouse Hotel - Shawangunk	Commercial	Approved	boutique hotel/conference center
Health Alliance Hospital – C/Kingston	Services	Approved	110k sf addition to hospital
Healthquest - Lloyd	Services	Completed	15,000 sf medical office building
Healthquest - Ulster	Services	Completed	81,000 sf medical office building
Heartwood - Gardiner	Commercial	Approved	Resort – 70 cabins, restaurant, lodge

Hudson R.V. Resorts - Rosendale	Commercial	Pending	290 Units
Hudson River Brickyard Trail	Public	Approved	1.3-mile portion of Empire State Trail
Hudson Valley Wine Village - Lloyd	Mixed Use	Pending	1200 Units
Hutton Brickyard- C/Kingston	Commercial	Completed	Glamping/Events Facility
Kamback Solar - Wawarsing	Commercial	Pending	3 MW Solar Farm
The Kingstonian – C/Kingston	Mixed-Use	Pending	Hotel, commercial plaza, apartments
Kingston Commons - Ulster	Commercial	Under Construction	Multi-building commercial plaza
Kingston Waterfront Plaza – C/Kingston	Mixed-Use	Approved	12k sq. ft. commercial, 18 apartments
Kingwood Park Plaza - Ulster	Commercial	Under Construction	14,400 sf commercial 2-story bldg.
Landau Landau Solar - Ulster	Solar	Under Construction	2 MW and 4 MW Solar Facilities
Lia Honda of Kingston - Ulster	Commercial	Completed	Show room and dealership
Marlboro Dstr Rte 9W - Marlborough	Industrial	Approved	40,000 sf warehousing operation
MCBS Highland, LLC - Lloyd	Mixed-Use	Under Construction	Retail and 72 Unit Multifamily
Milton Turnpike Solar – Marlborough	Commercial	Pending	2.6 MW Solar array
Resort @ Rondout Golf - Rochester	Commercial	Approved	Resort and Golf Course
Royal Energy – 1666 Rt 9W	Commercial	Approved	53,200 sq. ft. warehouse
Shop Rite Plaza - Ulster	Commercial	Completed	10k sf addition and 47k sf new
Star Vodka - Esopus	Mixed-Use	Under Construction	Distillery/Hotel Use/Restaurant
Tractor Supply Store-Wawarsing	Commercial	Completed	19,000 sq. ft. retail store
Truss Manufacturing Plant	Industrial	Approved	53,000 square foot industrial use
Ulster Hospitality, LLC - Ulster RT 9W	Commercial	Approved	100-room hotel
Wildberry Lodge Resort – T/New Paltz	Commercial	Pending	150-room hotel/resort
Woodstock Way - Woodstock	Commercial	Completed	Boutique Hotel
Wyldwyck River Camp – T/Saugerties	Commercial	Approved	72-bedroom resort/inn with restaurant
Zero Place – V/New Paltz	Mixed-Use	Under Construction	4-story apartment building with commercial

Source: County Planning Department.

Note: It is possible some projects will be delayed by the emergence of the COVID-19 pandemic.

Building Permits

Listed below are the residential single-family housing unit permits for the years 2015 through 2019 (most recent available).

<u>Year</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Number of Permits	148	148	201	193	188

Source: County Planning Board.

Form of County Government

Effective January 1, 2009, the County moved from a legislative form of government to a charter form of government pursuant to Article 4 of Municipal Home Rule. An election was held in November of 2008 that elected the offices of County Executive and County Comptroller, thereby replacing the County Administrator and the County Auditor respectively. The position of County Treasurer was abolished and replaced with the Commissioner of Finance. The County Executive is the chief executive officer, the County Comptroller is the chief accounting and auditing officer and the Commissioner of Finance is the chief fiscal officer. The County Legislature is the legislative, appropriating and policy-determining body. The Legislature consists of twenty-three members elected from legislative districts for two-year terms. The entire Legislature runs for election every other year.

Financial Organization

The Commissioner of Finance is the chief fiscal officer of the County. He is also the chief accounting officer. The County Executive is elected. The Commissioner of Finance is appointed by the County Executive and serves as the Budget Officer.

Budgetary Procedures

Preparation and final adoption of the County Budget is governed by Article 7 of the County Law. Budget forms are sent to appropriate department heads in May. Department heads must submit their departmental budget to the Budget Officer in July. Budget hearings are then held by the Budget Officer with the Budget and Operations Committee of the County Legislature. Hearing dates are set and published inviting the public to attend as non-participating guests. The 2019 budget was finalized and adopted in December 2018.

The Budget Officer reviews the tentative budget with the Budget and Operations Committee and files the tentative budget with the Clerk of the County Legislature during October of each year. The County Legislature reviews the tentative budget, revisions (if any) are made and a public hearing is scheduled before final adoption. The tentative budget as changed, altered or revised is adopted by resolution of the County Legislature not later than December 20th. The budget is not subject to referendum.

The County's 2019 budget, adopted in December 2018, included a 0.25% decrease in the property tax levy, which was below the County's tax cap levy limit of 4.16%. The County did not vote to exceed its Tax Levy Limit for the 2019 fiscal year.

The County's 2020 budget, adopted in December 2019, included a 0.25% decrease in the property tax levy, which was below the County's tax cap levy limit of 2.7%. The County did not vote to exceed its Tax Levy Limit for the 2020 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the County is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the County; (6) obligations of a New York public corporation which are made lawful investments by the County pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of County moneys held in certain reserve funds established pursuant to law, obligations issued by the County. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the County's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the County may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

The County's investment policy also authorizes the County to enter into repurchase agreements, subject to the following restrictions: (a) All repurchase agreements must be entered into subject to a master repurchase agreement; (b) Obligations shall be limited to obligations of the United States of America and obligations of agencies of the United States of America where principal and interest are guaranteed by the United States of America; (c) No substitution of securities will be allowed; (d) The custodian shall be a party other than the trading partner, and (e) Repurchase agreements shall be for periods of 30 days or less.

The State law does not permit the County to invest in reverse repurchase agreements or other derivative-type investments and the County does not invest in reverse repurchase agreements, or other derivative-type investments.

State Aid

The County receives financial assistance from the State. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the County, in any year, the County may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner as occurred this year, municipalities and school districts in the State, including the County, may be affected by a delay in the payment of State aid.

State Aid as a Percent of General Fund Revenues

	<u>General Fund Revenues</u>	<u>State Aid</u>	<u>State Aid % of General Fund Revenues</u>
2015	\$ 261,579,442	\$ 36,874,139	14.10%
2016	275,225,536	49,080,010	17.83%
2017	267,955,967	39,664,837	14.80%
2018	274,844,593	45,173,062	16.44%
2019	276,810,518	45,697,227	16.51%
2020 (budgeted)	298,265,169 ⁽¹⁾	50,144,942	16.81%

⁽¹⁾ Includes \$10,296,477 appropriated reserves.

Source: Audited Financial Statements of the County. The table itself is not audited.

The State is not constitutionally obligated to maintain or continue State aid to the County. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions that eliminate or substantially reduce State aid could have a material adverse effect upon the County requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

As part of the State's 2019-2020 budget an internet sales tax was authorized and was implemented. In addition, Aid and Incentives to Municipalities ("AIM"), which was originally scheduled to be cut by approximately \$60 million, was restored; however counties are now required to remit to towns and villages a portion of the new internet sales tax. See "County Sales Tax" herein.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy. The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2019-2020 Enacted Budget continued authorization for a process by which the State would manage significant reductions in federal aid during Federal fiscal year 2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by \$850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by \$850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget

Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

Currently, due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including municipalities and school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, including the County. The State's 2020-2021 Adopted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to December 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically. On August 13, 2020, the New York State Division of the Budget released the fiscal year ending 2021 First Quarterly State Budget Financial Plan Update, which projects a \$14.5 billion General Fund revenue decline and a 15.3% decline in tax receipts from prior budget forecasts. The State further projects a total revenue loss of \$62 billion through the State's fiscal year ending 2024 as a direct consequence of the COVID-19 pandemic. The State has announced that in the absence of Federal funding to offset this revenue loss, the State has begun to take steps to reduce spending, including but not limited to, temporarily holding back aid payments to local governments and school districts. According to the State, all or a portion of such temporary reductions in aid payments may be converted to permanent reductions, depending on the size and timing of any new Federal aid. Such reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State. (See "MARKET AND RISK FACTORS – COVID-19" herein).

As a result of the COVID-19 pandemic, the heads of each County department have cut departmental expenditures by 10% for 2020 and cuts could continue if necessary. The County also offered a retirement incentive as described under the heading "Status and Financing of Employee Pension Benefits" herein, which the County expects to reduce the need for further operational cuts. Sales tax losses for the County have been less than originally projected and with expenditures cut across the board, the County maintains strong liquidity. The County is still developing the 2021 budget and is doing so with possible state aid cuts of 20%. The County implemented budget cuts across multiple departments totaling approximately \$2 million as well as position freezing on a case-by-case basis. The County anticipates that its reserves and fund balance position will withstand any potential future State aid cuts. See also "County Sales Tax" and "Market and Risk Factors – COVID-19 herein.

Employees

The County provides services through approximately 1,238 full-time and 127 part-time employees. Some of these employees are represented by the following units:

<u>Approximate Number of Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
867 (808 FT and 75 PT)	Civil Service Employees' Association	December 31, 2019 ⁽¹⁾
176 (165 FT and 11 PT)	Ulster County Sheriff's Association	December 31, 2019 ⁽¹⁾
81 (56 FT and 25 PT)	P.B.A.	December 31, 2019 ⁽¹⁾
41 (41 FT and 0 PT)	NYSUT / Ulster County Staff Association	December 31, 2020
4 (4 FT and 0 PT)	Superior Officers' Unit	December 31, 2019 ⁽¹⁾
<u>Ulster County Community College</u>		
88 (63 FT and 25 PT)	Ulster County Community College – OPAP	August 31, 2018 ⁽¹⁾
188 (64 FT and 124 PT)	Ulster County Community College – Faculty	August 31, 2018 ⁽¹⁾

⁽¹⁾ Currently under negotiation.

Source: County officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the County are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

The ERS is non- contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

The PFRS is non- contributory with respect to members hired prior to January 8, 2010 (Tier 1, 2 & 3); members hired from January 9, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For both ERS & PFRS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For both ERS & PFRS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The County's contributions to ERS since 2015 and the 2020 budgeted payment are as follows:

<u>Year</u>	<u>Budgeted Contribution</u>	<u>Actual Contribution</u>
2015	\$ 14,568,567	\$ 13,733,997
2016	12,891,677	12,866,091
2017	12,899,551	12,543,389
2018	12,478,005	12,304,270
2019	12,541,917	12,551,264
2020 (Budgeted)	12,999,667	N/A

Source: County officials. Table itself is not audited.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The County offered a retirement incentive in 2020 to County employees that approximately 125 employees have accepted. The savings of this have not been determined as of the date of this Official Statement but are expected to be approximately \$5 million.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS rates (2017 to 2021) is shown below:

<u>Year</u>	<u>ERS</u>
2017	15.5%
2018	15.3
2019	14.9
2020	14.6
2021	14.6

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the County, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The County is not amortizing or smoothing any pension payments nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the County's employees is not subject to the direction of the County. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the County which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the County provides post-retirement healthcare benefits to various categories of former employees. These costs may rise substantially in the future. Accounting rule, GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires governmental entities, such as the County, to account for post-retirement healthcare benefits with respect to vested pension benefits. GASB 45 is now fully implemented for all government entities.

OPEB. Other Post-Employment Benefits ("OPEB") refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the GASB released new accounting standards for public other postemployment benefits (OPEB) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended December 31, 2018, the County implemented GASB 75. The implementation of this statement requires municipalities to report Other Post-Employment Benefits (“OPEB”) liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required municipalities to calculate and report a net other postemployment benefit obligation. However, under GASB 45 municipalities could amortize the OPEB liability over a period of years, whereas GASB 75 requires municipalities to report the entire OPEB liability on the statement of net position.

Summary of Changes from the Last Valuation. The County contracted with an actuarial firm to calculate its OPEB liability under GASB 75. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits.

The following outlines the changes to the Total OPEB Liability during the 2018 and 2019 fiscal years, by source.

	Balance beginning at:	<u>January 1, 2018</u>	<u>January 1, 2019</u>
		<u>\$ 163,348,113</u>	<u>\$ 176,083,339</u>
<u>Changes for the year:</u>			
Service cost		5,271,940	5,564,559
Interest		6,278,693	6,156,773
Differences between expected and actual experience		-	(35,295,340)
Changes in benefit terms		-	-
Changes in assumptions or other inputs		6,218,737	(11,662,152)
Benefit payments		<u>(5,034,144)</u>	<u>(5,343,888)</u>
Net Changes		<u>\$ 12,735,226</u>	<u>\$ (40,580,048)</u>
	Balance ending at:	<u>December 31, 2018</u>	<u>December 31, 2019</u>
		<u>\$ 176,083,339</u>	<u>\$ 135,503,291</u>

Source: Annual Financial Reports of the County. Table itself is not audited.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

The County’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the County’s finances and could force the County to reduce services, raise taxes or both.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The County has reserved \$0 towards its OPEB liability. The County funds this liability on a pay-as-you-go basis.

In April 2015, the State Comptroller proposed legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would have allowed the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state’s OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller’s proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation has not been enacted into law. It is not possible to predict whether the Comptroller’s proposed legislation will be reintroduced or enacted if introduced.

Other Information

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes for which the Bonds and Notes are to be issued, is the County Law and the Local Finance Law.

No principal or interest upon any obligation of this County is past due.

The fiscal year of the County is the calendar year.

Other than as shown under the heading "Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the County.

Financial Statements

The County retains an independent certified public accounting firm for a continuous independent audit of all financial transactions of the County. The last completed audit was for the fiscal year ended December 31, 2019 and has been filed with the Electronic Municipal Market Access Website ("EMMA") and is also attached hereto as "APPENDIX – E". Certain summary financial information may also be found in the Appendices to this Official Statement.

The County complies with the Uniform System of Accounts as prescribed for counties in New York State by the State Comptroller. This System differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Changes to the Uniform System of Accounts as prescribed for counties have been made by the State Comptroller in order to conform the Uniform System of Accounts to certain of these principles. These changes require the County to maintain a record of fixed assets to be recorded at cost or at estimated historical cost.

Beginning with the fiscal year ending December 31, 2002 the County was required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The County is currently in full compliance with GASB Statement No. 34.

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the County has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released its most recent audit report of the County on January 26, 2018. The purpose of the audit was to determine whether claims were properly authorized, supported, audited and paid in accordance with contracts for the period January 1, 2016 through July 24, 2017.

Key Findings:

- The Department has adopted a multi-level claims approval process.
- Payments to vendors generally were made in accordance with contracts and represented actual documented expenditures.

Key Recommendations:

- There were no recommendations as a result of the audit.

The County provided a complete response to the State Comptroller's office on January 18, 2018. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

The State Comptroller's office released an audit report of the County on December 2, 2016. The purpose of the audit was to assess the County's procedures for handling property tax exemptions for the period January 1, 2015 through July 22, 2016.

Key Findings:

- The County Department of Finance's procedures for prorating property tax exemptions on transfers of property, correcting property tax exemption errors and inputting tax exemption income limits were effective.

Key Recommendations:

- There were no recommendations as a result of the audit.

The County provided a complete response to the State Comptroller's office on November 28, 2016. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no other State Comptrollers audits of the County that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past three years for the County are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2019	No Designation	22.5%
2018	No Designation	6.7%
2017	No Designation	10.0%

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, nor incorporation herein by reference.

TAX INFORMATION

Taxable Assessed Valuations ⁽¹⁾

<u>Year of County Tax Roll:</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Equalized Valuation</u>
2016	\$ 16,452,840,011	91.82%	\$ 17,919,334,296
2017	16,508,781,289	91.64%	18,015,386,964
2018	16,660,032,897	91.60%	18,187,934,571
2019	16,904,827,451	90.46%	18,686,763,165
2020	17,311,004,748	88.88%	19,476,128,883

⁽¹⁾ Please refer to APPENDIX – C attached hereto for greater detail regarding the assessed and full values for the towns and city located within the County.

County Tax Rates Per \$1,000 (Assessed)

<u>Year of County Tax Roll:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Towns of:					
Denning	\$ 23.96	\$ 25.16	\$ 24.88	\$ 25.67	\$ 24.57
Esopus	4.37	4.34	4.29	4.16	4.19
Gardiner	4.67	4.64	4.27	4.14	3.96
Hardenburgh	6.94	6.89	6.81	6.72	6.76
Hurley	4.38	4.34	4.29	4.16	3.99
Kingston	4.49	4.67	4.71	4.65	4.58
Kingston (City)	4.36	4.33	4.27	4.14	3.96
Lloyd	4.37	4.33	4.28	4.16	3.98
Marbletown	4.35	4.32	4.27	4.15	3.97
Marlborough	4.41	4.37	4.32	4.19	4.22
New Paltz	4.31	4.32	4.27	4.14	4.17
Olive	4.33	4.30	4.25	4.16	3.94
Plattekill	4.40	4.37	4.32	4.20	4.18
Rochester	4.36	4.32	4.40	4.43	3.96
Rosendale	4.38	4.35	4.29	4.16	3.98
Saugerties	4.39	4.36	4.30	4.18	4.00
Shandaken	16.97	16.84	16.65	16.16	15.46
Shawangunk	19.87	19.50	19.91	20.03	20.75
Ulster	5.25	5.30	5.27	5.28	5.43
Wawarsing	3.91	3.88	3.84	3.91	3.95
Woodstock	4.33	4.30	4.29	4.36	4.28

Source: County officials.

Constitutional Tax Margin

Computation of Constitutional Tax Margin for fiscal years ending December 31, 2018 through December 31, 2020:

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Five-Year Average Full Valuation.....	\$ 17,833,568,917	\$ 18,137,761,255	\$18,185,607,399
Tax Limit - 1.5%	267,503,534	272,066,419	272,784,111
Add: Exclusions From Limit	10,646,777	11,213,025	11,704,060
Total Taxing Power	278,150,311	283,279,444	284,488,171
Less Total Levy	76,777,320	76,563,320	76,369,742
Tax Margin	\$ 201,372,991	\$ 206,716,124	\$ 208,118,429

Source: County officials.

Tax Collection Procedure

County and town taxes are payable in full to the Town Collectors during January, each year, without penalty. The penalty added to delinquent taxes is one-twelfth the rate of interest determined by the State Commissioner of Taxation and Finance. This rate is determined each year by July 15th based on the one-year constant maturity yield index for United States Treasury securities for the quarter-year ending on the immediately preceding June 30th. The rate is effective for a twelve-month period commencing August 1 each year and in no event will be less than ten per centum per annum. In June all unpaid taxes are returned to the chief fiscal officer. As an alternative, the first installment (1/2 of tax due) can be paid during January without penalty, and if not paid in January it can be paid at any time until the expiration of the Collectors' warrant with a penalty computed as above. The balance can be paid with a penalty computed as above, commencing with the month of February, through May 31. Public auctions are held annually by the County.

The County is responsible for uncollected town and school district taxes. The County is not responsible for uncollected city, city school district or village taxes.

Tax Collection Record

<u>Years Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Tax Levy ⁽¹⁾	\$ 201,629,920	\$ 201,812,150	\$ 203,286,944	\$ 206,036,494	\$ 209,375,419

Uncollected

As of December 31, 2019 ⁽²⁾	815,878	1,430,061	1,966,720	4,022,531	7,306,564
% Uncollected	0.40%	0.71%	0.97%	1.951%	3.49%

⁽¹⁾ Includes State, County, town, school district and special district taxes.

⁽²⁾ Represents uncollected taxes at December 31, 2019.

The County's property tax collections and percentage of general fund revenues since 2015 are shown below:

<u>Year</u>	<u>Property Taxes</u>	<u>% of General Fund</u>
2015	\$ 62,608,758	23.92%
2016	60,999,658	22.16%
2017	61,266,272	22.86%
2018	61,158,995	22.25%
2019	47,501,991	17.16%
2020 (budgeted)	51,415,137	17.24%

Source: County officials.

Additional Tax Information

Real property subject to County taxes is assessed by the component towns and city.

Veterans' and Senior Citizens' exemptions are offered to those who qualify.

Larger Taxpayers – 2019 Assessment Roll for 2020 County Tax Roll

<u>Name</u>	<u>Type</u>	<u>Equalized Value⁽¹⁾</u>
City of New York	Water Supply Facilities	\$ 1,239,388,185
Central Hudson Gas & Electric Company	Public Utility	409,009,859
New York State	State Properties	363,439,335
Hudson Valley 2011 LLC	Retail	58,041,836
Tech City	Business Park	49,032,263
Verizon	Public Utility	35,780,316
Smiley Brothers Inc.	Hotel Resort Complex	31,269,474
CSX Transportation Inc.	Railroad	22,488,631
Kingston Mall LLC	Shopping Mall	18,724,795
Stoney Run Co LLC	Housing Complex	17,970,000

⁽¹⁾ The larger taxpayers listed above have an estimated total full valuation of \$2,245,144,694 that represents 11.5% of the tax base of the County.

The County is subject to a number of tax certiorari cases particularly in relation to the utility companies. The ultimate result of these cases is not expected to have a significant impact on the finances of the County. As of the date of this Official Statement, the County does not currently have any pending or outstanding tax certioraris that are known, or reasonably expected to have a material impact on the County.

Source: County officials

County Sales Tax

The County levies a sales and use tax computed at 4.00%. The County retains 85.5% of the tax receipts with 11.5% distributed to the City of Kingston and 3% distributed to the towns in the County on a full valuation basis. In August 2005, the County received approval from New York State to continue the additional sales tax rate of one percent (above the base rate) previously authorized by Chapter 200 of the Laws of 2002 for an additional period of twenty-four months to expire November 2009. This was extended to November 30, 2013.

On November 30, 2013 the 1% expired for a period of two months. The one percent was reinstated on February 1, 2014. The County estimates that due to lapse in the 1% for December 2013 and January 2014 that \$3 million and \$2.4 million of revenue was lost, respectively. While developing the 2014 budget the County did not budget for the 1% for three months.

On February 1, 2014 the State Legislature passed legislation which reinstated the 1%. NYS legislation in 2020, extended the additional 1% to November 30, 2023.

For the past five-year period, sales tax proceeds have been distributed to the jurisdictions by the County in the following amounts:

<u>Year</u>	<u>County Share</u>	<u>% of General Fund Revenues</u>	<u>City Share</u>	<u>Town/Village Share</u>
2015	\$ 92,337,715	35.28%	\$ 12,418,662	\$ 3,239,651
2016	95,920,903	34.85%	12,898,536	3,364,835
2017	98,622,748	36.81%	13,258,441	3,458,724
2018	103,088,793	37.4%	13,626,623	3,606,652
2019	109,566,008	39.6%	13,837,038	3,812,891
2020 (budgeted)	110,137,092	36.9%	14,567,488	3,856,843

Note: The County has collected \$67,572,599 to date for sales tax. The County expects sales tax to be lower than budgeted for 2020 due to the COVID-19 pandemic, however, the County is expecting higher sales tax revenues than originally expected at the beginning of the pandemic.

Reductions in the receipt of sales tax receipts due to the COVID-19 pandemic could adversely affect the financial condition of municipalities in the State, including the County. (See “MARKET AND RISK FACTORS – COVID-19” herein).

Source: County officials. This table itself is not audited.

Hotel / Motel Occupancy Tax

In January 2005, the County authorized the reinstitution of the collection of a hotel and motel room occupancy tax of 2% effective March 1, 2005. The tax is collected quarterly. Collections since 2013 are shown below.

<u>Year</u>	<u>Amount Collected</u>
2013	\$ 1,182,179
2014	1,196,771
2015	1,310,887
2016	1,404,744
2017	1,530,160
2018	1,805,747
2019	2,032,778
2020 (budgeted)	2,185,000

Note: The County has collected \$2,922,548 to date for mortgage tax collections.

Reductions in the receipt of hotel and motel room occupancy taxes are expected for the foreseeable future due to the COVID-19 pandemic. (See “MARKET AND RISK FACTORS – COVID-19” herein).

Source: County officials. Table itself is not audited.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limitation Law”) applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It was set to expire on June 15, 2020; however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 (“Chapter 59”), included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts were eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government were eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction’s compliance with the provisions of the Tax Levy Limitation Law. School districts budgets were required to comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government were required to have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets were required to be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions included counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit were set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved “government efficiency plan” which demonstrates “three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies”.

Municipalities, school districts and independent special districts were required to provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the County are uncertain at this time.

COUNTY INDEBTEDNESS

Constitutional Requirements

The State Constitution limits the power of the County (and other municipalities and certain counties of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the County and the Bonds and Notes include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the County shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The County may contract indebtedness only for a County purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute, or in the alternative, the weighted average maturity of the several objects or purposes for which it has contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Board of Legislators authorizes the issuance of bonds with substantially level or declining annual debt service. The County is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The County has the power to contract indebtedness for any County purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the County to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the County Law and the General Municipal Law.

Pursuant to the Local Finance Law, the County authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the Board of Legislators, the finance board of the County. Customarily, the Board of Legislators has delegated to the County Treasurer, as chief fiscal officer of the County, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the County is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations

and an action contesting such validity is commenced within twenty days after the date of such publication, or,

- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the County complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Board of Legislators, as the finance board of the County, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may, and generally does, delegate the power to sell the obligations to the County Treasurer, the chief fiscal officer of the County, pursuant to the Local Finance Law.

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein.)

In general, the Local Finance Law contains provisions providing the County with power to issue certain other short-term general obligation indebtedness including revenue and bond anticipation notes and budget notes. (See "Details of Outstanding Indebtedness" herein.)

Debt Outstanding End of Fiscal Year

<u>Years Ending December 31st:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonds	\$ 76,263,290	\$ 82,553,750	\$ 83,026,552	\$ 82,739,000	\$ 97,328,235
Bond Anticipation Notes	18,766,784	13,913,456	10,629,965	32,113,976	29,430,855
Revenue Anticipation Notes	0	0	0	0	0
Tax Anticipation Notes	0	0	0	0	0
Lease Obligations	<u>3,531,369</u>	<u>3,387,740</u>	<u>3,862,089</u>	<u>3,890,619</u>	<u>2,587,312</u>
Total Debt Outstanding	<u>\$ 98,561,443</u>	<u>\$ 99,854,946</u>	<u>\$ 97,518,606</u>	<u>\$ 118,743,595</u>	<u>\$ 129,346,402</u>

Note: A portion of the County's outstanding long-term bonded debt was economically defeased through the use of tobacco payment securitization monies and is not included in the totals above. See "Tobacco Settlement Securitization" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the County evidenced by bonds and notes as of October 23, 2020.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2020-2037	\$ 98,978,235 ⁽¹⁾
Bond Anticipation Notes		
Various Projects	November 19, 2020	<u>29,430,855</u> ⁽²⁾
	Total Indebtedness	<u>\$ 128,409,090</u>

⁽¹⁾ \$1,820,000 of the bonds listed above are being refunded by serial bonds issued on October 6, 2020. The bonds are being paid from a fully funded escrow account on November 9, 2020.

⁽²⁾ To be partially redeemed, renewed and permanently financed with the proceeds of the Bonds and Notes along with budgeted principal reductions.

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Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of October 23, 2020:

Average Full Valuation of Taxable Real Property	\$ 18,457,109,576
Debt Limit - 7% thereof	1,291,997,670

Inclusions:

Bonds	\$ 98,978,235
Bond Anticipation Notes	<u>29,430,855</u>
Total Inclusions	<u>\$ 128,409,090</u>

Exclusions:

Appropriations	\$ 9,123,235
Sewer Debt ⁽¹⁾	0
Water Debt ⁽²⁾	<u>0</u>
Total Exclusions	<u>\$ 9,123,235</u>

Total Net Indebtedness Subject to Debt Limit	<u>\$ 119,285,855</u>
Net Debt-Contracting Margin	<u>\$ 1,172,711,815</u>
Percent of Debt Contracting Power Exhausted	9.23%

- (1) Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law.
(2) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Note: The proceeds of the Bonds and Notes will not increase the net indebtedness of the County.

Bonded Debt Service

A schedule of bonded debt service, including the principal of the Bonds, may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowing

The County has not found it necessary to borrow tax or revenue anticipation or budget notes or deficiency notes since 1998. The County has revenue anticipation note (\$15,000,000) and tax anticipation note (\$20,000,000) authorizations in place should such borrowings be necessary in the foreseeable future. The County is currently monitoring its cash flow needs in light of the COVID-19 pandemic however the County does not anticipate issuing either in the foreseeable future. It is not possible to predict the need for cash flow borrowings in 2021 or thereafter. (See “MARKET AND RISK FACTORS – COVID-19” herein).

Lease Obligations

The County has entered into several non-cancelable property leases primarily for office space to expand social services, mental health, and family court facilities. Rental expenditures reported for the current year under such leases totaled \$608,488 and equipment operating leases totaled \$598,793 which are included in the expenditures of the general fund. These are not lease purchase obligations. The future minimum lease payments for these leases are as follows:

<u>Years Ending December 31:</u>	<u>Amount</u>
2020	\$ 1,164,457
2021	677,540
2022	441,593
2023	206,944
2024	74,278
Thereafter	<u>22,500</u>
Total	<u>\$ 2,587,312</u>

Source: Comprehensive Annual Financial Reports of the County. This table itself is not audited.

Tobacco Settlement Securitization Corporation (UTASC)

The Ulster Tobacco Asset Securitization Corporation (“UTASC”) is a special purpose, bankruptcy-remote local development corporation established by the County under the Not-For-Profit Corporation Law of the State of New York on January 12, 2001. UTASC is an instrumentality of, but separate and apart from the County. UTASC has a board of directors comprised of nine directors, all but one of whom shall be one or more of the following: an employee of the County, an elected official of the County or a member of the County legislature; and one director who shall be independent.

On February 1, 2001, pursuant to a Purchase and Sale Agreement with the County, the County sold to the UTASC all of its future right, title and interest (that the market would allow) in the Tobacco Settlement Revenues (“TSRs”) under the Master Settlement Agreement (“MSA”) and the Decree and Final Judgment (the Decree). On November 29, 2005, the County participated in the New York Counties Tobacco Trust V (NYCTT V) whereby the County sold all of its future right, title and interest (that the present market would allow) in the TSRs under the MSA. The MSA resolved cigarette smoking-related litigation between the settling states and the Participating Manufacturers (PMs), released the PMs from past and present smoking-related claims, and provides for a continuing release of future smoking-related claims, in exchange for certain payments to be made to the settling states, as well as certain tobacco advertising and marketing restrictions, among other things. The Decree, which was entered by the Supreme Court of the State, allocated to the County a share of the TSRs under the MSA. The future rights, title and interest of the County’s share were sold to UTASC.

The purchase price of the County’s future right, title and interest in the TSRs has been financed by the issuance of serial bonds. A Residual Certificate exists which represents the entitlement to receive all amounts required to be distributed after payment of debt service, operating expenses, and certain other costs as set forth in the indenture. Payments on the Residual Certificate from TSR collections are subordinate to payments on the bonds and payment of certain other costs specified in the indenture. Excess TSRs not required by UTASC to pay various expenses, debt service or required reserves with respect to the bonds are transferred to the UTASC Residual Trust (the Trust). The County is the beneficial owner of the Trust and thus the funds received by the Trust will ultimately transfer to the County. The UTASC is shown as a major governmental fund. Separate financial statements may be obtained from the Ulster Tobacco Asset Securitization Corporation, P.O. Box 1800, Kingston, N.Y. 12402.

The UTASC has the following long-term obligations outstanding as of December 31, 2019:

<u>Bond Issues:</u>	<u>Amount Outstanding</u>
Tobacco settlement asset-backed bonds, 2005	\$ 4,484,688
Tobacco settlement asset-backed bonds, 2016	<u>30,255,000</u>
Total:	<u>\$ 34,739,688</u>

Ulster County Community College (UCCC)

The Ulster County Community College (“UCCC”) was established in 1963 with the County as the local sponsor under the provisions of Article 126 of the Education Law. A board of trustees consisting of nine voting members administers the UCCC; five are appointed by the County Legislature and four by the governor. The UCCC budget is subject to approval of the County Legislature. The County provides approximately one-half of the capital costs and one-third of the operating costs for UCCC. Real property of UCCC vests with the County. Certain bonds and notes for UCCC capital costs are issued and guaranteed by the County. The County, beginning in 2012, has recorded general obligation bonds issued on behalf of UCCC previously recorded on UCCC’s financial statements. These bonds are considered to be debt of the County. The County also pays a portion of tuition and capital cost charges for County residents attending other community colleges. The UCCC financial statements include two discretely reported component units; the Ulster Community College Foundation and the Ulster Community College Association, Inc. The UCCC has a fiscal year ending August 31. Separate financial statements may be obtained from the Ulster County Community College, P.O. Box 557, Stone Ridge, NY 12484.

The UCCC has the following long-term obligations outstanding as of December 31, 2019:

<u>Bond Issues:</u>	<u>Amount Outstanding</u>
Public Improvements, 2012	\$ 484,191
Public Improvements, 2015	126,900
Public Improvements, 2016	<u>743,817</u>
Total:	<u>\$ 1,354,908</u>

Capital Planning and Budgeting

Pursuant to Section 99-g of the General Municipal Law, the County has undertaken the planning and execution of a capital program in accordance with the provisions of such section. The adoption of such program is not, in the case of the County, subject to referendum. At any time after the adoption thereof the County Legislature, by the affirmative vote of two-thirds of its total membership, may amend such program by adding, modifying or abandoning the projects, or by modifying the methods of financing.

The following sets forth a summary of the 2020-2025 County Capital Program. It is noted that each planned project must be duly authorized before being undertaken, and that such programs may be modified by application of State and/or Federal aid.

<u>Year Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Government	\$ 15,898,435	\$ 12,187,748	\$ 8,753,409	\$ 5,996,820	\$ 5,100,000	\$ -
Education	17,040,546	8,799,280	6,643,323	1,250,000	900,000	700,000
Public Safety	2,744,489	3,000,000	10,640,000	3,000,000	-	-
Transportation	18,991,183	22,614,520	15,183,250	4,535,762	10,188,199	3,493,299
Economic Opportunity & Culture & Recreation	6,169,000	1,820,000	1,750,000	1,750,000	1,750,000	1,650,000
Total:	<u>\$ 60,843,653</u>	<u>\$ 48,421,548</u>	<u>\$ 42,969,982</u>	<u>\$ 16,532,582</u>	<u>\$ 17,938,199</u>	<u>\$ 5,843,299</u>

Note: Of the capital projects listed above, the County receives significant State and Federal Aid for Education, Public Health and Transportation and Community Services. Additional information on the extent of aid can be obtained by contacting the County. See also "State Aid" herein for the potential impact of the COVID-19 pandemic on State Aid.

Authorized and Unissued Debt

The County typically issues on an annual basis short-term bond anticipation notes to initiate capital projects and bonds to permanently finance various projects once they reach the construction phase.

The County has the following authorized but unissued bond authorizations outstanding:

<u>Purpose</u>	<u>Amount Authorized and Unissued</u>
Tongore Bridge	\$ 7,777
Rail Trail Connector	44,144
ADA Compliance Projects	378,555
Sundown Bridge	970,000
Fleet Service Bay Expansion	550,000
New Paltz Pool Repairs	688,000
Perrine's Bridge Restoration	350,000
Building Security Improvements	150,000
DPW Fuel Tank Replacement	192,000
SUNY Ulster Furniture	55,090
SUNY Ulster Gym Wall Replacement	405,807
SUNY Ulster Vanerlyn Pedestrian Bridge Construction	266,290
SUNY Ulster Water Supply Extension Project	521,699
Slope Analysis & Stabilization	883,730
Midtown Linear Park	142,040
UCCC Technology Facility Upgrades	115,334
Countywide Radio System	9,467,721

Purpose	Amount Authorized and Unissued
Veterans' Cemetery	\$ 152,000
Poorhouse Memorial	100,000
UCCC Water Storage Tank Replacement	515,226
UCCC Window Replacement Project	1,120,000
UCCC Dewitt Library Roof Replacement	1,753,125
UCCC Facility Master Plan	285,000
UCCC Door Replacement Plan	612,000
Golden Hill Water Tower	640,640
Horsenden Pavement Overlay	93,400
Fantinekill Bridge Replacement	223,556
Roof Replacement Program	1,580,000
UCAT Equipment & Facility Upgrades	935,944
UCLEC Energy Upgrades	455,500
UCCC Burroughs Renovations	440,178
Construction of Various Shoulders	250,000
UCCC Classroom Renovations	435,284
Mass Transit Buses	313,459
Enderly Bridge	108,000
Samsonville Road Culvert	550,000
UCCC Facilities Equipment	11,344
UCCC HVAC Upgrades	200,000
UC Fairgrounds ADA Parking	55,200
UCCC Furniture Replacement	300,000
Bushkill Bridge Improvement	200,000
DSS Basement Restoration	31,000
HVAC Replacement - IS	4,600
County Fairgrounds Improvements	45,000
Natural Gas Piping at Law Enf. Center	108,000
County-Owned Building - Dept Relo	165,000
Card Readers at Substations	44,000
Emergency Impr. Various Bridges	100,000
Planning Future Projects - Culvert Insp.	48,000
Slope Stabilization - T/o Hardenburgh	153,000
Electric Bus Charging Equipment	256,606
Ulster County Fairgrounds - Design	28,400
Navigation Response Vehicle	467,588
Sheriff Live Scan Upgrade	125,000
UCCC-KCSU Roof Safety Improvement	90,000
Total Authorizations:	<u>\$ 28,184,237</u>

The County also has outstanding Revenue Anticipation Note (\$15,000,000) and Tax Anticipation Note (\$20,000,000) authorizations; however, the County does not anticipate issuing either in the foreseeable future.

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Estimated Overlapping Indebtedness

In addition to the County, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the County. Bonded indebtedness, including bond anticipation notes, is estimated as of the close of the fiscal year of the respective municipalities, not adjusted to include subsequent bond issues, if any.

Units	<u>Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	Net <u>Indebtedness</u>
Towns (20)	\$ 48,988,820	\$ 18,706,780 ⁽³⁾	\$ 30,282,041
Villages (3)	16,491,548	11,203,232 ⁽³⁾	5,288,316
City (1)	40,507,667	15,934,116 ⁽³⁾	24,573,551
Fire Districts (42)	9,817,220	34,154 ⁽³⁾	9,783,066
School Districts (9)	236,528,006	165,364,437 ⁽⁴⁾	<u>71,163,569</u>
		Total	<u>\$ 141,090,543</u>

(1) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.

(2) Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.

(3) Sewer and water debt, appropriations and cash on hand for debts.

(4) Estimated State Building aid.

Source: State Comptroller's reports for fiscal year ending 2018 for towns and fire districts and fiscal year ending 2019 for school districts and villages.

Debt Ratios

The following table sets forth certain ratios relating to the County's indebtedness, without giving effect to this financing, as of October 23, 2020:

	<u>Amount of</u> <u>Indebtedness</u>	<u>Per</u> <u>Capita</u> ^(a)	<u>Percentage</u> <u>of Full</u> <u>Valuation</u> ^(b)
Gross Direct Indebtedness ^(c)	\$ 128,409,090	\$ 723.13	0.66%
Net Direct Indebtedness ^(c)	119,285,855	671.76	0.61%
Gross Direct Plus Net			
Overlapping Indebtedness ^(d)	269,499,633	1,517.68	1.38%
Net Direct Plus Net			
Overlapping Indebtedness ^(d)	260,376,398	1,466.31	1.34%

Note: (a) The County's 2019 estimated population is 177,573. (See "Population Trends" herein.)

(b) The County's full valuation of taxable real estate for the 2020 County tax roll is \$19,476,128,883. (See "Valuations, Rates and Tax Levies" herein.)

(c) See "Calculation of Net Direct Indebtedness" herein.

(d) The County's estimated applicable share of net underlying indebtedness is \$141,090,543. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the County and the holder thereof. Under current law, provision is made for contract creditors of the County to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the County upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds and Notes in the event of a default in the payment of the principal of and interest on the Bonds and Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the County may not be enforced by levy and execution against property owned by the County.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the County, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds and Notes should the County be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal from the County could be adversely affected by the restructuring of the County's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the County (including the Bonds and Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the County under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the County.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The

filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The County has not requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “THE BONDS AND NOTES - Nature of the Obligation” and “State Debt Moratorium Law” herein.

No Past Due Debt. No principal of or interest on County indebtedness is past due. The County has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

The financial condition of the County as well as the market for the Bonds and Notes could be affected by a variety of factors, some of which are beyond the County’s control. There can be no assurance that adverse events in the State or in other jurisdictions of the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds and Notes. If a significant default or other financial crisis should occur in the affairs of the State or in other jurisdictions of the country or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the County to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds and Notes, could be adversely affected.

The County is dependent in significant part on financial assistance from the State. In several recent years, the County has received delayed payments of State aid which resulted from the State’s delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also “THE COUNTY – State Aid” herein).

COVID -19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the County’s financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. Non-essential businesses in the State have begun to reopen under strict guidelines imposed by the State. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the

degree of the impact to the County's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The COVID-19 pandemic could have a material adverse effect on the State and municipalities and school districts located in the State, including the County. The County is monitoring the situation and has taken and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid" and "Cash Flow Borrowing" herein).

Cybersecurity

The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the County will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. The County carries insurance against cyber attacks.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds and Notes is not a specific preference item for purposes of the federal alternative minimum tax. Complete copies of the proposed forms of opinions of Bond Counsel is set forth in "APPENDIX – G & H".

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds and Notes. The County has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds and Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds and Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds and Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) or any other matters coming to the attention of Bond Counsel after the date of issuance of the Bonds and Notes may adversely affect the value of, or the tax status of interest on, the Bonds and Notes. Accordingly, the opinion of Bond Counsel is not intended to and may not be relied upon in connection with any such actions, events or matters.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds and Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

Although Bond Counsel is of the opinion that interest on the Bonds and Notes is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and Notes may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds and Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been made in recent years that would limit the exclusion from gross income of interest on obligations like the Bonds and Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds and Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds and Notes. Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds and Notes are covered by the approving legal opinions of Bond Counsel. The proposed form of Bond Counsel's opinions are attached hereto as "APPENDIX – G & H".

LITIGATION

The County is subject to a number of lawsuits in the ordinary conduct of its affairs. The County Attorney does not believe, however, that such suits, individually or in the aggregate are likely to have a material adverse effect on the financial condition of the County.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the County threatened against or affecting the County to restrain or enjoin the issuance, sale or delivery of the Bonds and Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds and Notes or any proceedings or authority of the County taken with respect to the authorization, issuance or sale of the Bonds and Notes or contesting the corporate existence or boundaries of the County.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the County will enter into a Continuing Disclosure Undertaking with respect to the Bonds and an Undertaking to provide Material Event Notices with respect to the Notes, the descriptions of which are attached hereto as "APPENDIX – D & E", respectively.

Historical Compliance

The County is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12; however, the County failed to file a timely material event notice due to an upgrade in their general obligation bond rating as assigned by Fitch Ratings on December 15, 2017 within 10 business days as required by its outstanding undertaking agreements. A material event notice was filed to the Municipal Securities Rulemaking Board Electronic Municipal Market Access website on January 4, 2018 which was 12 business days after the event occurred. The County filed a failure to provide event filing information notice on July 10, 2019 relating to the abovementioned material event notice.

BOND RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the County, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – E", attached hereto).

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its rating of "AA" with a stable outlook to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the Bonds may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a municipal advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the County on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and Notes.

The advice on the plan of financing and the structuring of the Bonds and Notes was based on materials provided by the County and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the County or the information set forth in this Official Statement or any other information available to the County with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the County to the Municipal Advisor may be partially contingent on the successful closing of the Bonds and Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds and Notes. All expenses in relation to the printing of CUSIP numbers on the Bonds and Notes will be paid for by the County provided, however; the County assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds and Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the County management's beliefs as well as assumptions made by, and information currently available to, the County's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the County's files with the repositories. When used in County documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds and Notes.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the County, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the County for use in connection with the offer and sale of the Bonds and Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds and Notes, the County will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the County.

The Official Statement is submitted only in connection with the sale of the Bonds and Notes by the County and may not be reproduced or used in whole or in part for any other purpose.

The County hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The Municipal Advisor may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. The Municipal Advisor has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the County nor the Municipal Advisor assumes any liability or responsibility for errors or

omissions on such website. Further, the Municipal Advisor and the County disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. The Municipal Advisor and the County also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The County's contact information is as follows: Mr. Burton Gulnick, Jr., Commissioner of Finance, 244 Fair Street - 4th Floor, P.O. Box 1800, Kingston, New York 12402, Phone: (845) 340-3460, Fax: (845) 340-3430, email address: bgul@co.ulster.ny.us.

Additional copies of the Notice of Bond Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

COUNTY OF ULSTER

Dated: October 23, 2020

BURTON GULNICK, JR.
COMMISSIONER OF FINANCE

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
ASSETS					
Cash, Cash Equivalents and Investments	\$ 27,124,634	\$ 30,950,840	\$ 27,810,625	\$ 24,944,772	\$ 18,904,810
Restricted Cash	7,218,583	7,441,594	7,399,974	7,939,146	7,808,090
Receivables	65,045,073	71,767,029	74,781,644	76,161,231	76,824,176
Due from Other Funds	8,508,941	80,301	20,061	23,343	32,557
Due from Other Governments	-	-	-	-	-
Due from Fiduciary Funds	47,037	-	-	-	-
Due from Component Units - UCCC	712,716	600,898	590,280	464,984	382,953
Inventories	90,009	38,524	30,062	70,553	105,204
Prepaid Items	6,156,610	5,902,969	5,912,549	5,840,051	5,945,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 114,903,603</u>	<u>\$ 116,782,155</u>	<u>\$ 116,545,195</u>	<u>\$ 115,444,080</u>	<u>\$ 110,003,695</u>
LIABILITIES					
Accounts Payable & Accrued Liabilities	\$ 7,233,497	\$ 8,035,042	\$ 8,806,702	\$ 10,803,681	\$ 12,419,067
Intergovernmental payables	35,610,924	29,604,952	30,669,028	31,713,611	32,690,431
Due to Other Funds	37,500	93,645	161,505	52,124	2,000,000
Due to Fiduciary Fund	9,277	-	-	-	-
Due to UCRRA	-	-	-	-	-
Deferred Property Tax Revenues	17,395,315	19,728,665	20,978,626	14,504,505	12,161,337
Other Unearned Revenue	326,549	145,282	128,094	380,151	169,702
Other Deferred Revenues	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>\$ 60,613,062</u>	<u>\$ 57,607,586</u>	<u>\$ 60,743,955</u>	<u>\$ 57,454,072</u>	<u>\$ 59,440,537</u>
FUND EQUITY					
Nonspendable	\$ 6,246,619	\$ 5,941,493	\$ 5,942,611	\$ 5,910,604	\$ 6,051,109
Restricted	6,892,034	7,296,312	7,271,880	7,558,995	7,638,388
Assigned	20,146,027	19,689,010	15,584,890	10,066,374	12,819,744
Unassigned	21,005,861	26,247,754	27,001,859	34,454,035	24,053,917
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND EQUITY	<u>\$ 54,290,541</u>	<u>\$ 59,174,569</u>	<u>\$ 55,801,240</u>	<u>\$ 57,990,008</u>	<u>\$ 50,563,158</u>
TOTAL LIABILITIES, DEFERRED REVENUES AND FUND EQUITY	<u>\$ 114,903,603</u>	<u>\$ 116,782,155</u>	<u>\$ 116,545,195</u>	<u>\$ 115,444,080</u>	<u>\$ 110,003,695</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES					
Real Property Taxes	\$ 55,787,406	\$ 54,146,794	\$ 51,619,725	\$ 51,419,587	\$ 51,046,118
Real Property Tax Items	6,333,802	5,877,276	6,048,264	5,282,724	5,624,634
Sales Tax Items	104,667,661	107,996,028	112,184,274	115,339,913	120,322,069
Hotel Room Occupancy Room Tax	1,197,439	1,310,887	1,404,744	1,530,160	1,805,747
Off Track Betting	106,107	76,761	83,559	85,709	22,146
E-911 Surcharge	633,037	688,810	693,688	692,730	666,659
Automobile Use Tax	1,033,251	1,144,107	1,137,064	1,180,432	1,174,680
Revenues from State Sources	37,408,695	36,874,139	49,080,010	39,664,837	45,173,062
Revenues from Federal Sources	34,350,938	37,266,038	33,309,006	34,562,886	30,666,130
Departmental Income	10,749,619	9,196,246	9,930,170	10,038,653	9,688,696
Intergovernmental Charges	4,177,722	2,460,468	1,693,434	1,459,610	2,367,475
Use of Money and Property	1,295,843	667,768	888,529	1,012,101	1,365,373
Licenses & Permits	25,607	122,283	460,267	464,984	463,119
Fines & Forfeitures	455,829	502,427	471,617	418,646	469,645
Sale of Property and					
Compensation for Loss	806,072	1,059,625	2,864,580	1,957,590	1,825,463
Miscellaneous Local Sources	609,943	568,654	692,615	1,320,811	692,518
Interfund Revenues	3,531,375	1,621,131	1,663,990	1,524,594	1,471,059
Total Revenues	<u>\$ 263,170,346</u>	<u>\$ 261,579,442</u>	<u>\$ 274,225,536</u>	<u>\$ 267,955,967</u>	<u>\$ 274,844,593</u>
EXPENDITURES					
General Government Support	\$ 57,189,572	\$ 57,837,857	\$ 59,727,255	\$ 60,659,994	\$ 62,694,042
Education	9,795,066	9,485,726	9,556,194	9,942,883	10,116,863
Public Safety	41,832,133	41,663,640	42,525,224	42,769,080	44,280,976
Health	17,551,254	17,714,972	17,841,740	17,836,415	18,151,961
Transportation	6,278,687	6,973,593	7,632,152	7,217,137	5,331,484
Economic Assistance &					
Opportunity	122,906,243	119,528,822	119,319,007	117,160,785	120,542,481
Culture & Recreation	777,611	873,728	973,225	971,737	1,105,000
Home & Community Services	2,202,536	2,326,408	2,576,216	2,903,574	2,681,488
Employee Benefits	8,894,445	8,905,861	9,647,270	9,512,926	7,831,406
Debt Service	110,133	147,392	365,225	277,659	353,864
Total Expenditures	<u>\$ 267,537,680</u>	<u>\$ 265,457,999</u>	<u>\$ 270,163,508</u>	<u>\$ 269,252,190</u>	<u>\$ 273,089,565</u>
Excess of Revenues Over (Under)					
Expenditures	<u>(4,367,334)</u>	<u>(3,878,557)</u>	<u>4,062,028</u>	<u>(1,296,223)</u>	<u>1,755,028</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	1,000,000	-	963,240
Operating Transfers Out	(98,483)	(311,300)	(178,000)	(2,077,106)	(529,500)
Appropriated Reserves	-	-	-	-	-
Transfer to Debt Service Reserve Fund	-	-	-	-	-
Transfers to GHHC	-	-	-	-	-
Premium on Obligations	78,310	112,493	-	-	-
Residual Equity Transfer	-	-	-	-	-
Total Other Financing	<u>(20,173)</u>	<u>(198,807)</u>	<u>822,000</u>	<u>(2,077,106)</u>	<u>433,740</u>
Excess of Revenues and Other					
Sources Over (Under) Expenditures					
and Other Uses	<u>(4,387,507)</u>	<u>(4,077,364)</u>	<u>4,884,028</u>	<u>(3,373,329)</u>	<u>2,188,768</u>
FUND BALANCE					
Fund Balance - Beginning of Year	\$ 62,755,412	\$ 58,367,905	\$ 54,290,541	\$ 59,174,569	\$ 55,801,240
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 58,367,905</u>	<u>\$ 54,290,541</u>	<u>\$ 59,174,569</u>	<u>\$ 55,801,240</u>	<u>\$ 57,990,008</u>

Source: Audited Comprehensive Annual Financial Reports County. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:	2019		2020
	Adopted Budget	Actual	Adopted Budget
REVENUES			
Real Property Taxes	\$ 50,943,308	\$ 47,501,991	\$ 50,665,137
Real Property Tax Items	5,440,000	5,078,862	5,435,000
Sales Tax Items	122,435,116	127,215,937	128,561,423
Hotel Room Occupancy Room Tax	1,700,342	2,032,778	2,185,000
Off Track Betting	75,000	-	-
E-911 Surcharge	791,000	770,054	805,000
Automobile use Tax	1,225,000	1,196,815	1,200,000
Revenues from State Sources	43,643,381	45,697,227	50,144,942
Revenues from Federal Sources	34,679,734	28,819,324	31,263,312
Departmental Income	10,388,551	9,240,832	9,923,745
Intergovernmental Charges	2,451,476	1,603,533	1,492,368
Use of Money and Property	1,330,470	1,547,436	1,700,789
Licenses & Permits	-	470,167	489,000
Fines & Forfeitures	493,968	403,147	531,894
Sale of Property and	-	-	-
Compensation for Loss	1,390,500	2,029,879	1,130,250
Miscellaneous Local Sources	402,100	1,377,461	419,400
Interfund Revenues	1,948,617	1,825,075	2,021,432
Total Revenues	\$ 279,338,563	\$ 276,810,518	\$ 287,968,692
EXPENDITURES			
General Government Support	\$ 56,228,385	\$ 64,577,655	\$ 58,289,225
Education	10,310,863	10,194,615	10,360,863
Public Safety	34,887,263	46,782,728	37,397,035
Health	16,794,196	18,388,896	17,198,541
Transportation	4,259,288	5,771,738	5,068,347
Economic Assistance & Opportunity	112,713,614	125,596,266	114,860,838
Culture & Recreation	1,023,213	1,040,629	1,218,668
Home & Community Services	2,794,524	2,704,943	3,080,966
Employee Benefits	46,737,778	7,617,517	49,840,686
Debt Service	950,000	985,731	950,000
Total Expenditures	\$ 286,699,124	\$ 283,660,718	\$ 298,265,169
Excess of Revenues Over (Under) Expenditures	(7,360,561)	(6,850,200)	(10,296,477)
Other Financing Sources (Uses):			
Operating Transfers In	-	19,100	-
Operating Transfers Out	-	(595,750)	-
Appropriated Reserves	7,360,561	-	10,296,477
Transfer to Debt Service Reserve Fund	-	-	-
Transfers to GHHCC	-	-	-
Premium on Obligations	-	-	-
Residual Equity Transfer	-	-	-
Total Other Financing	7,360,561	(576,650)	10,296,477
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(7,426,850)	-
FUND BALANCE			
Fund Balance - Beginning of Year	\$ -	\$ 57,990,008	\$ -
Prior Period Adjustments (net)	-	-	-
Fund Balance - End of Year	\$ -	\$ 50,563,158	\$ -

Source: 2020 Audited Financial Statement and 2020 Budget (unaudited) of the County. This Appendix is not itself audited.

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>DEBT SERVICE FUND</u>					
Fund Equity - Beginning of Year	\$ 1,724,945	\$ 1,263,682	\$ 1,220,851	\$ 1,351,651	\$ 4,467,961
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	8,462,325	9,380,296	10,539,588	13,355,237	16,661,831
Expenditures & Other Uses	8,923,588	9,423,127	10,408,788	10,238,927	16,727,421
Fund Equity - End of Year	\$ 1,263,682	\$ 1,220,851	\$ 1,351,651	\$ 4,467,961	\$ 4,402,371
<u>SPECIAL GRANT FUND</u>					
Fund Equity - Beginning of Year	\$ 40,563	\$ 116,323	\$ 127,469	\$ 115,573	\$ 191,099
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	2,130,042	2,179,310	2,139,132	1,677,280	1,655,650
Expenditures & Other Uses	2,054,282	2,168,164	2,151,028	1,601,754	1,614,955
Fund Equity - End of Year	\$ 116,323	\$ 127,469	\$ 115,573	\$ 191,099	\$ 231,794
<u>COUNTY ROAD FUND</u>					
Fund Equity - Beginning of Year	\$ 1,885,930	\$ 1,300,746	\$ 1,124,658	\$ 2,031,459	\$ 2,824,502
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	17,622,669	18,030,071	15,174,862	15,363,468	15,664,088
Expenditures & Other Uses	18,207,853	18,206,159	14,268,061	14,570,425	15,116,621
Fund Equity - End of Year	\$ 1,300,746	\$ 1,124,658	\$ 2,031,459	\$ 2,824,502	\$ 3,371,969
<u>ROAD MACHINERY FUND</u>					
Fund Equity - Beginning of Year	\$ 2,062,698	\$ 3,642,005	\$ 4,747,888	\$ 4,177,236	\$ 3,509,764
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	5,310,266	4,307,217	2,964,737	3,040,736	3,267,512
Expenditures & Other Uses	3,730,959	3,201,334	3,535,389	3,708,208	3,571,738
Fund Equity - End of Year	\$ 3,642,005	\$ 4,747,888	\$ 4,177,236	\$ 3,509,764	\$ 3,205,538

Source: 2015-2019 audited financial statements of the County.
This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Excluding the Bonds		Total	Principal of the Bonds	Total Principal All Issues
	Principal	Interest			
2020	\$ 9,123,235	\$ 3,273,666	\$ 12,396,901	\$ -	\$ 9,123,235
2021	9,655,000	3,004,300	12,659,300	563,654	10,218,654
2022	9,615,000	2,644,725	12,259,725	570,000	10,185,000
2023	9,475,000	2,286,963	11,761,963	580,000	10,055,000
2024	9,600,000	1,929,200	11,529,200	585,000	10,185,000
2025	7,590,000	1,577,463	9,167,463	590,000	8,180,000
2026	7,620,000	1,316,975	8,936,975	600,000	8,220,000
2027	7,760,000	1,056,500	8,816,500	610,000	8,370,000
2028	7,360,000	844,831	8,204,831	620,000	7,980,000
2029	5,800,000	580,013	6,380,013	630,000	6,430,000
2030	2,710,000	410,369	3,120,369	640,000	3,350,000
2031	2,785,000	336,906	3,121,906	655,000	3,440,000
2032	1,925,000	260,731	2,185,731	665,000	2,590,000
2033	1,980,000	208,769	2,188,769	675,000	2,655,000
2034	1,440,000	155,275	1,595,275	690,000	2,130,000
2035	1,475,000	119,275	1,594,275	-	1,475,000
2036	1,510,000	82,400	1,592,400	-	1,510,000
2037	1,555,000	42,763	1,597,763	-	1,555,000
TOTALS	\$ 98,978,235	\$ 20,131,122	\$ 119,109,357	\$ 8,673,654	\$ 107,651,889

Note: Includes \$1,820,000 bonds that are being refunded by serial bonds issued on October 6, 2020. The bonds are being paid from a fully funded escrow account on November 9, 2020.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2012			2013*			2014		
	Refunding of 2006 Bonds			Public Improvements			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 3,680,000	\$ 1,621,094	\$ 5,301,094	\$ 195,000	\$ 58,406	\$ 253,406	\$ 285,000	\$ 56,788	\$ 341,788
2021	3,860,000	1,437,094	5,297,094	205,000	54,506	259,506	295,000	51,088	346,088
2022	4,055,000	1,244,094	5,299,094	210,000	49,381	259,381	300,000	45,188	345,188
2023	4,260,000	1,041,344	5,301,344	215,000	43,081	258,081	305,000	39,188	344,188
2024	4,475,000	828,344	5,303,344	225,000	36,631	261,631	315,000	33,088	348,088
2025	2,625,000	604,594	3,229,594	230,000	29,881	259,881	325,000	26,000	351,000
2026	2,760,000	473,344	3,233,344	240,000	22,981	262,981	330,000	17,875	347,875
2027	2,900,000	335,344	3,235,344	245,000	15,781	260,781	335,000	9,213	344,213
2028	2,995,000	248,344	3,243,344	250,000	8,125	258,125	-	-	-
2029	3,155,000	98,594	3,253,594	-	-	-	-	-	-
TOTALS	\$ 34,765,000	\$ 7,932,188	\$ 42,697,188	\$ 2,015,000	\$ 318,775	\$ 2,333,775	\$ 2,490,000	\$ 278,425	\$ 2,768,425

* The Bonds maturing in the years 2021-2029 are being refunded with the 2020 refunding bonds and will be paid from a fully funded escrow account on November 9, 2020.

Fiscal Year Ending Dec 31st	2015			2015			2016A		
	Refunding of 2006, 2007 and 2008 Bonds			Public Improvements			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 920,000	\$ 124,425	\$ 1,044,425	\$ 400,000	\$ 85,750	\$ 485,750	\$ 105,000	\$ 15,800	\$ 120,800
2021	975,000	83,025	1,058,025	410,000	77,750	487,750	110,000	13,700	123,700
2022	615,000	39,150	654,150	420,000	69,550	489,550	110,000	11,500	121,500
2023	255,000	11,475	266,475	435,000	61,150	496,150	115,000	9,300	124,300
2024	-	-	-	445,000	52,450	497,450	115,000	7,000	122,000
2025	-	-	-	460,000	43,550	503,550	115,000	4,700	119,700
2026	-	-	-	470,000	34,350	504,350	120,000	2,400	122,400
2027	-	-	-	480,000	23,775	503,775	-	-	-
2028	-	-	-	495,000	12,375	507,375	-	-	-
TOTALS	\$ 2,765,000	\$ 258,075	\$ 3,023,075	\$ 4,015,000	\$ 460,700	\$ 4,475,700	\$ 790,000	\$ 64,400	\$ 854,400

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2016B			2017			2018		
	Public Improvements			Public Improvements			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 710,000	\$ 227,150	\$ 937,150	\$ 665,000	\$ 132,506	\$ 797,506	\$ 385,000	\$ 209,988	\$ 594,988
2021	720,000	212,950	932,950	680,000	119,206	799,206	400,000	198,438	598,438
2022	735,000	198,550	933,550	690,000	105,606	795,606	410,000	186,438	596,438
2023	750,000	183,850	933,850	710,000	91,806	801,806	420,000	174,138	594,138
2024	770,000	168,850	938,850	730,000	77,606	807,606	435,000	161,538	596,538
2025	785,000	153,450	938,450	745,000	63,006	808,006	450,000	148,488	598,488
2026	805,000	137,750	942,750	765,000	48,106	813,106	460,000	134,988	594,988
2027	825,000	121,650	946,650	785,000	32,806	817,806	475,000	121,188	596,188
2028	845,000	105,150	950,150	805,000	17,106	822,106	490,000	106,938	596,938
2029	865,000	79,800	944,800	-	-	-	505,000	92,238	597,238
2030	885,000	53,850	938,850	-	-	-	520,000	75,825	595,825
2031	910,000	27,300	937,300	-	-	-	535,000	58,275	593,275
2032	-	-	-	-	-	-	555,000	39,550	594,550
2033	-	-	-	-	-	-	575,000	20,125	595,125
TOTALS	\$ 9,605,000	\$ 1,670,300	\$ 11,275,300	\$ 6,575,000	\$ 687,756	\$ 7,262,756	\$ 6,615,000	\$ 1,728,150	\$ 8,343,150

Fiscal Year Ending Dec 31st	2019			2019			2020		
	Refunding Bonds			Public Improvements			Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 720,000	\$ 202,150	\$ 922,150	\$ 1,053,235	\$ 532,476	\$ 1,585,711	\$ 5,000	\$ 7,134	\$ 12,134
2021	750,000	173,350	923,350	1,070,000	517,394	1,587,394	180,000	65,800	245,800
2022	790,000	143,350	933,350	1,095,000	493,319	1,588,319	185,000	58,600	243,600
2023	705,000	111,750	816,750	1,115,000	468,681	1,583,681	190,000	51,200	241,200
2024	750,000	76,500	826,500	1,140,000	443,594	1,583,594	200,000	43,600	243,600
2025	480,000	50,250	530,250	1,165,000	417,944	1,582,944	210,000	35,600	245,600
2026	255,000	26,250	281,250	1,195,000	391,731	1,586,731	220,000	27,200	247,200
2027	270,000	13,500	283,500	1,220,000	364,844	1,584,844	225,000	18,400	243,400
2028	-	-	-	1,245,000	337,394	1,582,394	235,000	9,400	244,400
2029	-	-	-	1,275,000	309,381	1,584,381	-	-	-
2030	-	-	-	1,305,000	280,694	1,585,694	-	-	-
2031	-	-	-	1,340,000	251,331	1,591,331	-	-	-
2032	-	-	-	1,370,000	221,181	1,591,181	-	-	-
2033	-	-	-	1,405,000	188,644	1,593,644	-	-	-
2034	-	-	-	1,440,000	155,275	-	-	-	-
2035	-	-	-	1,475,000	119,275	-	-	-	-
2036	-	-	-	1,510,000	82,400	-	-	-	-
2037	-	-	-	1,555,000	42,763	-	-	-	-
TOTALS	\$ 4,720,000	\$ 797,100	\$ 5,517,100	\$ 22,973,235	\$ 5,618,319	\$ 22,211,842	\$ 1,650,000	\$ 316,934	\$ 1,966,934

COMPUTATION OF FULL VALUATION
Using State Equalization Rates

<u>Fiscal Year Ending June 30:</u>		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Year of Assessment Roll:</u>		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Assessed Valuation</u>						
City of:	Kingston	\$ 1,392,015,431	\$ 1,402,880,315	\$ 1,437,000,148	\$ 1,514,289,120	\$ 1,638,230,882
Towns of:	Denning	27,389,307	27,398,262	27,599,605	27,731,183	27,729,403
	Esopus	807,307,089	803,773,189	803,809,284	806,835,298	807,027,562
	Gardiner	735,551,110	742,733,324	829,801,991	840,657,729	878,471,503
	Hardenburgh	104,100,617	104,469,943	104,269,968	104,079,545	103,495,539
	Hurley	816,971,829	818,707,995	827,112,954	830,360,429	831,151,289
	Kingston	78,541,972	78,009,506	78,101,692	78,513,656	78,629,102
	Lloyd	1,025,399,681	1,030,727,422	1,032,249,593	1,045,969,575	1,078,231,885
	Marbletown	928,148,338	931,440,782	938,137,736	934,114,288	942,165,659
	Marlborough	732,060,360	734,249,834	736,736,012	742,764,525	748,772,790
	New Paltz	1,146,601,204	1,151,565,622	1,155,166,155	1,156,946,326	1,161,919,785
	Olive	1,202,275,719	1,210,198,112	1,210,999,002	1,213,678,866	1,218,333,341
	Plattekill	662,237,077	659,166,994	659,534,430	665,185,356	671,069,664
	Rochester	773,046,418	779,042,149	789,648,208	803,130,838	878,307,968
	Rosendale	483,856,808	482,127,392	489,892,959	503,778,205	524,575,937
	Saugerties	1,674,699,971	1,696,480,589	1,719,954,593	1,789,349,863	1,842,855,607
	Shandaken	166,490,082	167,024,027	170,189,192	170,928,519	171,193,969
	Shawangunk	185,190,922	185,415,718	186,291,602	187,402,169	188,195,066
	Ulster	1,028,355,819	1,021,956,579	971,031,899	977,481,653	981,592,548
	Wawarsing	1,163,543,445	1,148,894,271	1,145,783,033	1,147,132,451	1,152,345,479
	Woodstock	1,319,056,812	1,332,519,264	1,346,722,841	1,364,497,857	1,386,709,770
Total Assessed Valuation		\$ 16,452,840,011	\$ 16,508,781,289	\$ 16,660,032,897	\$ 16,904,827,451	\$ 17,311,004,748
<u>State Equalization Rates</u>						
City of:	Kingston	100.00%	100.00%	100.00%	100.00%	100.00%
Towns of:	Denning	18.00%	17.00%	17.00%	16.00%	16.00%
	Esopus	100.00%	100.00%	100.00%	100.00%	95.00%
	Gardiner	93.00%	93.00%	100.00%	100.00%	100.00%
	Hardenburgh	62.00%	62.00%	62.00%	61.00%	58.00%
	Hurley	100.00%	100.00%	100.00%	100.00%	100.00%
	Kingston	97.50%	92.75%	90.90%	89.25%	86.75%
	Lloyd	100.00%	100.00%	100.00%	100.00%	100.00%
	Marbletown	100.00%	100.00%	100.00%	100.00%	100.00%
	Marlborough	100.00%	100.00%	100.00%	100.00%	95.00%
	New Paltz	101.00%	100.00%	100.00%	100.00%	95.00%
	Olive	100.00%	100.00%	100.00%	99.03%	100.00%
	Plattekill	100.00%	100.00%	100.00%	100.00%	96.00%
	Rochester	100.00%	100.00%	97.00%	93.50%	100.00%
	Rosendale	100.00%	100.00%	100.00%	100.00%	100.00%
	Saugerties	100.00%	100.00%	100.00%	100.00%	100.00%
	Shandaken	25.50%	25.50%	25.50%	25.50%	25.50%
	Shawangunk	22.25%	22.50%	21.78%	21.00%	19.40%
	Ulster	83.00%	81.50%	81.10%	78.50%	73.00%
	Wawarsing	110.68%	110.78%	110.53%	105.41%	100.00%
	Woodstock	100.00%	100.00%	99.00%	94.50%	92.25%
<u>Full Valuation</u>						
City of:	Kingston	\$ 1,392,015,431	\$ 1,402,880,315	\$ 1,437,000,148	\$ 1,514,289,120	\$ 1,638,230,882
Towns of:	Denning	152,162,817	161,166,247	162,350,618	173,319,894	173,308,769
	Esopus	807,307,089	803,773,189	803,809,284	806,835,298	849,502,697
	Gardiner	790,915,172	798,637,983	829,801,991	840,657,729	878,471,503
	Hardenburgh	167,904,221	168,499,908	168,177,368	170,622,205	178,440,584
	Hurley	816,971,829	818,707,995	827,112,954	830,360,429	831,151,289
	Kingston	80,555,869	84,107,284	85,920,453	87,970,483	90,638,734
	Lloyd	1,025,399,681	1,030,727,422	1,032,249,593	1,045,969,575	1,078,231,885
	Marbletown	928,148,338	931,440,782	938,137,736	934,114,288	942,165,659
	Marlborough	732,060,360	734,249,834	736,736,012	742,764,525	788,181,884
	New Paltz	1,135,248,717	1,151,565,622	1,155,166,155	1,156,946,326	1,223,073,458
	Olive	1,202,275,719	1,210,198,112	1,210,999,002	1,225,566,865	1,218,333,341
	Plattekill	662,237,077	659,166,994	659,534,430	665,185,356	699,030,900
	Rochester	773,046,418	779,042,149	814,070,318	858,963,463	878,307,968
	Rosendale	483,856,808	482,127,392	489,892,959	503,778,205	524,575,937
	Saugerties	1,674,699,971	1,696,480,589	1,719,954,593	1,789,349,863	1,842,855,607
	Shandaken	652,902,282	654,996,184	667,408,596	670,307,918	671,348,898
	Shawangunk	832,318,751	824,069,858	855,333,343	892,391,281	970,077,660
	Ulster	1,238,982,914	1,253,934,453	1,197,326,633	1,245,199,558	1,344,647,326
	Wawarsing	1,051,268,020	1,037,095,388	1,036,626,285	1,088,257,709	1,152,345,479
	Woodstock	1,319,056,812	1,332,519,264	1,360,326,102	1,443,913,076	1,503,208,423
Total Full Valuation		\$ 17,919,334,296	\$ 18,015,386,964	\$ 18,187,934,571	\$ 18,686,763,165	\$ 19,476,128,883

CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS

In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the “Rule”), promulgated by the Securities and Exchange Commission (the “Commission”), the County has agreed to provide, or cause to be provided,

- (i) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated November 5, 2020 of the County relating to the Bonds under the headings “The County”, “Tax Information”, “County Indebtedness”, “Litigation” and all Appendices (other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2020, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2020; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the County of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the County of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
 - (a) principal and interest payment delinquencies
 - (b) non-payment related defaults, if material;
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (d) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (e) substitution of credit or liquidity providers, or their failure to perform;
 - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (g) modifications to rights of Bondholders, if material;
 - (h) bond calls, if material, and tender offers;
 - (i) defeasances;
 - (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
 - (k) rating changes;
 - (l) bankruptcy, insolvency, receivership or similar event of the County;
 - (m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.
 - (o) incurrence of a “financial obligation” (as defined in the Rule) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect Bondholders, if material; and

- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Bonds.

With respect to event (d) the County does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

For the purposes of the event identified in (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

With respect to events (o) and (p), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The County may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above, if the County determines that any such other event is material with respect to the Bonds; but the County does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

- (iii) in a timely manner, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The County reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The County acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the County's obligations under its continuing disclosure undertaking and any failure by the County to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County, provided that, the County agrees that any such modification will be done in a manner consistent with the Rule.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the Underwriter at closing.

MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the County has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Note is outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Notes holders, if material
- (h) Notes calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the County
- (m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined in the Rule) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect Note holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the County does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of

the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The County may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the County determines that any such other event is material with respect to the Notes; but the County does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The County reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The County acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the County’s obligations under its material event notices undertaking and any failure by the County to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

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COUNTY OF ULSTER, NEW YORK

**GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES**

December 31, 2019

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

COUNTY OF ULSTER, NEW YORK



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2019

Patrick K. Ryan
County Executive



Burton Gulnick, Jr.
Commissioner of Finance

COUNTY OF ULSTER, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2019



PREPARED BY:

THE ULSTER COUNTY DEPARTMENT OF FINANCE
Burton Gulnick, Jr., Commissioner

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County of Ulster, New York
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For the Year Ended December 31, 2019

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Introductory Section (Unaudited)

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ULSTER COUNTY DEPARTMENT OF FINANCE

PO Box 1800, 244 Fair Street, Kingston, New York 12402

Telephone (845) 340-3460 Fax (845) 340-3430

Burton Gulnick, Jr.
Commissioner of Finance



C. J. Rioux, CPA
Deputy Commissioner of Finance

Lena Serrano
Deputy Commissioner of Finance

Tracey Williams
Deputy Commissioner of Finance
Director of Real Property Tax Service

September 22, 2020

To the Honorable County Executive, Members of the Legislative Board, and Citizens of the County of Ulster:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the County of Ulster, New York (County) for the fiscal year ended December 31, 2019. The CAFR is presented in accordance with generally accepted accounting principles (GAAP).

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's net position from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and the overall entity, and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activities have been included.

The County's basic financial statements have been audited by independent auditors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended December 31, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a federally mandated "Single Audit" designed to meet the special needs of federal and New York State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis, as required supplementary information, to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all funds of the County, its component units and its financial transactions. The CAFR is organized into three sections: introductory, financial, and statistical.

- The *Introductory Section*, which includes this letter of transmittal, is intended to familiarize the reader with the organizational structure of the County, the nature and scope of the services it provides, and the specifics of its legal operating environment.
- The *Financial Section* includes the audited basic financial statements, required supplementary information, supporting statements and schedules necessary to fairly present the financial position and the results of operations of the County in conformity with GAAP, and the independent auditors' report on the basic financial statements.
- The *Statistical Section* contains comprehensive statistical data on the County's financial, physical, economic, social and political characteristics.

Profile of the County

Ulster County is located in the east central portion of the State on the west side of the Hudson River between New York City and Albany. Founded on November 1, 1683, it is one of New York State's original twelve counties. The County currently occupies 1,161 square miles that make up a large part of the Catskill and Shawangunk mountains and serves a population of 182,493. The County is empowered to levy a real property tax on properties within its boundaries.

The communities of the County reflect its variety: Kingston, which was the first capital of New York State, is the County seat and service center, and is located on the Hudson River; Woodstock is an art colony and a cultural center in a deeply wooded area 10 miles northwest of Kingston; New Paltz is the location of a State University of New York liberal arts college and is situated on the Wallkill River 12 miles south of Kingston. The seventeenth century homes and churches along Huguenot Street in New Paltz comprise a national historic site; Saugerties, a Hudson River town, is 8 miles north of Kingston. Originally famous for its brickyards and quarries, it has also become a residential center for people engaged in local industries. Saugerties now is the summer home of Horse Shows in the Sun (HITS). HITS-On-The-Hudson converted a former 200 acre golf course into a world class facility designed to meet the highest standards of equestrian competition. The facility has 14 permanent barns, over 1,100 horse stalls, a permanent food service facility with a dining courtyard and RV sites with full hook up. Located 20 miles southwest in the Rondout Valley, Ellenville is a vacation and recreation center with hiking in the Shawangunk Ridge which is listed by the Nature Conservancy as one of the "75 Last Great Places on Earth". Phoenicia is a hunting and fishing center 24 miles northwest of Kingston in the Catskill Mountains and is a year round resort and residential area; Hurley, one of the oldest communities in the County a few miles to the west, is dotted with rugged, seventeenth century stone homes, and is an agricultural and residential center; Highland, 12 miles south on the banks of the Hudson River, provides access to the Walkway Over the Hudson, the longest elevated pedestrian bridge in the world, and continues to attract on average over 700,000 visitors per year. Highland is the center of the Hudson Valley wine industry and home to many apple, peach, and grape orchards.

The County provides a full range of services including law enforcement; educational assistance; construction and maintenance of highways; public health; public transportation; environmental protection; recreational facilities and programs; economic assistance; economic opportunity and development; and community development. The County also is financially accountable for several separate entities or component units. They include the Ulster Tobacco Asset Securitization Corporation (UTASC), the Ulster County Economic Development Alliance (UCEDA), and the Ulster County Capital Resource Corporation (UCCRC), all blended component units, which are included in the financial statements of the primary government, and the Ulster County Community College (UCCC), the Ulster County Resource Recovery Agency (UCRRA), and the Ulster County Industrial Development Agency (UCIDA), which are reported as discretely presented component units. Additional information on all six of these legally separate entities can be found in Note 1A in the notes to the financial statements.

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body. Budgets are adopted on a basis consistent with generally accepted accounting principles. Included in the annual budget are the activities of the General, Special Revenue, and Debt Service Funds. Project-length financial plans are adopted for the Capital Projects Fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is exercised at the department and object level within individual funds except for capital projects and agency funds. The County also maintains an encumbrance accounting system under which the dollar values of purchase orders are recorded as reservations against budget appropriations. Encumbrance amounts are not considered expenditures; however, they are reappropriated as part of the following year's budget.

Factors Affecting Financial Condition

Local Economy

The average annual unemployment rate for Ulster County in 2019 was 3.8%, decreasing from 3.9% in 2018. The annual labor force figure in 2019 was 87,700, decreasing from 88,300 in 2018. The average annual labor force has remained around 88,000 since 2014. In 2019, Ulster County saw decreasing annual unemployment rates with roughly the same annual labor force figures.

Figures from the New York State Department of Labor (NYSDOL) show that from 2011-2018, the average number of people employed in private-sector jobs in Ulster County increased steadily from 43,629 to 47,901. While data for 2019 is preliminary, the average annual employment was 47,579 for private-sector jobs and first-quarter data for 2020 shows average annual employment at 45,362. Recent data from the U.S. Census Bureau's American Community Survey shows the trend of Ulster County residents finding employment in other areas is reversing. An estimated 64.8% of Ulster County residents remained in the County for employment in 2018, up slightly from 64.3% in 2017.

Per capita personal income data for Ulster County in 2018 was \$50,462, an increase of 4% from \$48,508 in 2017. The median family income per the United States of Housing and Urban Development (HUD) in 2020 is \$83,700, increasing from \$83,300 in 2019.

The 2010 Census reports a total population of 182,493, a 2.7% increase from 177,749 as reported in the 2000 Census. The 2019 Census estimates Ulster County's population to be 177,573. The 2019 New York State Association of Realtors lists the Ulster County's median sale price for residential properties at \$248,000, an increase from \$230,000 in 2018. The New York State Department of Taxation and Finance reports the median sale price for residential properties to be \$245,000 in 2019, which increased from \$228,000 in 2018, and \$218,250 in 2017. Rental housing data for 2019 collected by the Ulster County Planning Department has a vacancy rate of 3.51%.

For the Year

To stimulate economic recovery, the County stressed expenditure controls and strived for revenue enhancements, including:

- 1) Personnel Attrition - During 2019, the County was aggressive with vacancy budget savings of \$2,502,649.
- 2) Tax Overlay - The County provided \$1,000,000 of accumulated fund balance in the 2019 tax levy for debt reduction and cash flow purposes.
- 3) Real Property Tax Levy - In 2019, the County Executive delivered a County Operating Budget for 2020 with a 0.25% tax decrease to protect the taxpayers from the increasing cost of government.

For the Future

In 2020, Ulster County continued an infrastructure improvement program and invested an additional \$25 million designed to repair, upgrade, and replace county roads and bridges, which also included the County's Rail Trail network.

Debt Administration

Of the County's \$161.5 million of outstanding obligations, \$96.0 million of serial bonds and \$29.4 million of bond anticipation notes were issued for general purposes, \$34.7 million was issued for the Ulster Tobacco Asset Securitization Corporation (UTASC), a blended component unit of the County, and \$1.4 million was issued on behalf of the Ulster County Community College (UCCC). Currently, the County has a Standard and Poor's bond rating of AA on general obligation bond issues. Under current statutes, the County's general obligation bonded debt issuances are subject to a legal limitation based on 7% of the average full valuation of taxable real property. As of December 31, 2019, the County's general obligation bonded debt of \$126.8 million was well below the legal limit of approximately \$1.270 billion.

Cash Management

The County has a formal investment policy that is in conformance with all applicable Federal, State and other legal requirements. The general objectives, as set forth in the policy, are focused to provide for financial security and optimum liquidity of County funds while achieving a reasonable rate of return consistent with prevailing market conditions. State law requires that County funds must be deposited in banks or trust companies located and authorized to do business within New York State. The County is authorized to use demand accounts, savings accounts, and certificates of deposit. Permissible investments include guaranteed obligations of the U.S. Treasury and Federal Agencies, obligations of New York State, or its municipalities.

The County's policy provides that all investments are insured by federal depository insurance or collateralized. All collateral on deposits was held in the County's name by a third party financial institution.

The County is also authorized to contract for the purchases of investments through repurchase agreements. All repurchase agreements entered into are subject to a Master Repurchase Agreement.

Interest income helps to reduce the tax burden to the taxpayers. The County's effective interest rate on investments for 2019 was 1.30%, which led to interest earnings of \$1.5 million.

Risk Management

The County is exposed to various risks of loss related to unemployment, general liability, and workers' compensation. The County uses the proprietary fund to account for and finance, in the case of workers' compensation, its uninsured risks of loss. The County is also exposed to risk of loss for deductibles of varying amounts under several liability insurance policies.

The County maintains a workers' compensation claims-servicing pool to administer the payment of workers' compensation claims of pool participants. The pool is open to participation by any eligible municipality or any public entity. Under local law, participants are responsible for their proportionate share of total pool liabilities.

Acknowledgements

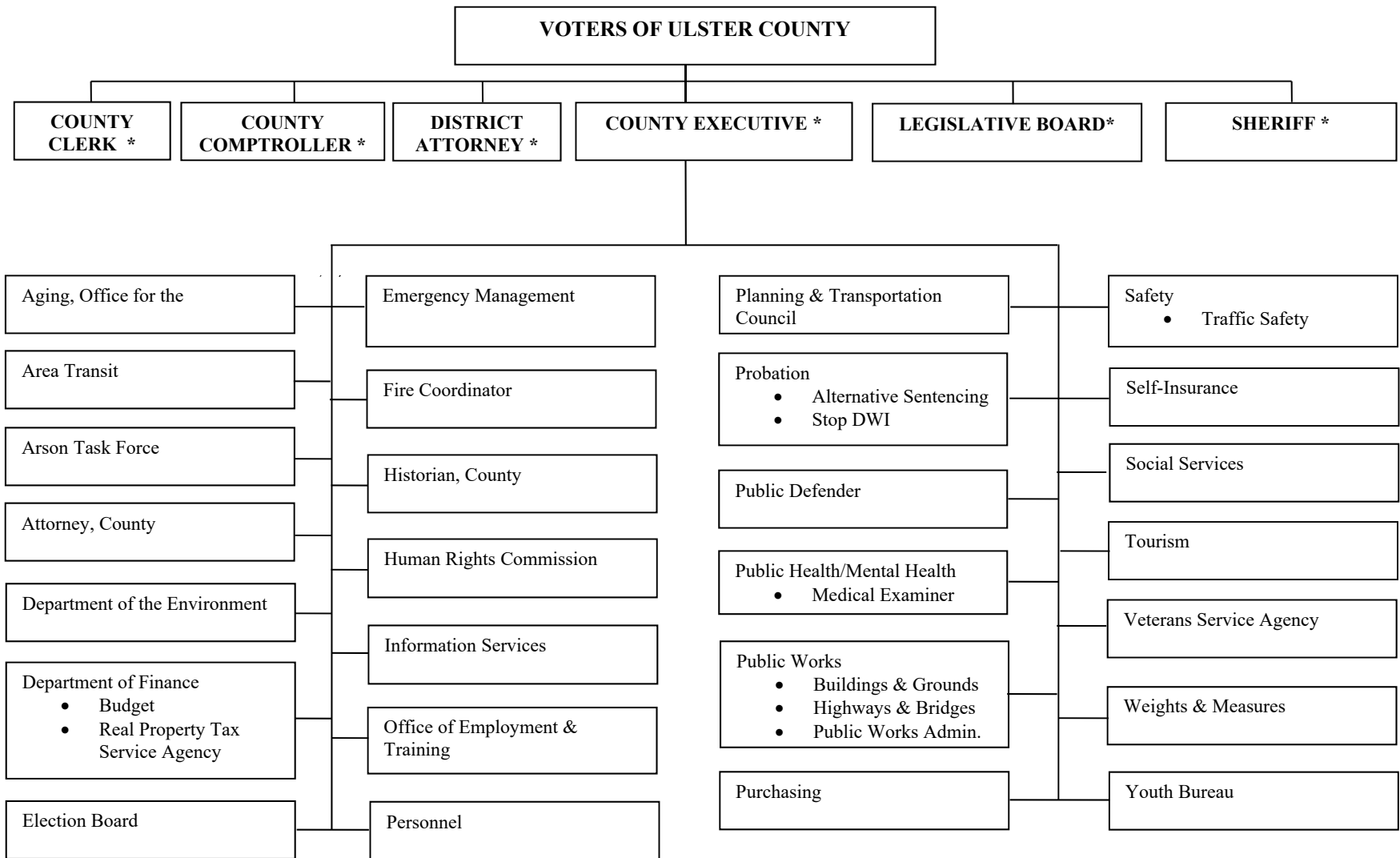
Preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. I would like to express my appreciation to all members of the department and to our independent auditor, Drescher & Malecki LLP, who assisted in its preparation.

In closing, I wish to thank our County Executive, County Legislators, and department heads and their staffs for their contributions to the preparation of this report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "B. Gulnick, Jr.", with a stylized flourish at the end.

Burton Gulnick, Jr.
Commissioner of Finance



* Elected official

COUNTY OF ULSTER, NEW YORK
LIST OF PRINCIPAL OFFICIALS, ULSTER COUNTY LEGISLATURE
AS OF DECEMBER 31, 2019

Tracey A. Bartels – Chair

Jonathan R. Heppner – Majority Leader
Kenneth J. Ronk, Jr. – Minority Leader

District No. 1 – Town of Saugerties
Mary Wawro

District No. 2 – Town of Saugerties, Village of Saugerties
Joseph K. Maloney

District No. 3 – Town of Saugerties, Town of Ulster
Dean Fabiano

District No. 4 – Town of Ulster, Town of Kingston
James F. Maloney/Brenda Maloney

District No. 5 – City of Kingston
Lynn M. Eckert

District No. 6 – City of Kingston
David B. Donaldson

District No. 7 – City of Kingston
Brian J. Woltman

District No. 8 – Town of Esopus
Laura Petit

District No. 9 – Town of Lloyd, Town of Plattekill
Herbert Litts, III

District No. 10 – Town of Lloyd, Town of Marlborough
Mary Beth Maio

District No. 11 – Town of Marlborough
Richard A. Gerentine

District No. 12 – Town of Plattekill
Kevin A. Roberts

District No. 13 – Town of Shawangunk
Kenneth J. Ronk, Jr.

District No. 14 – Town of Shawangunk, Town of Wawarsing
Craig V. Lopez

District No. 15 – Town of Wawarsing,
Village of Ellenville
Julius A. Collins

District No. 16 – Town of Gardiner,
Town of Shawangunk
Tracey A. Bartels

District No. 17 – Town of Esopus, Town of New Paltz
James H. Delaune

District No. 18 – Town of Hurley, Town of Marbletown
Heidi L. Haynes

District No. 19 – Town of Marbletown,
Town of Rosendale
Manna Jo Greene

District No. 20 – Town of New Paltz,
Village of New Paltz
Hector S. Rodriguez

District No. 21 – Town of Rochester,
Town of Wawarsing
Lynn M. Archer

District No. 22 – Town of Denning, Town of Hardenburgh,
Town of Olive, Town of Shandaken
Kathy Nolan

District No. 23 – Town of Hurley, Town of Woodstock
Jonathan R. Heppner

COUNTY OF ULSTER, NEW YORK
List of County Departments and Department Heads
As of December 31, 2019

Executive Patrick P. Ryan
Aging, Office for the..... Susan C. Koppenhaver
Arson Task Force..... Wayne T. Freer
Attorney Clinton G. Johnson
Budget Office Burton Gulnick, Jr.
Clerk Nina Postupack
Comptroller..... Adele B. Reiter
County Court Hon. Donald Williams
District Attorney D. Holley Carnright
Election Board Ashley E. Dittus, Thomas F. Turco
Emergency Management Steven Peterson
Department of the Environment Amanda LaValle
Family Court..... Hon. Marianne O. Mizel,
..... Hon. A. McGinty, Hon. Keri Savona
Finance..... Burton Gulnick, Jr.
Fire Coordinator..... Everett Erichsen
Health Department..... Carol M. Smith, MD
Human Rights Commission Christina Dawson
Information Services..... Alan N. Macaluso
Insurance DepartmentDoraine L. Whitney
Office of Employment and Training..... Tomasine J. Oliphant
Legislature (Clerk of the)..... Victoria Fabella
Mental Health Carol M. Smith, MD
Personnel Sheree P. Cross
Planning Dennis Doyle
Probation..... Nancy H. Schmidt
Public Defender Andrew Kossover
Public Works Thomas H. Jackson
Purchasing Edward M. Jordan
Real Property Tax Service Agency..... Burton Gulnick, Jr.
Safety Diane K. Beitel
Sheriff..... Juan J. Figueroa
Social Services..... Michael A. Iapoco
Soil and Water Conservation District Leonard Tantillo
Stop DWI..... Nancy H. Schmidt
Supreme Court..... Hon. Christopher Cahill,
..... Hon. James Gilpatric, Hon. Julian Schreiber
Surrogate's Court Hon. Sara W. McGinty
Tourism..... Richard J. Remsnyder
Traffic Safety Board Diane K. Beitel
Ulster County Community College Dr. Alan P. Roberts
Ulster County Resource Recovery Agency Timothy P. Rose
Ulster County Area Transportation..... Sajaa S Ahmed
Veterans Service Agency..... Mark A Cozzupoli
Weights and Measures James F DeGasperi
Youth Bureau..... Christina Dawson

Financial Section

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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable County Legislature
County of Ulster, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ulster, New York (the "County"), as of and for the year ended December 31, 2019 (with the Ulster County Community College for the fiscal year ended August 31, 2019), and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ulster County Economic Development Alliance ("UCEDA"), or the Ulster County Capital Resource Corporation ("UCCRC"), which represent 5.06 percent and 1.75 percent, respectively, of the assets, and 2.64 percent and 0.07 percent, respectively, of the revenues of the business-type activities. We also did not audit the financial statements of Ulster County Community College ("UCCC"), the Ulster County Resource Recovery Agency ("UCRRA"), or the Ulster County Industrial Development Agency ("UCIDA"), which represent 61.62 percent, 36.82 percent and 1.56 percent, respectively, of the assets, and 67.90 percent, 31.45 percent and 0.65 percent, respectively, of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the UCEDA, UCCRC, UCCC, UCRRA, and UCIDA, is based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year 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 and other Required Supplementary Information, as listed in the table of contents, 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 opinions on the financial statements that collectively comprise the County's basic financial statements. The Introductory Section, Supplementary Information, Other Information, and Statistical Section, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and relates 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 by us and the other auditors. In our opinion, the Supplementary Information, as listed in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section, Other Information, and Statistical Section, as listed in the table of contents, have 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 them.

Dresscher & Malechki LLP

September 22, 2020

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County of Ulster, New York

Management's Discussion and Analysis

December 31, 2019

This section of the County of Ulster, New York's (County) comprehensive annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2019. For comparative purposes, certain data from the prior year has been reclassified to conform with the current year presentation. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

Financial Highlights

- The liabilities and deferred inflows of resources of the primary government of the County exceeded assets and deferred outflows of resources at the close of the fiscal year by \$53,762,268 (*net position deficit*). This consists of \$61,694,964 net investment in capital assets, and restricted net position of \$14,638,851, offset by an unrestricted net position deficit of \$130,096,083.
- The primary government's total net position decreased by \$824,682.
- At year end, the County governmental funds reported combined fund balances of \$46,488,370, an increase of \$3,802,756 in comparison with the fund balances in the prior year of \$42,685,614.
- At the end of the fiscal year, the General Fund fund balance decreased by \$7,426,850 to a total fund balance of \$50,563,158. Unassigned fund balance for the General Fund was \$24,053,917, or 8.46% of total General Fund expenditures and operating transfers out. An assignment from the fund balance of \$9,717,742 was budgeted for appropriation in the next fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) **government-wide** financial statements; 2) **fund** financial statements and 3) **notes** to the basic financial statements. Required and other Supplementary Information are included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all County assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or in part a portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, education, public safety, public health, transportation, economic assistance, culture and recreation, home and community, and interest on long-term debt. The business-type activities of the County include the Workers' Compensation Pool, and two blended component units, the Ulster County Economic Development Alliance (UCEDA), and the Ulster County Capital Resource Corporation (UCCRC).

The government-wide financial statements can be found on pages 14-15 of this report.

Component units are included in the government-wide financial statements and consist of legally separate entities for which the County is financially accountable or provide services entirely to the County. The aggregate discretely presented component units of the County include the Ulster County Community College (UCCC), the Ulster County Resource Recovery Agency (UCRRA), and the Ulster County Industrial Development Agency (UCIDA). The Ulster Tobacco Asset Securitization Corporation (UTASC), the Ulster County Economic Development Alliance (UCEDA), and the Ulster County Capital Resource Corporation (UCCRC), although legally separate, function solely for the benefit of the County, and therefore have been included, or blended, as an integral part of the primary government.

The combining financial statements of the aggregate discretely presented component units can be found on pages 73-74 of this report.

County of Ulster, New York
Management's Discussion and Analysis (*Continued*)
December 31, 2019

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund and the Ulster Tobacco Asset Securitization Corporation (UTASC), which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the Supplementary Information section of this report.

The County adopts an annual appropriated budget for its governmental funds with the exception of the Capital Projects Fund and UTASC. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with the established budgets.

The governmental fund financial statements can be found on pages 16-18 of this report.

Proprietary funds of the County are enterprise funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise funds to account for the Workers' Compensation Pool, UCEDA, and UCCRC.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Workers' Compensation Pool is considered to be a major fund of the County and is presented separately in the proprietary fund financial statements. Data from the other two proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of *combining statements* in the Supplementary Information section of this report.

The proprietary fund financial statements can be found on pages 19-21 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The statement of fiduciary net position can be found on page 22 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes can be found on pages 23-60 of this report.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2019

Required and Other Supplementary Information is presented in addition to the basic financial statements and accompanying notes. This presentation provides information concerning the County's net pension liability, its obligation to provide postemployment benefits, budgetary comparison schedules, and combining and individual fund statements and schedules to provide information for the nonmajor governmental and proprietary funds.

Required supplementary information can be found on pages 61-67 of this report.

Supplementary information can be found on pages 68-72 of this report.

Other information can be found on pages 75-78 of this report.

Finally, the statistical section can be found on pages 79-90 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County primary government, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$53,762,268 at fiscal year-end.

County of Ulster's Net Position – Primary Government

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 136,445,655	\$ 135,792,850	\$ 36,980,368	\$ 36,654,974	\$173,426,023	\$172,447,824
Capital assets	222,442,647	210,363,206	-	-	222,442,647	210,363,206
Total assets	358,888,302	346,156,056	36,980,368	36,654,974	395,868,670	382,811,030
Deferred outflows of resources	31,259,114	47,462,321	-	-	31,259,114	47,462,321
Current and other liabilities	77,830,756	79,291,953	2,065,064	1,782,320	79,895,820	81,074,273
Long-term liabilities	315,489,557	329,124,758	32,589,429	32,488,811	348,078,986	361,613,569
Total liabilities	393,320,313	408,416,711	34,654,493	34,271,131	427,974,806	442,687,842
Deferred inflows of resources	52,915,246	40,523,095	-	-	52,915,246	40,523,095
Net position:						
Net investment in capital assets	61,694,964	57,245,671	-	-	61,694,964	57,245,671
Restricted	14,439,836	9,955,686	199,015	198,915	14,638,851	10,154,601
Unrestricted	(132,222,943)	(122,522,786)	2,126,860	2,184,928	(130,096,083)	(120,337,858)
Total net position	\$(56,088,143)	\$(55,321,429)	\$ 2,325,875	\$ 2,383,843	\$(53,762,268)	\$(52,937,586)

A large portion of the County's net position, in the amount of \$61,694,964, represents its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, in the amount of \$14,638,851, represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the County's net position, \$(130,096,083), is considered to be an unrestricted deficit. This deficit does not mean that the County does not have resources available to meet its obligations in the ensuing year. Rather, it reflects liabilities not related to the County's capital assets and are not expected to be repaid from current resources. These long-term liabilities, including compensated absences, other post-employment benefits ("OPEB") obligations, claims payable, and net pension liability, are funded annually within the funds.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2019

The County's primary government net position decreased by \$824,682 as a result of operations during the current fiscal year.

The following table presents the changes in net position for governmental and business-type activities for the year ended December 31, 2019 and 2018:

County of Ulster's Changes in Net Position – Primary Government

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$15,507,236	\$16,448,289	\$ 8,294,652	\$ 10,001,371	\$23,801,888	\$26,449,660
Operating grants and contributions	76,183,157	78,071,951	567,532	335,960	76,750,689	78,407,911
Capital grants and contributions	15,813,682	14,453,570	-	-	15,813,682	14,453,570
Total program revenues	107,504,075	108,973,810	8,862,184	10,337,331	116,366,259	119,311,141
General revenues:						
Property taxes	74,803,408	74,232,712	-	-	74,803,408	74,232,712
Sales taxes	127,215,937	120,322,069	-	-	127,215,937	120,322,069
County contribution	-	-	-	32,200	-	32,200
Other	7,594,185	7,016,158	368,238	1,126,223	7,962,423	8,142,381
Total general revenues	209,613,530	201,570,939	368,238	1,158,423	209,981,768	202,729,362
Total revenues	317,117,605	310,544,749	9,230,422	11,495,754	326,348,027	322,040,503
Transfers	19,100	889,513	(19,100)	(889,513)	-	-
Total revenues and transfers	317,136,705	311,434,262	9,211,322	10,606,241	326,348,027	322,040,503
Expenses:						
General government	66,849,198	64,380,838	-	-	66,849,198	64,380,838
Education	10,960,983	10,774,993	-	-	10,960,983	10,774,993
Public safety	52,573,630	49,661,770	-	-	52,573,630	49,661,770
Public health	18,916,390	18,773,270	-	-	18,916,390	18,773,270
Transportation	29,633,901	26,465,766	-	-	29,633,901	26,465,766
Economic assistance	128,946,802	124,214,173	-	-	128,946,802	124,214,173
Culture and recreation	1,538,563	2,973,672	-	-	1,538,563	2,973,672
Home and community	3,073,357	2,976,740	-	-	3,073,357	2,976,740
Interest on long-term debt	5,410,595	4,720,161	-	-	5,410,595	4,720,161
Workers' Compensation Pool	-	-	8,979,899	10,219,727	8,979,899	10,219,727
UCEDA	-	-	279,305	360,401	279,305	360,401
UCCRC	-	-	10,086	134,677	10,086	134,677
Total expenses	317,903,419	304,941,383	9,269,290	10,714,805	327,172,709	315,656,188
Changes in net position	(766,714)	6,492,879	(57,968)	(108,564)	(824,682)	6,384,315
Net position – beginning	(55,321,429)	(61,814,308)	2,383,843	2,492,407	(52,937,586)	(59,321,901)
Net position – ending	\$(56,088,143)	\$(55,321,429)	\$ 2,325,875	\$ 2,383,843	\$(53,762,268)	\$(52,937,586)

County of Ulster, New York
Management's Discussion and Analysis (*Continued*)
December 31, 2019

Key elements of the primary government's decrease in net position during the year ended December 31, 2019 of \$824,682 are as follows:

Governmental Activities: Governmental activities decreased the County's net position by \$766,714 primarily due to increases in economic assistance expenditures in 2019.

Business-type Activities: Business-type activities decreased the County's net position by \$57,968 primarily due to decreased revenues of the Ulster County Economic Development Alliance.

Financial Analysis of the County's Funds

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the General, Special Revenue, Debt Service, Capital Project Funds, and the Ulster Tobacco Asset Securitization Corporation (UTASC). The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24,053,917, while total fund balance was \$50,563,158. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and operating transfers out. Unassigned fund balance represents 8.46 percent of total fund expenditures and operating transfers out, while total fund balance represents 17.79 percent of that same amount.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2019

Revenues for governmental funds totaled \$321,415,067 in the current fiscal year, which represents an increase of 1.0 percent from the previous fiscal year.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Revenues Classified by Source
Governmental Funds

Revenues by Source	FY 2019 Amount	FY 2019 % of Total	FY 2018 Amount	FY 2018 % of Total	Increase (Decrease) Amount	Increase (Decrease) % Change
Taxes	\$ 208,362,160	64.8%	\$ 204,698,134	64.3%	\$ 3,664,026	1.8%
State and federal aid	87,440,694	27.2%	91,059,072	28.6%	(3,618,378)	(4.0)%
Departmental income	9,240,832	2.9%	9,688,696	3.0%	(447,864)	(4.6)%
Intergovernmental	6,325,756	2.0%	3,926,621	1.2%	2,399,135	61.1%
Use of money and property	1,793,343	0.6%	1,542,283	0.5%	251,060	16.3%
Tobacco settlement proceeds	2,057,941	0.6%	2,172,027	0.7%	(114,086)	(5.3)%
Miscellaneous local sources	1,402,733	0.4%	762,745	0.2%	639,988	83.9%
Interfund revenues	1,825,075	0.6%	1,471,659	0.5%	353,416	24.0%
Other	2,966,533	0.9%	3,016,148	1.0%	(49,615)	(1.6)%
Total	\$ 321,415,067	100%	\$ 318,337,385	100%	\$ 3,077,682	1.0%

The following provides an explanation of revenues by source that changed significantly over the prior year.

- **Taxes** – the significant increase is primarily due to increased sales tax revenue received in 2019.
- **State and federal aid** – the significant decrease is due to decreased capital funding for transportation projects in 2019.
- **Intergovernmental** – the significant increase is primarily due to funding for the Ashokan Rail Trail project from the New York City Department of Environmental Protection in 2019.
- **Miscellaneous local sources** – the significant increase is primarily due to funds received in 2019 for prior year Committee on Special Education, and increased premiums on bond anticipation notes in 2019.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2019

Expenditures for governmental funds totaled \$346,514,146 in the current fiscal year, which represents an increase of 2.4 percent from the previous year.

The following table presents the amount of expenditures by function as well as increases or decreases from the prior year.

Expenditures by Function
Governmental Funds

Expenditures by Function	FY 2019 Amount	FY 2019 % of Total	FY 2018 Amount	FY 2018 % of Total	Increase (Decrease) Amount	Increase (Decrease) % Change
General government	\$64,621,124	18.7%	\$62,737,612	18.5%	\$ 1,883,512	3.0%
Education	10,194,615	2.9%	10,116,863	3.0%	77,752	0.8%
Public safety	46,782,728	13.5%	44,280,976	13.1%	2,501,752	5.6%
Public health	18,388,896	5.3%	18,151,961	5.4%	236,935	1.3%
Transportation	24,460,097	7.1%	23,610,117	7.0%	849,980	3.6%
Economic assistance	126,979,552	36.7%	121,840,980	36.0%	5,138,572	4.2%
Culture and recreation	1,040,629	0.3%	1,105,000	0.3%	(64,371)	(5.8)%
Home and community	2,936,612	0.8%	2,910,415	0.8%	26,197	0.9%
Employee benefits	7,617,517	2.2%	7,831,406	2.3%	(213,889)	(2.7)%
Debt (principal, interest, and issuance costs)	19,791,397	5.7%	12,763,887	3.8%	7,027,510	55.1%
Capital outlay	23,700,979	6.8%	33,123,575	9.8%	(9,422,596)	(28.4)%
Total	\$346,514,146	100%	\$338,472,792	100%	\$ 8,041,354	2.4%

The following provides an explanation of the expenditures by function that changed significantly over the prior year.

- **General government** – the significant increase is due to increased sales tax distribution in 2019 as well as increased election costs due to a special election held in 2019.
- **Public safety** – the significant increase is due to retroactive labor contract settlements paid in 2019 for Sheriff and Jail personnel.
- **Economic assistance and opportunity** – the significant increase is due to increased spending on preschool and child care.
- **Debt (principal, interest, and issuance costs)** – the significant decrease is primarily due to a current bond refunding in 2019.
- **Capital outlay** – the significant decrease is primarily due to the construction of a new Family Court facility, as well as a new Restorative Justice Center in 2018.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2019

The current year overall deficiency of revenues and other financing sources under expenditures and other financing uses is presented below:

Summary of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

	General Fund	Debt Service Fund	Capital Projects Fund	UTASC	Nonmajor Special Revenue Funds	Total
Revenues	\$276,810,518	\$10,364,525	\$11,541,974	\$2,124,100	\$20,573,950	\$321,415,067
Expenditures	283,660,718	16,727,421	23,700,979	2,121,714	20,303,314	346,514,146
Other financing sources (uses), net	(576,650)	6,297,306	23,167,879	-	13,300	28,901,835
Net change in fund balances (deficit)	(7,426,850)	(65,590)	11,008,874	2,386	283,936	3,802,756
Fund balances (deficit) – beginning	57,990,008	4,467,961	(28,694,411)	2,396,691	6,525,365	42,685,614
Fund balances (deficit) – ending	\$ 50,563,158	\$ 4,402,371	(\$17,685,537)	\$ 2,399,077	\$ 6,809,301	\$ 46,488,370

The fund balance of the County's General Fund decreased by \$7,426,850 during the fiscal year due to increased election costs due to a special election, retroactive labor contract settlements, as well as increased preschool and child care costs in 2019.

Proprietary funds. The County's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail. Other factors concerning the finances of the County's proprietary funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in a \$10.6 million increase in appropriations and transfers out, and a \$4.7 million increase in revenues and can be briefly summarized as follows:

- \$2.5 million to fund increases in sales tax distribution, legal expenses, and medical expenses in the general government.
- \$1.9 million to fund increases in public safety programs due to labor contract settlements.
- \$500 thousand to fund increases in transportation programs.
- \$4.4 million to fund increases to economic assistance for Committee on Special Education and preschool programs.
- \$100 thousand to fund increases in culture and recreational programs.
- \$800 thousand to fund increases to planning and conservation studies in home and community services.
- \$800 thousand to fund increases in interest expense.

These increases were to be primarily funded out of decreases in appropriations of education, public health, and employee benefits of \$100 thousand, \$200 thousand, and \$100 thousand, respectively, as well as additional state and federal grants of \$1.9 million, additional sales tax revenue of \$2.5 million, and additional intergovernmental charges of \$300 thousand, with the remaining \$5.9 million being funded from available fund balance including prior year encumbrances.

In comparing the final budget to actual, the primary variances were as follows:

- Property tax revenue was \$3.4 million lower than budgeted due to higher uncollectible taxes in 2019.
- Sales tax revenue was \$2.3 million higher than budgeted due to increased consumer spending in 2019.
- State aid was \$3.0 million lower than budgeted due to lower reimbursements due to unspent indigent legal services and public safety in 2019.
- Federal aid was \$2.7 million lower than budgeted due to a lower reimbursements for public safety and family assistance in 2019.
- Miscellaneous local sources was higher than budgeted primarily due to a premium on a bond anticipation note in 2019.
- General government expense savings resulted primarily from property related contractual savings of approximately \$700 thousand, and general savings across all county departments.
- Economic assistance expense savings resulted primarily from general savings in Social Services as well as the Office for the Aging.
- Home and community expense savings resulted primarily from less than budgeted planning studies in 2019.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2019

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of fiscal year end amounted to \$222,442,647 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, infrastructure and construction in progress. For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	<u>Governmental Activities</u>	
	2019	2018
Land and land improvements	\$ 5,924,130	\$ 6,094,889
Buildings and improvements	84,000,961	84,562,089
Machinery and equipment	17,837,715	17,842,290
Infrastructure	79,221,498	74,302,557
Construction in progress	35,458,343	27,561,381
Total	<u>\$222,442,647</u>	<u>\$210,363,206</u>

Additional information on the County's capital assets can be found in Note 2E on pages 35-36 of this report.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2019

Long-term debt. At the end of the current fiscal year, the primary government of the County had total serial bonded debt outstanding of \$139,233,095, net of unamortized bond premiums and accreted interest. Of this amount, \$103,247,204 comprises debt backed by full faith and credit of the County and \$35,985,891 is backed by the tobacco settlement revenues per the Master Settlement Agreement.

	Governmental Activities		Increase
	2019	2018	(Decrease)
General obligation bonds	\$ 101,892,296	\$ 86,874,206	\$ 15,018,090
Bonds issued on behalf of UCCC	1,354,908	1,733,585	(378,677)
Tobacco asset backed bonds	35,985,891	36,096,862	(110,971)
Total outstanding bonded debt	\$ 139,233,095	\$ 124,704,653	\$ 14,528,442

The County maintains a "AA" rating from Standard & Poor's for general obligation debt. State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year average full valuation of taxable real property. The County has utilized 9.98% of its statutory debt limit at fiscal year end.

Additional information on the County's long-term debt can be found in Note 2I on pages 38-41 of this report.

Economic Factors and Next Year's Budget and Rates

- The property tax levy was reduced by 0.25% in 2020.
- The County continued an infrastructure improvement program and invested an additional \$25 million in critical road and bridge improvements, which also included the County's Rail Trail network.

All of these factors were considered in preparing the County's budget for fiscal year 2020.

During the current fiscal year, fund balance in the General Fund decreased to \$50,563,158. The County elected to appropriate \$9,717,742 of the fund balance in the General Fund for spending in the 2020 fiscal year budget.

Request for Information

The financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Ulster County Department of Finance, P.O. Box 1800, Kingston, New York, 12402.

Basic Financial Statements

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Government-wide
Financial Statements

County of Ulster, New York
Statement of Net Position
December 31, 2019

	Primary Government			Aggregate Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 24,261,732	\$ 29,636,483	\$ 53,898,215	\$ 14,641,351
Restricted cash and cash equivalents	19,911,631	1,300,551	21,212,182	-
Investments	-	-	-	12,244,450
Receivables	83,880,881	740,092	84,620,973	8,411,748
Internal balances	(1,295,856)	1,295,856	-	-
Due from Agency Fund	809,624	-	809,624	-
Due from component units	382,953	-	382,953	-
Inventories	105,204	-	105,204	-
Prepaid items	8,389,486	-	8,389,486	375,894
Other assets	-	-	-	1,479,779
Assessment receivables	-	2,807,386	2,807,386	-
Deposit with third party administrator	-	1,200,000	1,200,000	-
Net pension asset - proportionate share	-	-	-	232,778
Capital assets (net of accumulated depreciation)	222,442,647	-	222,442,647	22,912,873
Total assets	358,888,302	36,980,368	395,868,670	60,298,873
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pensions	18,625,324	-	18,625,324	2,582,527
Deferred outflows of resources - OPEB	8,981,988	-	8,981,988	5,965,694
Deferred charge on refunding	3,651,802	-	3,651,802	-
Total deferred outflows of resources	31,259,114	-	31,259,114	8,548,221
LIABILITIES				
Accounts payable and other accrued liabilities	15,539,768	848,646	16,388,414	3,355,507
Intergovernmental payables	32,690,431	-	32,690,431	49,417
Due to primary government	-	-	-	382,953
Unearned revenue	169,702	1,216,418	1,386,120	4,781,578
Bond anticipation notes payable	29,430,855	-	29,430,855	-
Noncurrent liabilities:				
Due within one year	13,583,137	23,124,327	36,707,464	2,501,676
Due in more than one year	301,906,420	9,465,102	311,371,522	28,495,245
Total liabilities	393,320,313	34,654,493	427,974,806	39,566,376
DEFERRED INFLOWS OF RESOURCES				
Deferred tuition received	-	-	-	585,461
Deferred inflows of resources - pensions	7,583,444	-	7,583,444	986,906
Deferred inflows of resources - OPEB	37,603,410	-	37,603,410	7,729,851
Deferred gain on refunding	7,728,392	-	7,728,392	-
Total deferred inflows of resources	52,915,246	-	52,915,246	9,302,218
NET POSITION				
Net investment in capital assets	61,694,964	-	61,694,964	22,010,044
Restricted for:				
Board designated, scholarships, and grants	-	-	-	1,372,351
Nonexpendable	-	-	-	10,600,615
Debt service	6,801,448	-	6,801,448	2,707,292
Other purposes	7,638,388	199,015	7,837,403	574,357
Unrestricted	(132,222,943)	2,126,860	(130,096,083)	(17,286,159)
Total net position	\$ (56,088,143)	\$ 2,325,875	\$ (53,762,268)	\$ 19,978,500

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Activities
For the Year Ended December 31, 2019

					Net (Expense) Revenue and Changes in Net Position				Aggregate Discretely Presented Component Units
Functions/Programs	Expenses	Program Revenues			Primary Government				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
Primary government:									
Governmental activities:									
General government	\$ 66,849,198	\$ 6,651,151	\$ 1,926,134	\$ 284,188	\$ (57,987,725)	\$ -	\$ (57,987,725)	\$ -	
Education	10,960,983	81,595	-	200,374	(10,679,014)	-	(10,679,014)	-	
Public safety	52,573,630	1,669,701	2,220,636	69,750	(48,613,543)	-	(48,613,543)	-	
Public health	18,916,390	550,120	10,477,489	-	(7,888,781)	-	(7,888,781)	-	
Transportation	29,633,901	1,022,653	4,111,497	7,391,025	(17,108,726)	-	(17,108,726)	-	
Economic assistance	128,946,802	5,139,346	56,396,405	33,120	(67,377,931)	-	(67,377,931)	-	
Culture and recreation	1,538,563	197,002	231,842	7,835,225	6,725,506	-	6,725,506	-	
Home and community	3,073,357	195,668	819,154	-	(2,058,535)	-	(2,058,535)	-	
Interest	5,410,595	-	-	-	(5,410,595)	-	(5,410,595)	-	
Total governmental activities	317,903,419	15,507,236	76,183,157	15,813,682	(210,399,344)	-	(210,399,344)	-	
Business-type activities:									
Workers' Compensation Pool	8,979,899	8,070,573	567,532	-	-	(341,794)	(341,794)	-	
Economic Development Alliance	279,305	224,079	-	-	-	(55,226)	(55,226)	-	
Capital Resource Corporation	10,086	-	-	-	-	(10,086)	(10,086)	-	
Total business-type activities	9,269,290	8,294,652	567,532	-	-	(407,106)	(407,106)	-	
Total primary government	\$ 327,172,709	\$ 23,801,888	\$ 76,750,689	\$ 15,813,682	(210,399,344)	(407,106)	(210,806,450)	-	
Component units:									
Community College	\$ 33,379,126	\$ 8,220,354	\$ 8,323,989	\$ -				(16,834,783)	
Resource Recovery Agency	14,145,691	15,874,243	87,991	-				1,816,543	
Industrial Development Agency	177,549	325,378	-	-				147,829	
Total component units	\$ 47,702,366	\$ 24,419,975	\$ 8,411,980	\$ -				(14,870,411)	
General revenues:									
Taxes:									
Property and other real property tax items					74,803,408	-	74,803,408	-	
Sales					127,215,937	-	127,215,937	-	
Tax on hotel room occupancy					2,032,778	-	2,032,778	-	
E-911 surcharge					770,054	-	770,054	-	
Automobile use tax					1,196,815	-	1,196,815	-	
Use of money and property					1,721,597	349,138	2,070,735	183,995	
Tobacco settlement proceeds					1,872,941	-	1,872,941	-	
Contribution from other governments					-	-	-	6,153,264	
County contribution					-	-	-	6,400,863	
Chargeback revenue					-	-	-	925,266	
Federal and state nonoperating revenues					-	-	-	4,805,549	
Sale of property					-	19,100	19,100	-	
Transfers					19,100	(19,100)	-	-	
Total general revenues and transfers					209,632,630	349,138	209,981,768	18,468,937	
Change in net position					(766,714)	(57,968)	(824,682)	3,598,526	
Net position - beginning					(55,321,429)	2,383,843	(52,937,586)	16,379,974	
Net position - ending					\$ (56,088,143)	\$ 2,325,875	\$ (53,762,268)	\$ 19,978,500	

See accompanying notes to the financial statements.

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Fund Financial
Statements

County of Ulster, New York
Balance Sheet - Governmental Funds and Reconciliation of the Balance Sheet - Governmental Funds
To the Government-wide Statement of Net Position
December 31, 2019

	General	Debt Service	Capital Projects	UTASC	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash, cash equivalents and investments	\$ 18,904,810	\$ -	\$ -	\$ -	\$ 5,356,922	\$ 24,261,732
Restricted cash, cash equivalents and investments	7,808,090	4,402,371	5,287,962	2,413,208	-	19,911,631
Receivables	76,824,176	-	4,933,621	-	123,084	81,880,881
Due from other funds	32,557	-	791,198	-	2,000,000	2,823,755
Due from component units - UCCC	382,953	-	-	-	-	382,953
Inventories	105,204	-	-	-	-	105,204
Prepaid items	5,945,905	-	2,443,581	-	-	8,389,486
Total assets	<u>\$ 110,003,695</u>	<u>\$ 4,402,371</u>	<u>\$ 13,456,362</u>	<u>\$ 2,413,208</u>	<u>\$ 7,480,006</u>	<u>\$ 137,755,642</u>
LIABILITIES						
Accounts payable and other accrued liabilities	\$ 12,419,067	\$ -	\$ 1,711,044	\$ -	\$ 670,705	\$ 14,800,816
Intergovernmental payables	32,690,431	-	-	-	-	32,690,431
Due to other funds	2,000,000	-	-	14,131	-	2,014,131
Bond anticipation notes payable	-	-	29,430,855	-	-	29,430,855
Unearned revenues	169,702	-	-	-	-	169,702
Total liabilities	<u>47,279,200</u>	<u>-</u>	<u>31,141,899</u>	<u>14,131</u>	<u>670,705</u>	<u>79,105,935</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	12,161,337	-	-	-	-	12,161,337
Total deferred inflows of resources	<u>12,161,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,161,337</u>
FUND BALANCES (DEFICIT)						
Nonspendable:						
Inventories	105,204	-	-	-	-	105,204
Prepaid items	5,945,905	-	2,443,581	-	-	8,389,486
Restricted for:						
Debt service	-	4,402,371	-	2,399,077	-	6,801,448
Future capital projects	2,700,000	-	-	-	-	2,700,000
Risk retention	129,455	-	-	-	-	129,455
Tax stabilization	2,581,059	-	-	-	-	2,581,059
Other purposes	2,227,874	-	-	-	-	2,227,874
Assigned to:						
Encumbrances	2,782,251	-	-	-	57,091	2,839,342
Subsequent years' expenditures	9,717,742	-	-	-	1,154,864	10,872,606
Specific use	-	-	-	-	5,597,346	5,597,346
Other purposes	319,751	-	-	-	-	319,751
Unassigned	24,053,917	-	(20,129,118)	-	-	3,924,799
Total fund balances (deficit)	<u>50,563,158</u>	<u>4,402,371</u>	<u>(17,685,537)</u>	<u>2,399,077</u>	<u>6,809,301</u>	<u>46,488,370</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 110,003,695</u>	<u>\$ 4,402,371</u>	<u>\$ 13,456,362</u>	<u>\$ 2,413,208</u>	<u>\$ 7,480,006</u>	

Amounts reported for governmental activities in the statement of net position (page 14) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	222,442,647
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,000,000
Pension related deferred outflows of resources represent a consumption of net position in the future period and, therefore, are not reported in the funds.	18,625,324
OPEB related deferred outflows represent a consumption of net position in the future period and, therefore, are not reported in the funds.	8,981,988
Deferred charge on bond refunding represents a consumption of net position in the future period and, therefore, are not reported in the funds.	3,651,802
Deferred property tax revenue is not available to pay for current-period expenditures and, therefore, are deferred in the funds.	12,161,337
Retainage payable is not due and payable in the current period and, therefore, is not reported in the funds.	(189,790)
Pension related deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(7,583,444)
OPEB related deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(37,603,410)
Tobacco refunding related deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(7,728,392)
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.	(549,162)
Claims and judgments for workers' compensation liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(1,295,856)
Long-term liabilities, including bonds payable, claims and judgments, retirement, OPEB, net pension liability, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(315,489,557)

Net position of governmental activities	<u>\$ (56,088,143)</u>
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See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended December 31, 2019

	General	Debt Service	Capital Projects	UTASC	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 47,501,991	\$ 10,263,025	\$ -	\$ -	\$ 14,302,698	\$ 72,067,714
Other real property tax items	5,078,862	-	-	-	-	5,078,862
Sales	127,215,937	-	-	-	-	127,215,937
Tax on Hotel Room Occupancy	2,032,778	-	-	-	-	2,032,778
E-911 emergency telephone surcharge	770,054	-	-	-	-	770,054
Automobile use tax	1,196,815	-	-	-	-	1,196,815
State aid	45,697,227	-	2,723,917	-	4,607,371	53,028,515
Federal aid	28,819,324	-	4,290,259	-	1,302,596	34,412,179
Departmental income	9,240,832	-	-	-	-	9,240,832
Intergovernmental	1,603,533	-	4,527,798	-	194,425	6,325,756
Use of money and property	1,547,436	96,763	-	66,159	82,985	1,793,343
Licenses and permits	470,167	-	-	-	-	470,167
Fines and forfeitures	403,147	-	-	-	-	403,147
Sale of property and compensation for loss	2,029,879	-	-	-	63,340	2,093,219
Tobacco settlement proceeds	-	-	-	2,057,941	-	2,057,941
Miscellaneous local sources	1,377,461	4,737	-	-	20,535	1,402,733
Interfund revenues	1,825,075	-	-	-	-	1,825,075
Total revenues	<u>276,810,518</u>	<u>10,364,525</u>	<u>11,541,974</u>	<u>2,124,100</u>	<u>20,573,950</u>	<u>321,415,067</u>
EXPENDITURES						
Current:						
General government	64,577,655	-	-	43,469	-	64,621,124
Education	10,194,615	-	-	-	-	10,194,615
Public safety	46,782,728	-	-	-	-	46,782,728
Public health	18,388,896	-	-	-	-	18,388,896
Transportation	5,771,738	-	-	-	18,688,359	24,460,097
Economic assistance	125,596,266	-	-	-	1,383,286	126,979,552
Culture and recreation	1,040,629	-	-	-	-	1,040,629
Home and community	2,704,943	-	-	-	231,669	2,936,612
Employee benefits	7,617,517	-	-	-	-	7,617,517
Debt service:						
Principal	-	13,664,000	-	320,000	-	13,984,000
Interest and other fiscal charges	985,731	3,063,421	-	1,758,245	-	5,807,397
Capital outlay	-	-	23,700,979	-	-	23,700,979
Total expenditures	<u>283,660,718</u>	<u>16,727,421</u>	<u>23,700,979</u>	<u>2,121,714</u>	<u>20,303,314</u>	<u>346,514,146</u>
Excess (deficiency) of revenues over expenditures	<u>(6,850,200)</u>	<u>(6,362,896)</u>	<u>(12,159,005)</u>	<u>2,386</u>	<u>270,636</u>	<u>(25,099,079)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	19,100	387,806	582,450	-	13,300	1,002,656
Transfers out	(595,750)	-	(387,806)	-	-	(983,556)
Issuance of bonds	-	-	22,973,235	-	-	22,973,235
Issuance of refunding bonds	-	5,280,000	-	-	-	5,280,000
Premium on obligations	-	629,500	-	-	-	629,500
Total other financing sources (uses)	<u>(576,650)</u>	<u>6,297,306</u>	<u>23,167,879</u>	<u>-</u>	<u>13,300</u>	<u>28,901,835</u>
Net change in fund balances (deficit)	<u>(7,426,850)</u>	<u>(65,590)</u>	<u>11,008,874</u>	<u>2,386</u>	<u>283,936</u>	<u>3,802,756</u>
Fund balances (deficit) - beginning	<u>57,990,008</u>	<u>4,467,961</u>	<u>(28,694,411)</u>	<u>2,396,691</u>	<u>6,525,365</u>	<u>42,685,614</u>
Fund balances (deficit) - ending	<u>\$ 50,563,158</u>	<u>\$ 4,402,371</u>	<u>\$ (17,685,537)</u>	<u>\$ 2,399,077</u>	<u>\$ 6,809,301</u>	<u>\$ 46,488,370</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances (Deficit) - Governmental Funds
To the Government-wide Statement of Activities
For the Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net change in fund balances (deficit) - total governmental funds (page 17)	\$	3,802,756
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays, net of disposals, exceeded depreciation expense, in the current period.		12,079,441
Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:		
Direct pension contributions	\$ 12,551,263	
Cost of benefits earned, net of employee contributions	<u>(13,646,689)</u>	(1,095,426)
Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. This amount is shown net of current year amortizations.		(39,152,747)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(2,528,168)
Accrued bond interest is not due and payable in the current period and, therefore, is not reported in the funds.		(63,894)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		25,001,030
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>1,190,294</u>
Change in net position of governmental activities	<u>\$</u>	<u>(766,714)</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-Type Activities		
	Workers'	Total	Total
	Compensation	Nonmajor	Proprietary
	Pool	Proprietary	Proprietary
		Funds	Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 28,057,356	\$ 1,579,127	\$ 29,636,483
Restricted cash	1,101,536	199,015	1,300,551
Receivables	-	100,194	100,194
Due from other funds	1,295,856	-	1,295,856
Total current assets	30,454,748	1,878,336	32,333,084
Noncurrent assets:			
Receivables	2,807,386	639,898	3,447,284
Deposit with third party administrator	1,200,000	-	1,200,000
Total noncurrent assets	4,007,386	639,898	4,647,284
Total assets	34,462,134	2,518,234	36,980,368
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	768,136	77,477	845,613
Accrued salaries and benefits	3,033	-	3,033
Workers' compensation claims payable	23,124,327	-	23,124,327
Total current liabilities	23,895,496	77,477	23,972,973
Noncurrent liabilities:			
Unearned revenue	1,101,536	114,882	1,216,418
Workers' compensation claims payable	9,465,102	-	9,465,102
Total noncurrent liabilities	10,566,638	114,882	10,681,520
Total liabilities	34,462,134	192,359	34,654,493
NET POSITION			
Restricted	-	199,015	199,015
Unrestricted	-	2,126,860	2,126,860
Total net position	\$ -	\$ 2,325,875	\$ 2,325,875

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Revenues, Expenses, and Change in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities		
	Workers'	Total	Total
	Compensation	Nonmajor	Proprietary
	Pool	Proprietary	Funds
		Funds	
OPERATING REVENUES			
Charges for services	\$ 8,070,573	\$ 191,009	\$ 8,261,582
Other operating revenue	567,532	33,070	600,602
Total operating revenues	8,638,105	224,079	8,862,184
OPERATING EXPENSES			
Administrative	2,112,065	20,347	2,132,412
Contractual	-	261,746	261,746
Claimants	6,867,834	-	6,867,834
Provision for loan recoveries	-	7,094	7,094
Total operating expenses	8,979,899	289,187	9,269,086
Operating income (loss)	(341,794)	(65,108)	(406,902)
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	341,794	7,344	349,138
Sale of property	-	19,100	19,100
Transfer to General Fund	-	(19,100)	(19,100)
Interest expense	-	(204)	(204)
Total nonoperating revenues	341,794	7,140	348,934
Change in net position	-	(57,968)	(57,968)
Total net position - beginning	-	2,383,843	2,383,843
Total net position - ending	\$ -	\$ 2,325,875	\$ 2,325,875

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities		
	Workers' Compensation Pool	Total Nonmajor Proprietary Funds	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from services provided	\$ 8,638,105	\$ 325,034	\$ 8,963,139
Payments to suppliers and service providers	(1,903,372)	(313,520)	(2,216,892)
Payments to employees	(208,693)	-	(208,693)
Payments to claimants	(4,506,894)	-	(4,506,894)
Net cash provided by operating activities	2,019,146	11,514	2,030,660
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interest expense	-	(204)	(204)
Payments on long-term debt	-	(20,413)	(20,413)
Net cash provided (used) by noncapital financing activities	-	(20,617)	(20,617)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	341,794	7,344	349,138
Sale of property	-	19,100	19,100
Transfer to General Fund	-	(19,100)	(19,100)
Net cash provided by investing activities	341,794	7,344	349,138
Net increase (decrease) in cash and cash equivalents	2,360,940	(1,759)	2,359,181
Total cash and cash equivalents - beginning	26,797,952	1,779,901	28,577,853
Total cash and cash equivalents - ending	\$ 29,158,892	\$ 1,778,142	\$ 30,937,034
Reconciliation of operating (loss) to net cash provided by operating activities:			
Operating (loss)	\$ (341,794)	\$ (65,108)	\$ (406,902)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Provision for loan recoveries	-	171	171
Decrease (increase) in:			
Receivables	1,335,184	48,660	1,383,844
Due from other funds	598,898	52,124	651,022
Increase (decrease) in:			
Accounts payable and accrued expenses	326,804	42,789	369,593
Accrued salaries and benefits	(564)	-	(564)
Due to other funds	-	(1,250)	(1,250)
Workers' compensation claims payable	100,618	-	100,618
Unearned revenue	-	(65,872)	(65,872)
Net cash provided by operating activities	\$ 2,019,146	\$ 11,514	\$ 2,030,660

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Fiduciary Net Position
Agency Fund
December 31, 2019

	<u>Agency</u>
ASSETS	
Restricted cash and cash equivalents	\$ 12,357,623
Receivables	31,282
Total assets	<u>\$ 12,388,905</u>
 LIABILITIES	
Due to other funds	\$ 809,624
Agency fund liabilities	11,579,281
Total liabilities	<u>\$ 12,388,905</u>

See accompanying notes to the financial statements.

Notes to the Financial
Statements

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The County of Ulster, New York (County) is one of the original twelve counties of New York State, founded on November 1, 1683. In 2009, a charter form of government was formed. The County is governed by a twenty-three member Legislature consisting of members elected from twenty-three legislative districts for two-year terms. The chief executive officer is an elected County Executive who oversees the day to day operations of the County, and is elected for a four-year term. The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB).

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the County is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities, are in substance part of the County's operations and so financial results from these units are combined with financial results of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County.

Blended Component Units – The following blended component units are legal separate entities from the County, but are, in substance, part of the County's operations and therefore data from the entities are combined with data of the primary government.

Ulster Tobacco Asset Securitization Corporation (UTASC)

The Ulster Tobacco Asset Securitization Corporation (UTASC) is a special purpose, bankruptcy-remote local development corporation established by the County under the Not-For-Profit Corporation Law of the State of New York on January 12, 2001. UTASC is an instrumentality of, but separate and apart from the County. UTASC has a board of directors comprised of nine directors, all but one of whom shall be one or more of the following: an employee of the County, an elected official of the County or a member of the County Legislature; and one director who shall be independent.

On February 1, 2001, pursuant to a Purchase and Sale Agreement with the County, the County sold to the UTASC all of its future right, title and interest (that the market would allow) in the Tobacco Settlement Revenues (TSRs) under the Master Settlement Agreement (MSA) and the Decree and Final Judgment (the Decree). On November 29, 2005, the County participated in the New York Counties Tobacco Trust V (NYCTT V) whereby the County sold all of its future right, title and interest (that the present market would allow) in the TSRs under the MSA. The MSA resolved cigarette smoking-related litigation between the settling states and the Participating Manufacturers (PMs), released the PMs from past and present smoking-related claims, and provides for a continuing release of future smoking-related claims, in exchange for certain payments to be made to the settling states, as well as certain tobacco advertising and marketing restrictions, among other things. The Decree, which was entered by the Supreme Court of the State, allocated to the County a share of the TSRs under the MSA. The future rights, title and interest of the County's share were sold to UTASC.

The purchase price of the County's future right, title and interest in the TSRs has been financed by the issuance of serial bonds. A Residual Certificate exists which represents the entitlement to receive all amounts required to be distributed after payment of debt service, operating expenses, and certain other costs as set forth in the indenture. Payments on the Residual Certificate from TSR collections are subordinate to payments on the bonds and payment of certain other costs specified in the indenture. Excess TSRs not required by UTASC to pay various expenses, debt service or required reserves with respect to the bonds are transferred to the UTASC Residual Trust (the Trust). The County is the beneficial owner of the Trust and thus the funds received by the Trust will ultimately transfer to the County.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

In September 2016, the County and UTASC participated in the New York Counties Tobacco Trust VI (NYCTT VI) whereby the Corporation issued new Series 2016 bonds.

The UTASC is shown as a major governmental fund. Separate financial statements may be obtained from the Ulster Tobacco Asset Securitization Corporation, P.O. Box 1800, Kingston, N.Y. 12402.

Ulster County Economic Development Alliance (UCEDA)

The Ulster County Economic Development Alliance (UCEDA), formerly known as the Ulster County Development Corporation, promotes job growth, economic development and community revitalization for Ulster County by unified regional and national marketing and provides business financing through a variety of countywide and municipal revolving loan funds. UCEDA's sole Member is the County of Ulster, New York acting by and through the County Executive, ex officio. The number of Directors of the Corporation is seven, established by resolution adopted by the member. UCEDA has a fiscal year that ends December 31. UCEDA is presented as a nonmajor proprietary fund of the County.

Separate financial statements may be obtained from the Ulster County Economic Development Alliance, P.O. Box 1800, Kingston, N.Y. 12402.

Ulster County Capital Resource Corporation (UCCRC)

The Ulster County Capital Resource Corporation (UCCRC) was formed on May 11, 2010 to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of Ulster County 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. The County Legislature appoints the entire governing board and is therefore able to impose its will over the organization. UCCRC has a fiscal year that ends December 31. UCCRC is presented as a nonmajor proprietary fund of the County.

Separate financial statements may be obtained from the Ulster County Capital Resource Corporation, P.O. Box 4265, Kingston, N.Y. 12402.

Discretely Presented Component Units – The following discretely presented component units are reported, in aggregate, in a separate column to emphasize that they are legally separate from the County.

Ulster County Community College (UCCC)

The Ulster County Community College (UCCC) was established in 1963 with the County as the local sponsor under the provisions of Article 126 of the Education Law. A board of trustees consisting of nine voting members administers the UCCC; five are appointed by the County Legislature and four by the governor. The UCCC budget is subject to approval of the County Legislature. The County provides approximately one-half of the capital costs and one-third of the operating costs for UCCC. Real property of UCCC vests with the County. Certain bonds and notes for UCCC capital costs are issued and guaranteed by the County. The County, beginning in 2012, has recorded general obligation bonds issued on behalf of UCCC previously recorded on UCCC's financial statements. (See Note 2I). These bonds are considered to be debt of the County. The County also pays a portion of tuition and capital cost charges for County residents attending other community colleges. The UCCC financial statements include two discretely reported component units; the Ulster Community College Foundation and the Ulster Community College Association, Inc. The UCCC has a fiscal year ending August 31.

Separate financial statements may be obtained from the Ulster County Community College, P.O. Box 557, Stone Ridge, N.Y. 12484-0557.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

Ulster County Resource Recovery Agency (UCRRA)

The Ulster County Resource Recovery Agency (UCRRA) was created on December 31, 1986 by State Legislation (Chapter 936, Laws of New York), which amended the Public Authorities Law. The County entered into an agreement on January 26, 1988 with UCRRA to develop a plan and manage solid waste and recovery systems within the County. The County agreed to finance and fund UCRRA until a solid waste management plan was developed and implemented. The County approved a solid waste management plan on December 30, 1991, which was subsequently approved by the NYS Department of Environmental Conservation in April 1993. This plan enabled UCRRA to issue revenue bonds, to repay the County and finance the operating and capital expenditures for a solid waste management system. The County entered into a service agreement with UCRRA; whereby UCRRA will construct, maintain and operate the system. In exchange, the County has guaranteed to fund any operating, capital or debt service deficits with the payment to UCRRA of a net service fee pursuant to the terms set forth in the service agreement. In December of 2012 a countywide Flow Control Law was passed by the Ulster County Legislature and signed into law by the Ulster County Executive. The Flow Control Law mandates that all municipal solid waste generated within the County of Ulster must be brought to the UCRRA. The major financial impacts of this new law resulted in an increase in solid waste service fees, the elimination of County net service fees, and the ability of UCRRA to be self-sustaining. The UCRRA met all of its obligations for fiscal year 2019 without the assistance of a County subsidy.

Separate financial statements may be obtained from the Ulster County Resource Recovery Agency, P.O. Box 6219, 999 Flatbush Road, Kingston, N.Y. 12402.

Ulster County Industrial Development Agency (UCIDA)

The Ulster County Industrial Development Agency (UCIDA) is a quasi-governmental agency which has the authority to issue tax exempt and taxable industrial revenue bonds for eligible projects in Ulster County. UCIDA was formed to promote and develop the economic growth of Ulster County and to assist in attracting industry to the County. The County Legislature appoints the entire governing board and is therefore able to impose its will over the UCIDA. UCIDA has a fiscal year that ends December 31. UCIDA is presented discretely as a component unit of the County.

Separate financial statements may be obtained from the Ulster County Industrial Development Agency, P.O. Box 4265, Kingston, N.Y. 12402.

Excluded from the Financial Reporting Entity – Although the following are related to the County, they are not included in the County reporting entity for the reasons noted.

Ulster County Soil and Water Conservation District (UCSWCD)

The County Legislature has declared the County to be a Soil and Water Conservation District in accordance with the provisions of the Soil and Water Conservation District Law. Members of the Board of Directors have been appointed by the County governing body and the District is allotted County appropriations to administer various projects. However, the County cannot impose its will upon the District, nor is there a financial benefit/burden relationship with the County to require it to be presented as a component unit.

Golden Hill Local Development Corporation (GHLDC)

The Golden Hill Local Development Corporation (GHLDC) was formed on October 7, 2011 with a mission to seek and transfer the land and the facilities of the Golden Hill Health Care Center to the highest qualified bidder. In doing so, the GHLDC shall examine and consider, where applicable, the bidders' competency and character, history of employee relations and practices, quality of care of residents, record of retaining facilities subsequent to acquisition, willingness to agree to build a new facility at the site, willingness to continue to care for all existing residents at the time of acquisition (unless otherwise indicated by the New York State Department of Health criteria), financial stability, and willingness to consider existing staff as potential employees. The GHLDC has a board of directors appointed by the County Executive and the County Legislature. GHLDC has a fiscal year that ends December 31. GHLDC is excluded from the financial reporting entity due to a lack of activity for the year ended December 31, 2019. Had GHLDC had activity, it would be presented as a proprietary fund of the County.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

B. Basis of Presentation

During the year ending December 31, 2019, the County adopted the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of GASB Statement No. 95 is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing effective dates of certain provisions in Statements 83, 84, 88, 89, 90, 91, 92, and 93. The implementation of GASB Statement No. 95 did not have a material impact on the County's financial position or results from operations.

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities.

The effect of interfund activity has been eliminated from the government-wide financial statements. These statements distinguish between the *governmental* and *business-type activities* of the County, and between the County and its discretely presented component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues. When both restricted and unrestricted assets are available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It is used to account for and report all financial resources of the general government, except those required to be accounted for and reported in another fund. For the County, the General Fund includes such activities as public safety, public health, transportation, public assistance, education, and culture and recreation services. The major revenue sources of the General Fund are real property taxes, sales tax, and State and Federal aid.
- The *Debt Service Fund* is used to account for and report the financial resources that are restricted, committed or assigned to expenditures for principal and interest on long-term general obligation debt of governmental funds not accounted for in the General Fund, Capital Projects Fund and the component units. The major revenue source of the Debt Service Fund is real property taxes.
- The *Capital Projects Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition, construction or improvement of capital facilities and other capital assets, other than those financed by proprietary funds or assets held in trust. The major revenue sources of the Capital Projects Fund are State and Federal Aid, and proceeds of obligations.
- The *Ulster Tobacco Asset Securitization Corporation* (UTASC) accounts for and reports the tobacco settlement revenues received from the Master Settlement Agreement and the repayment of the tobacco settlement asset-backed bonds whose proceeds were used to defease County debt. The major revenue source of UTASC is tobacco settlement proceeds.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

The County reports the following additional governmental funds:

- The *Special Revenue Funds* account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects. Each fund is established on a functional basis and may include one or more grants or other funding sources.

The County utilizes the following nonmajor special revenue funds:

- a. The *Special Grant Fund* accounts for and reports the proceeds received under the Workforce Investment Act and Community Development Block Grant Funds.
- b. The *County Road Fund* and the *Road Machinery Fund* account for and report the acquisition and maintenance of roads, bridges, road machinery and equipment pursuant to Sections 114 and 133 of New York State Highway Laws, respectively.

The County reports the following major proprietary fund:

- The *Workers' Compensation Pool* accounts for and reports a workers' compensation claims-servicing pool, which was created in 1979 under Article 5 of the NYS Workers' Compensation Law. Each of the approximately 63 participants in the pool is responsible for their share of the liabilities of the pool and risk is not shared among the members.

The County reports the following additional proprietary funds:

- The *Ulster County Economic Development Alliance* (UCEDA) accounts for and reports on the financial activity related to job growth, economic development, and community revitalization for Ulster County.
- The *Ulster County Capital Resource Corporation* (UCCRC) accounts for and reports on the financial activity related to the promotion of community and economic development and the creation of jobs in the non-profit sector.

The County reports the following additional fund types:

- The *Fiduciary Funds* account for and report assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Fiduciary Funds include the *Agency Fund*.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in the business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in the business-type activities are eliminated so that only the net amount is included as transfer in the business-type activities column.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales tax is recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter, sixty days for property taxes and other revenue, to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and net pension liability are recorded only when payment is due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Agency Fund has no measurement focus, but utilizes the accrual basis of accounting for reporting its assets and liabilities.

D. Cash, Cash Equivalents, and Investments

For the purposes of the accompanying statement of cash flows, the proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the Finance Department's investment pool, to be cash equivalents.

Statutes authorize the County to invest its surplus cash in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, public authorities, public housing authorities, urban renewal agencies, and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments. The UTASC is authorized to invest its surplus cash in the same manner as the County as well as short-term commercial paper. Investments for the County, as well as for its component units, are reported at fair value.

E. Restricted Cash, Cash Equivalents, and Investments

Restricted cash, cash equivalents, and investments represent amounts to support restricted fund balance, unspent proceeds of debt, unearned revenues, and amounts held on behalf of others.

F. Receivables, Payables, and Property Taxes

Real property taxes are levied as of January 1 on property values assessed in the prior year. Along with the current year's property taxes, the prior year's unpaid school taxes are levied to make up the total tax warrant. This warrant enables the County to collect taxes based on the full assessed value of the real property within the County. The property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year end. Property taxes are recorded as a deferred inflow of resources when not received within sixty days of fiscal year end in the fund financial statements. Taxes are considered past due after January 31, at which time the applicable property is subject to lien, and interest and penalties are assessed. The twenty towns are responsible for collection of the tax warrant until June 1. At that time settlement proceedings take place wherein the County becomes the tax collecting agent and the towns receive full credit for their entire levy. The City of Kingston remits the County tax levy on City property in full by September 1. The legislature has provided for installment payment of real property taxes within the twenty towns. The County becomes the enforcing agent for tax liens on all County real property, except property within the City of Kingston.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

Uncollected property taxes assumed by the County as a result of the settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. Real property tax receivables are reported net of an allowance for uncollectible taxes. The County calculates its allowances for uncollectible real property taxes using historical data, specific account analysis and management's judgement.

The portion of the receivable that represents taxes relieved for schools is also reported as a payable in intergovernmental payables in the amount of \$18,496,875. The County settles with the various towns and schools, and pays out the full amount of delinquents to the respective tax jurisdictions. Three years after the lien date, properties with unredeemed taxes are eligible for public auction. The County enforces unpaid real property tax liens pursuant to Article 11 of the New York State Real Property Tax Laws, which is commonly referred to as In Rem Foreclosure, or Judicial Statement.

Other receivables are comprised primarily of sales tax and claims for reimbursement of expenditures in administering various mental health and social service programs in accordance with New York State and Federal laws and regulations. These receivables are reported net of related advances received from the State.

G. Inventories and Prepaid Items

Inventories in the General Fund represent supplies and are stated at the lower of cost, first-in/first-out (FIFO) method, or market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$25,000 for governmental activities and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Maintenance and repairs are recorded as expenses when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

The County has historical treasures, works of art, and several collections. Acquisitions of these assets are expensed at the time of purchase. These assets are not held for financial gain. They are kept protected, unencumbered, and preserved. Any proceeds from the sale of these assets will be used to acquire other items for the collections.

Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide statements as follows:

<u>Assets</u>	<u>Years</u>
Land improvements	10-20
Buildings and improvements	20-30
Major machinery and equipment	10-15
Minor machinery and equipment	5
Infrastructure	20

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new area transit bus included as part of *expenditures – transportation*). The amount reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

I. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category, and are reported in the government-wide statement of net position. The first item is related to pensions and represents the effect of the net change in the County's proportion of the collective net pension asset or liability, difference between expected and actual experience, net difference between projected and actual investment earnings on pension plan investments, and the County contributions to the pension system subsequent to the measurement date. The second represents the effects of the change in the County's proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The third represents deferred charges on refunding bonds that are being amortized over the life of the refunded debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has five items, four of which are reported under the accrual basis of accounting and are reported in the government-wide statement of net position, and one of which arises only under the modified accrual basis of accounting, that qualify for reporting in this category. The first item represents the effect of the net change in the County's proportion of the collective net pension liability and the difference during the measurement periods between the County's contributions and its proportionate share of total contributions to the pension system not included in pension expense. The second item represents the effects of the change in the County's proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The UTASC reports a deferred inflow of resources related to a deferred gain on refunding which is being amortized over the life of the UTASC bonds. The UCCC reports a deferred inflow of resources for tuition payments which will not be considered available within one year. Accordingly, the item, deferred tuition received, is reported as a deferred inflow of resources in the statement of net position. The governmental funds report unavailable revenue from property taxes that will more than likely not be realized within sixty days. These amounts are deferred and recognized in the period that the amounts become available.

J. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to be reported as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are to be applied. It is the County's position to consider restricted-net position to have been depleted before unrestricted-net position is applied.

K. Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

L. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The County Legislature is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes, but do not meet the criteria to be classified as committed. The County Legislature ("Legislature") has by resolution authorized the County Commissioner of Finance to assign fund balance. The Legislature may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

M. Unearned Revenue

Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial purposes. At December 31, 2019, the County reported unearned revenues within the General Fund of \$169,702, the Worker' Compensation Fund in the amount of \$1,101,536, and the Ulster County Economic Development Alliance in the amount of \$114,882. The County recorded in the General Fund tax overpayments, and grant money received in advance but has not performed the services, and therefore recognizes a liability. The County recorded in the Worker' Compensation Fund advance payments from participants for future workers' compensation claims in which a liability has not yet been incurred, and in the Ulster County Economic Development Alliance recorded advances for program initiatives in which services have not yet been performed, therefore recognizing liabilities.

N. Pensions

The County and its component units are mandated by New York State law to participate in the New York State Local Employees' Retirement System and New York State Teachers' Retirement System. For purposes of measuring the net pension liability/(asset), deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 2J.

O. Long-Term Obligations

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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P. Compensated Absences

It is the County's policy to permit employees to accumulate vacation, sick leave and compensatory absences in varying amounts as services are provided. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. The cost of these unused benefits for governmental funds is maintained separately and represents a reconciling item between the government-wide and fund financial statements presentation. The value recorded in the government-wide financial statements for compensated absences at December 31, 2019 is \$17,848,880 classified as a long-term liability in the governmental activities, which includes \$1,393,812 estimated to be due within one year.

Q. Judgments and Claims

As explained further in Note 3B, the County is exposed to various risks of loss related to unemployment, general liability, and workers' compensation. General liability arises when the County is named as a defendant in a personal injury claim occurring in the County, and liabilities are recorded to the extent of the insurance deductibles related to each claim. As of December 31, 2019, Ulster County has recorded \$1,711,000 as a general liability within governmental activities. The County is also exposed to risk related to workers' compensation. The total amount of workers' compensation liability recorded in the Workers' Compensation Pool as of December 31, 2019, was \$32,589,429, of which \$1,295,856 is considered due and payable from governmental activities for the County's unfunded portion of the liability.

R. Other Postemployment Benefits

In addition to providing pension benefits, the County provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 2K.

S. Interfund Transactions

Short-term advances between funds are accounted for in the appropriate due from (to) other funds accounts. Transactions between funds that would be treated as revenues or expenditures if they involved organizations external to the governmental unit are accounted for as revenues or expenditures in the funds involved. Transactions that constitute reimbursements of a fund for expenditures initially made from that fund which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of the expenditure in the fund that is reimbursed. All other legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

T. Fund Balance

In the fund financial statements, governmental funds report classifications of fund balance (see Note 3A) indicating the level of constraints placed upon how those resources can be spent and identifying the sources of those constraints, such as amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The Capital Projects Fund had a deficit fund balance of \$17,685,537 resultant from expenditures made for the reconstruction of roads and bridges, construction of the Ashokan Rail Trail, construction of the Public Safety Training Center, and various other projects with the financing coming from bond anticipation notes. This deficit is expected to be eliminated in future years through the issuance of serial bonds.

U. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingencies. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

2. Detailed Notes on All Funds

A. Cash, Cash Equivalents and Investments

At year end, the County's primary government and Agency Fund total carrying amount of deposits and investments was \$87,468,020, which included \$2,413,208 of UTASC cash and cash equivalents, \$1,131,344 of UCEDA cash and cash equivalents, and \$646,798 of UCCRC cash and cash equivalents, while the total bank balance was \$90,465,606. Of the bank balance, \$3,583,780 was covered by federal depository insurance with the remaining balance, \$86,881,826, collateralized with securities held by the pledging financial institution's trust department or agent in the County's name. At year end all deposits and investments for the component units were covered by federal depository insurance or by collateral held by the component unit's agent in the component unit's name.

Cash equivalents and investments are categorized into these three categories of custodial credit risk:

- (1) Insured or registered, or securities held by the County or its agent in the County's name.
- (2) Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the County's name.
- (3) Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent, but not in the County's name.

The County reports restricted cash, cash equivalents, and investments for unspent proceeds of debt, unearned revenue, custodial funds, and amounts to support restricted fund balances.

At year end, the County's cash, cash equivalents and investment balances were as follows:

	Category		Reported Amount/
	1	2	Fair Value
<u>Governmental activities</u>			
Cash and cash equivalents	\$44,173,363	\$ -	\$44,173,363
Total governmental activities	44,173,363	-	44,173,363
<u>Business-type activities</u>			
Cash and cash equivalents	30,937,034	-	30,937,034
Total business-type activities	30,937,034	-	30,937,034
Total primary government	75,110,397	-	75,110,397
<u>Discretely presented component units</u>			
UCCC-Cash and cash equivalents	6,283,316	-	6,283,316
UCCC-Commercial paper	9,701,501	-	9,701,501
UCRRA-Cash and cash equivalents	6,686,958	738,700	7,425,658
UCRRA-U.S. Government securities	-	2,542,949	2,542,949
UCIDA-Cash and cash equivalents	932,377	-	932,377
Total discretely presented component units	23,604,152	3,281,649	26,885,801
<u>Agency Fund</u>			
Cash and cash equivalents	12,357,623	-	12,357,623
Total agency fund	12,357,623	-	12,357,623
Total cash, cash equivalents and investments	\$111,072,172	\$3,281,649	\$114,353,821

B. Receivables

Receivables and amounts due from other governments at year end of the County's governmental funds, including the applicable allowances for uncollectible accounts, are shown on the following page.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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	Major Funds		Nonmajor	Total
	General	Capital Projects	Special Revenue	Governmental Funds
Receivables -				
Taxes	\$ 54,452,850	\$ -	\$ -	\$ 54,452,850
Accounts	759,457	-	18,881	778,338
State and federal	42,918,488	4,933,621	26,577	47,878,686
Due from other governments	1,736,342	-	77,626	1,813,968
Gross receivables	99,867,137	4,933,621	123,084	104,923,842
Less: allowance for uncollectibles*	(23,042,961)	-	-	(23,042,961)
Net receivables	\$ 76,824,176	\$ 4,933,621	\$ 123,084	\$ 81,880,881

* Allowance for uncollectible taxes represents the amount of taxes currently recorded as receivables that are expected to not be collected by the County. This would either be due to erroneous taxes or foreclosed properties that are unable to be sold including hazardous parcels. The allowance increased by \$6,664,221 mostly due to a large hazardous property foreclosed by the County in 2019 that is unable to be sold at the current time.

C. Deferred Inflows of Resources / Unearned Revenues

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported were as follows:

	Deferred Inflows	Unearned Revenue
Governmental Funds:		
Deferred property taxes receivable	\$12,161,337	\$ -
Other unearned revenues	-	169,702
Total governmental funds	\$12,161,337	\$ 169,702

D. Interfund Transactions

Interfund Receivables/Payables

Interfund receivables/payables exist for cash flow purposes. These are short-term in nature and are repaid within the next fiscal year. The compositions of interfund balances at year end are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Agency Fund	\$ 18,426
	UTASC	14,131
County Road Fund	General Fund	1,000,000
Road Machinery Fund	General Fund	1,000,000
Capital Projects Fund	Agency Fund	791,198
Total		\$ 2,823,755

As of December 31, 2019, the Workers' Compensation Fund had a receivable from the governmental activities of the County in the amount of \$1,295,856, which represents the actuarially calculated liability of the County for workers' compensation.

In addition, as of December 31, 2019, UCCC had a liability for retirement owed to the County of \$382,953. This receivable is recorded as a receivable on the County's financial statements, and a related expense and payable on UCCC's financial statements.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

Interfund Transfers In/Out

Operating transfers among funds are provided as part of the annual budget. The General Fund provides operating support from the property tax levy and other resources to certain special revenue funds, capital projects, enterprise funds, and to the debt service fund in support of the funds' specified purpose. Upon completion of a capital project, any excess funds are transferred back to the fund that generated the original funding of the project.

Transfer Out	Transfer In	Amount
General Fund	Capital Projects Fund	\$ 582,450
General Fund	Special Grant Fund	13,300
Capital Projects Fund	Debt Service Fund	387,806
UCEDA	General Fund	19,100
Total		<u>\$ 1,002,656</u>

E. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets:				
Land and land improvements	\$ 10,460,165	\$ 143,545	\$ -	\$ 10,603,710
Buildings and improvements	173,847,724	4,497,412	-	178,345,136
Machinery and equipment	58,806,346	4,297,394	1,934,555	61,169,185
Infrastructure	116,471,892	10,611,630	1,878,590	125,204,932
Construction in progress	27,561,381	17,615,506	9,718,544	35,458,343
Total capital assets	<u>387,147,508</u>	<u>37,165,487</u>	<u>13,531,689</u>	<u>410,781,306</u>
Less accumulated depreciation for:				
Land and land improvements	4,365,276	314,304	-	4,679,580
Buildings and improvements	89,285,635	5,058,540	-	94,344,175
Machinery and equipment	40,964,056	4,286,981	1,919,567	43,331,470
Infrastructure	42,169,335	5,279,705	1,465,606	45,983,434
Total accumulated depreciation	<u>176,784,302</u>	<u>14,939,530</u>	<u>3,385,173</u>	<u>188,338,659</u>
Total governmental activities capital assets, net	<u>\$210,363,206</u>	<u>\$ 22,225,957</u>	<u>\$ 10,146,516</u>	<u>\$222,442,647</u>

Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

	Amount
Governmental activities:	
General government	\$ 955,384
Education	598,674
Public safety	4,194,628
Public health	65,580
Transportation	8,250,358
Economic assistance	400,807
Culture and recreation	464,621
Home and community services	9,478
Total governmental activities	<u>\$ 14,939,530</u>

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

Component Units	Beginning Balance	Increases	Decreases	Ending Balance
Ulster County Community College (August 31, 2019):				
Capital assets, not being depreciated:				
Land	\$ 744,174	\$ -	\$ -	\$ 744,174
Works of art/historical treasures	90,500	-	-	90,500
Total capital assets, not being depreciated	834,674	-	-	834,674
Capital assets, being depreciated:				
Buildings and improvements	33,919,058	297,991	-	34,217,049
Machinery and equipment	5,464,122	365,755	177,777	5,652,100
Total capital assets, being depreciated	39,383,180	663,746	177,777	39,869,149
Less accumulated depreciation	26,712,213	1,233,857	183,380	27,762,690
Total capital assets, being depreciated, net	12,670,967	(570,111)	(5,603)	12,106,459
Total Ulster County Community College capital assets, net	13,505,641	(570,111)	(5,603)	12,941,133
Ulster County Resource Recovery Agency:				
Capital assets, not being depreciated:				
Land	1,238,172	-	-	1,238,172
Construction in progress	78,938	-	78,938	-
Total capital assets, not being depreciated	1,317,110	-	78,938	1,238,172
Capital assets, being depreciated:				
Buildings and improvements	10,804,956	139,411	80,700	10,863,667
Machinery and equipment	6,498,652	766,547	408,611	6,856,588
Infrastructure	61,764	-	-	61,764
Total capital assets, being depreciated	17,365,372	905,958	489,311	17,782,019
Less accumulated depreciation and amortization for:				
Buildings and improvements	3,965,167	284,426	25,017	4,224,576
Machinery and equipment	4,812,542	352,998	355,923	4,809,617
Infrastructure	11,170	3,088	-	14,258
Total accumulated depreciation and amortization	8,788,879	640,512	380,940	9,048,451
Total capital assets, being depreciated, net	8,576,493	265,446	108,371	8,733,568
Total Ulster County Resource Recovery Agency capital assets, net	9,893,603	265,446	187,309	9,971,740
Total component units	\$ 23,399,244	\$ (304,665)	\$ 181,706	\$ 22,912,873

F. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are reported on the government-wide financial statements in their entirety. Business-type activities and proprietary fund accounts payable and accrued liabilities are recognized when incurred and payable. Governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred, if measurable, and are shown in the table on the following page.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

	Major Funds		Nonmajor	Total
	General	Capital Projects	Special Revenue	Governmental Funds
Accounts Payable and Accrued Liabilities				
Accounts payable	\$ 9,825,160	\$ 1,711,044	\$ 447,611	\$ 11,983,815
Accrued salaries payable	2,534,642	-	223,094	2,757,736
Accrued interest	59,265	-	-	59,265
Total governmental funds	\$ 12,419,067	\$ 1,711,044	\$ 670,705	\$ 14,800,816

G. Leases

Operating Leases

The County leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$1,341,257 during the year ending December 31, 2019. The future minimum lease payments for these leases are as follows:

Year ending December 31:	Amount
2020	\$1,164,457
2021	677,540
2022	441,593
2023	206,944
2024	74,278
Thereafter	22,500
Total	<u>\$2,587,312</u>

H. Short-Term Debt

Short-term debt such as bond anticipation notes (BAN's) are generally accounted for in the Capital Projects Fund. State law requires that BAN's issued for capital purposes are converted to long-term obligations within five years after the original issue date. However, BAN's issued for assessable improvement projects may be renewed for period's equivalent to the maximum useful life of permanent financing, provided that stipulated annual reductions of principal are made.

The County has BAN's outstanding of \$29,430,855, maturing on November 19, 2020 with an interest rate of 1.75%. Short-term obligation activity during the year ended December 31, 2019, was as follows:

	Beginning Balance	Issues	Redemptions	Ending Balance
Governmental Activities:				
South Putt Corners Road	\$ -	\$ 803,000	\$ -	\$ 803,000
HVAC – various county facilities	626,000	962,000	626,000	962,000
Reconstruction of roads	120,000	-	120,000	-
New Paltz Pool repairs	658,000	-	658,000	-
Wallkill Bridge	2,150,000	-	2,150,000	-
HV Rail Trail West	375,000	-	375,000	-
Ashokan Rail Trail	-	7,000,000	-	7,000,000
Road reconstruction	320,000	220,000	320,000	220,000
Slope stabilization – various roads	1,000,000	-	1,000,000	-
UCCC technology upgrade	50,000	50,000	50,000	50,000
Public Safety Training Center	250,000	6,877,855	250,000	6,877,855
Public Safety enterprise software	3,000,000	3,000,000	3,000,000	3,000,000
BRC renovation for Family Court	8,000,000	-	8,000,000	-

(continued)

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Notes to the Financial Statements

December 31, 2019

	Beginning Balance	Issues	Redemptions	Ending Balance
Governmental Activities: (continued)				
Road reconstruction	390,000	300,000	390,000	300,000
New Paltz Road realignment	320,000	320,000	320,000	320,000
DPW Admin Building renovations	148,000	148,000	148,000	148,000
Frost Valley S-Turn	750,000	-	750,000	-
Wolven Bridge replacement	-	50,000	-	50,000
Roof replacements	1,250,000	1,250,000	1,250,000	1,250,000
Donahue Bridge reconstruction	-	200,000	-	200,000
Watson Hollow slope stabilization	593,976	-	593,976	-
Restorative Justice Center	3,262,000	-	3,262,000	-
Mass transit buses	-	500,000	-	500,000
Fleet vehicles	717,000	-	717,000	-
Highway equipment	2,424,000	-	2,424,000	-
Clean Energy Project – UCLEC	-	300,000	-	300,000
Highway safety program	400,000	400,000	400,000	400,000
Asphalt overlay – various roads	4,685,000	-	4,685,000	-
Port Jackson Bridge	100,000	-	100,000	-
Mundy Bridge	100,000	-	100,000	-
Various road reconstruction	425,000	425,000	425,000	425,000
Various shoulders	-	288,000	-	288,000
Veterans Cemetery Renovations	-	100,000	-	100,000
Mass transit buses	-	450,000	-	450,000
Stone House Bridge replacement	-	200,000	-	200,000
Stone Arch Bridge replacement	-	235,000	-	235,000
Enderly Bridge replacement	-	75,000	-	75,000
Maltby Hollow Bridge replacement	-	100,000	-	100,000
Various road reconstruction	-	425,000	-	425,000
Body cameras and software	-	275,000	-	275,000
Fleet vehicles	-	805,000	-	805,000
Highway & bridge equipment	-	2,545,000	-	2,545,000
Shawangunk Kill Bridge replacement	-	595,000	-	595,000
Old Tongore Road slope stabilization	-	532,000	-	532,000
Total governmental activities short-term debt	\$32,113,976	\$29,430,855	\$32,113,976	\$29,430,855

I. General Long-Term Obligations

The County generally borrows funds on a long-term basis for the purpose of financing the acquisition of land, equipment, construction of buildings and improvements, and infrastructure. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized by the County Legislature to be collected in future years from taxpayers and others for liquidation of the long-term liabilities. Interest associated with long-term debt is recorded as expenditures when such amounts are due.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

Details relating to bonds payable outstanding, net of deferred charges, deferred gains, premiums, and unamortized accretion at fiscal year-end are as follows:

Governmental Activities:	Maturity Date	Interest Rate	Amount
General obligation:			
Public improvements, refunded 2012	11/15/24	2.0 – 5.0%	\$ 8,995,000
Public improvements, refunded 2012	11/15/29	2.0 – 5.0%	27,446,612
Public improvements, 2013	11/15/28	2.0 – 3.3%	2,015,000
Public improvements, 2014	11/15/27	1.5 – 2.8%	2,490,000
Public improvements, refunded 2015	11/15/23	2.0 - 4.5%	2,396,364
Public improvements, 2015	11/15/28	2.0 – 2.5%	4,015,000
Public improvements, 2016	11/1/26	1.0 – 2.0%	663,100
Public improvements, 2016	11/15/31	2.0 – 3.0%	9,605,000
Public improvements, 2017	11/15/28	2.0 – 2.1%	6,575,000
Public improvements, 2018	11/15/33	3.0 – 3.5%	6,615,000
Public improvements, refunded 2019	11/15/27	3.5 – 5.0%	4,451,183
Public improvements, 2019	11/15/37	2.0 – 2.8%	22,973,235
Total general obligation			<u>98,240,494</u>
Debt issued for UCCC:			
Public improvements, refunded 2015	11/15/23	2.0 - 4.5%	484,191
Public improvements, 2016	11/1/26	1.0 – 2.0%	126,900
Public improvements, 2019	11/15/27	3.5 – 5.0%	743,817
Total debt issued for UCCC			<u>1,354,908</u>
UTASC:			
Subordinate capital appreciation bonds	6/1/39	6.00 - 7.85%	4,484,688
Tobacco settlement asset-backed bonds, 2016	6/1/34	2.0 – 6.75%	39,229,594
Total UTASC			<u>43,714,282</u>
Total governmental activities			<u>\$143,309,684</u>
Component Units:	Maturity Date	Interest Rate	Amount
UCRRA:			
Serial bonds	3/1/25	4.96 - 5.29%	\$ 4,638,189
Total UCRRA			<u>\$ 4,638,189</u>

On November 19, 2019, Ulster County issued serial bonds totaling \$22,973,235, for various public improvement projects. These bonds will mature in 2037, and bear interest of 2.0 – 2.75%.

Bond Refunding

On June 7, 2012 the County refunded two outstanding serial bonds from 2005 and 2006 that resulted in a decrease in its total debt service over the next 10 years by approximately \$2.3 million and to obtain an economic gain of approximately \$259 thousand in 2019.

On March 1, 2015 the County issued a refunding bond in the amount of \$5.5 million refunding three outstanding serial bonds from 2006, 2007, and 2008 with outstanding principal totaling \$5.8 million. The refunding obtained a gain of \$260 thousand and a deferred charge of \$756 thousand, resulting in a net deferred charge of \$496 thousand to be amortized over the life of the new bond. The refunding also resulted in a decrease in total debt service over the next 4 years by approximately \$162 thousand and obtained an economic gain of approximately \$54 thousand in 2019.

COUNTY OF ULSTER, NEW YORK

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December 31, 2019

On August 20, 2019 the County issued a refunding bond in the amount of \$5.3 million refunding four outstanding serial bonds from 2009, 2010, 2011, and 2012 with outstanding principal totaling \$5.8 million. The refunding obtained a gain of \$475 thousand and a deferred charge of \$630 thousand, resulting in a net deferred charge of \$155 thousand to be amortized over the life of the new bond. The refunding was issued at a premium of \$629,500, resulted in a decrease in total debt service over the next 8 years by approximately \$284 thousand, and obtained an economic gain of approximately \$362 thousand in 2019.

A breakdown of the principal defeased by purpose is shown as follows:

Issue	Amount Outstanding
Governmental Activities:	
Public Improvements, 2005	\$ 9,640,000
Public Improvements, 2006	26,695,000
Public Improvements, 2006	800,000
Public Improvements, 2007	1,125,000
Public Improvements, 2008	995,000
Total governmental activities refunded	<u>\$ 39,255,000</u>

Legal Debt Limit

The County's general obligation bonded debt, inclusive of Bond Anticipation Notes, of \$126,759,090 as of December 31, 2019, was below the legal limit of approximately \$1,269,643,288. This amount represents approximately 9.98% of the constitutional debt limit.

The annual debt service requirements to maturity for bonds are as follows:

Year ending December 31, 2019	General Obligations	UCCC	UTASC	UCRRA	Total
Principal:					
2020	\$ 8,856,671	\$ 261,564	\$ 2,120,000	\$ 761,538	\$ 11,999,773
2021	9,197,948	277,052	1,230,000	714,371	11,419,371
2022	9,192,956	237,044	1,305,000	669,066	11,404,066
2023	9,168,036	116,964	1,400,000	628,129	11,313,129
2024	9,285,005	114,995	1,495,000	593,904	11,488,904
2025-2029	34,892,711	347,289	9,290,000	1,271,181	45,801,181
2030-2034	10,840,000	-	14,855,131	-	25,695,131
2035-2039	4,540,000	-	12,401,456	-	16,941,456
Total principal	95,973,327	1,354,908	44,096,587	4,638,189	146,063,011
Less: unamortized accretion	-	-	(9,356,899)	-	(9,356,899)
Less: net deferred charge	(3,651,802)	-	-	-	(3,651,802)
Plus: deferred gain	-	-	7,728,391	-	7,728,391
Plus: deferred premium	5,918,969	-	1,246,203	-	7,165,172
Total	98,240,494	1,354,908	43,714,282	4,638,189	147,947,873
Interest:					
2020	3,208,935	57,597	1,691,214	1,028,462	5,986,208
2021	2,891,864	46,637	1,585,870	1,075,629	5,600,000
2022	2,551,100	35,026	1,500,314	1,120,934	5,207,374
2023	2,210,530	25,234	1,409,020	1,161,871	4,806,655
2024	1,865,622	19,980	1,311,314	1,196,096	4,393,012
2025-2029	5,252,587	32,600	4,877,843	2,773,819	12,936,849
2030-2034	1,372,051	-	1,828,400	-	3,200,451
2035-2037	244,437	-	-	-	244,437
Total interest	19,597,126	217,074	14,203,975	8,356,811	42,374,986
Total requirements	\$ 117,837,620	\$1,571,982	\$57,918,257	\$12,995,000	\$190,322,859

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	\$115,772,993	\$ 27,800,321	\$ 12,860,299	\$130,713,015	\$10,976,671
Bonds payable – UCCC	1,733,585	745,024	1,123,701	1,354,908	261,564
Bond premiums	7,198,075	629,500	662,403	7,165,172	741,090
Claims and judgments*	1,238,000	473,000	-	1,711,000	210,000
OPEB liability	176,083,339	11,721,332	52,301,380	135,503,291	-
Net pension liability*	9,827,462	11,365,829	-	21,193,291	-
Compensated absences*	17,271,304	577,576	-	17,848,880	1,393,812
Total governmental activities	<u>\$329,124,758</u>	<u>\$ 53,312,582</u>	<u>\$ 66,947,783</u>	<u>\$315,489,557</u>	<u>\$13,583,137</u>
Business-type Activities:					
Workers' compensation pool claims	\$ 32,488,811	\$ 20,707,809	\$ 20,607,191	\$ 32,589,429	\$23,124,327
Total business-type activities	<u>\$ 32,488,811</u>	<u>\$ 20,707,809</u>	<u>\$ 20,607,191</u>	<u>\$ 32,589,429</u>	<u>\$23,124,327</u>
	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Component Units:					
UCCC (August 31, 2019):					
Capital lease obligations	\$ 1,056,524	\$ 10,680	\$ 197,368	\$ 869,836	\$ 193,389
OPEB liability, as restated	24,836,038	6,032,265	10,991,319	19,876,984	575,149
Compensated absences*	963,063	81,054	-	1,044,117	-
Net pension liability*	450,160	546,153	-	996,313	-
Total UCCC	<u>\$ 27,305,785</u>	<u>\$ 6,670,152</u>	<u>\$11,188,687</u>	<u>\$ 22,787,250</u>	<u>\$ 768,538</u>
UCRRA:					
Bonds payable	\$ 5,448,755	\$ -	\$ 810,566	\$ 4,638,189	\$ 761,538
Capital lease obligations	143,938	-	95,501	48,437	48,437
Compensated absences*	667,367	-	4,994	662,373	662,373
Landfill post-closure liability	2,495,360	-	148,250	2,347,110	260,790
Net pension liability*	232,770	280,792	-	513,562	-
Total UCRRA	<u>8,988,190</u>	<u>280,792</u>	<u>1,059,311</u>	<u>8,209,671</u>	<u>1,733,138</u>
Total component units	<u>\$36,293,975</u>	<u>\$ 6,950,944</u>	<u>\$12,247,998</u>	<u>\$30,996,921</u>	<u>\$ 2,501,676</u>

* Additions and deletions to the claims and judgments liability, net pension liability, and compensated absences are shown net of additions and deletions.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

J. Pension Plans

New York State and Local Employee's Retirement System

The County, and the County's discretely presented component units, the Ulster County Community College, and the Ulster County Resource Recovery Agency, participate in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the ERS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the ERS and for the custody and control of these funds. The ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12236.

The ERS is noncontributory, except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 and have less than ten years credited service, who contribute 3% of their salary for the first ten years of membership, employees who joined on or after January 1, 2010 who generally contribute 3-3.5% of their salary for the entire length of service, and employees who joined on or after April 1, 2012 who generally contribute 3% of their salary for the first year of service, and a percentage of their salary for the remainder of their service. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the County reported a liability of \$21,193,291 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2018. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the County's proportion was 0.2991162%.

For the year ended December 31, 2019, the County recognized pension expense of \$13,646,689. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,173,402	\$ 1,422,666
Changes of assumptions	5,327,128	-
Net difference between projected and actual investment earnings on pension plan investments	-	5,439,370
Changes in proportion and differences between employer contributions and proportionate share of contributions	40,181	721,408
County contributions subsequent to the measurement date	9,084,613	-
Total	\$ 18,625,324	\$ 7,583,444

The County reported \$9,084,613 as deferred outflows of resources related to pensions resulting from the County's contributions made subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending December 31,</u>	
2020	\$4,056,717
2021	(4,361,519)
2022	(533,529)
2023	2,795,598

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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Actuarial Assumptions

The total pension liability at March 31, 2019 was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

Inflation – 2.5%

Salary scale – 4.2%

Cost of living adjustments – 1.3%, annually

Decrement – Developed from the Plan's experience study of the period April 1, 2010 – March 31, 2015

Investment rate of return (including inflation) – 7.0%, compounded annually, net of investment expenses

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014. The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Investment Asset Allocation

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2019 are summarized below:

Asset Type	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	36.0%	4.6%
International equity	14.0	6.4
Private equity	10.0	7.5
Real estate	10.0	5.6
Absolute return strategies	2.0	3.8
Opportunistic portfolio	3.0	5.7
Real assets	3.0	5.3
Bonds and mortgages	17.0	1.3
Cash	1.0	(0.3)
Inflation-indexed bonds	4.0	1.3
Total	100.0%	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Assumption

On the following page presents the County's proportionate share of the net pension liability, calculated using the discount rate of 7.0%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.0%), or 1% point higher (8.0%) than the current rate.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
County's proportionate share of the net pension liability	\$ 92,660,452	\$ 21,193,291	\$ (38,844,192)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the valuation date were as follows:

Valuation date	April 1, 2018
Employers' total pension liability	\$ 189,803,429,000
Plan fiduciary net position	182,718,124,000
Employers' net pension liability	<u>\$ 7,085,305,000</u>
System fiduciary net position as a percentage of total pension liability	96.27%

Ulster County Community College

The UCCC participates in the ERS and the Teachers' Retirement System (TRS)

Plan Descriptions and Benefits Provided

Employee's Retirement System – UCCC participates in the ERS. The plan description and disclosures are the same as disclosed previously within this note.

Teachers' Retirement System – UCCC participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. TRS provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and Retirement and the New York State Retirement and Social Security Law (NYSRSSL). TRS is governed by a 10 member Board of Trustees. TRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York State Public Schools and BOCES who elect to participate in TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding TRS may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial Report which can be found on TRS' website at www.nystrs.org. Plan members who joined the TRS before July 27, 1976, are not required to make contributions. Those joining after July 27, 1976 are required to contribute between 0% and 6% of their annual salary depending on their tier. Pursuant to Article 11 of the Education Law, rates are established annually by the New York State Teachers' Retirement Board.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At August 31, 2019, the College reported the following liability for its proportionate share of the net pension liability (asset) for each of the Systems. The net pension liability was measured as of March 31, 2019 for ERS and June 30, 2018 for TRS. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by actuarial valuations as of April 1, 2018 for ERS, and June 30, 2017 for TRS. The College's proportionate share of the net pension liability was based on a projection of the College's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the College.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
Net proportionate pension liability (asset)	\$ 996,313	(\$232,778)
College's proportion of the Plan's net Pension liability	0.0140617%	0.0128730%

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

For the year ended August 31, 2019, the College recognized pension expense of \$644,718 for ERS and \$194,144 for TRS. At August 31, 2019 the College's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 196,195	\$ 173,953	\$ 66,881	\$ 31,510
Changes of assumptions	250,432	813,712	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	255,709	258,401
Changes in proportion and differences between the College's contributions and proportionate share of contributions	1,889	25,042	33,914	66,286
College contributions subsequent to the measurement date	407,703	232,162	-	-
Total	<u>\$ 856,219</u>	<u>\$1,244,869</u>	<u>\$ 356,504</u>	<u>\$ 356,197</u>

College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending August 31,</u>	<u>ERS</u>	<u>TRS</u>
2020	\$ 190,709	\$ 222,906
2021	(205,038)	147,997
2022	(25,082)	6,291
2023	131,423	147,448
2024	-	103,435
Thereafter	-	28,433

Actuarial Assumptions

The total pension liability/(asset) as of the measurement dates were determined by using actuarial valuations as noted in the following table, with update procedures used to roll forward the total pension liability/(asset) to the respective measurement dates. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as shown below:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
Actuarial valuation date	April 1, 2018	June 30, 2017
Interest rate	7.0%	7.25%
Salary scale	4.2% Average	1.90% - 4.72%
Decrement tables	April 1, 2010 – March 31, 2015	July 1, 2009 – June 30, 2014
	System's Experience	System's Experience
Inflation rate	2.5%	2.25%

For ERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

COUNTY OF ULSTER, NEW YORK

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For ERS, the actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

The long term rate of return on ERS pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

The long term expected rate of return on TRS pension plan investments was determined in accordance with Actuarial Standards of Practice (ASOP) No. 27 – “Selection of Economic Assumptions for Measuring Pension Obligations.” ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

	ERS		TRS	
	Target	Long Term	Target	Long Term
	Allocation	Expected Real	Allocation	Expected Real
Measurement date		Rate of Return		Rate of Return
		March 31, 2019		June 30, 2018
Asset type:				
Domestic equity	36.0 %	4.6%	33.0%	6.3%
International equity	14.0	6.4	16.0	7.8
Real estate	10.0	5.6	11.0	4.6
Domestic fixed income securities	-	-	16.0	1.3
Global equity	-	-	4.0	7.2
Private debt	-	-	1.0	6.5
Global fixed income securities	-	-	2.0	0.9
High-yield fixed income securities	-	-	1.0	3.6
Private equity	10.0	7.5	8.0	9.9
Absolute return strategies	2.0	3.8	-	-
Opportunistic portfolio	3.0	5.7	-	-
Real assets	3.0	5.3	-	-
Bonds and mortgages	17.0	1.3	7.0	2.9
Cash/short-term	1.0	(0.3)	1.0	0.3
Inflation-indexed bonds	4.0	1.3	-	-
Total	100.0%		100.0%	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for ERS and 7.25% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate Assumption

On the following page presents the College's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.0% for ERS and 7.25% for TRS, as well as what the College's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1% lower (6.0% for ERS and 6.25% for TRS) or 1% higher (8.0% for ERS and 8.25% for TRS) than the current rate:

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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ERS:	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension liability/(asset)	\$ 4,356,040	\$ 996,313	\$ (1,826,096)

TRS:	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net pension liability/(asset)	\$ 1,599,224	\$ (232,778)	\$ (1,767,487)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (asset) of the employers, as of the respective valuation dates, were as follows:

	(Dollars in Millions)		
	ERS	TRS	Total
Valuation date	April 1, 2018	June 30, 2018	
Employers' total pension liability	\$ 189,803	\$119,879	\$309,682
Plan fiduciary net position	182,718	122,477	305,195
Employers' net pension liability (asset)	\$ 7,085	\$ (2,598)	\$ 4,487
System fiduciary net position as a percentage of total pension liability (asset)	96.27%	102.17%	98.55%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of August 31, 2019 represent the projected employer contribution for the period of April 1, 2019 through August 31, 2019 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of August 31, 2019 amounted to \$407,703.

For TRS, employer and employee contributions for the fiscal year ended August 31, 2019 are paid to the System in September, October, and November 2019. Accrued retirement contributions as of August 31, 2019 represent employee and employer contributions for the fiscal year ended August 31, 2019 based on paid TRS wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of August 31, 2019 amounted to \$232,162.

Ulster County Resource Recovery Agency

The UCRRA also participates in the ERS. The plan description and disclosures are the same as disclosed previously within this note,

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the Agency reported a liability of \$513,562 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2018. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2019, the Agency's proportion was 0.0072483 percent.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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For the year ended December 31, 2019, the Agency recognized pension expense of \$269,419. At December 31, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 101,131	\$ 34,474
Changes of assumption	129,088	-
Net difference between projected and actual investment earnings on pension plan investments	-	131,808
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,873	107,923
Agency contributions subsequent to the measurement date	249,347	-
Total	\$ 481,439	\$ 274,205

Agency contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending December 31,</u>	
2020	\$ 60,731
2021	(135,551)
2022	(29,141)
2023	61,848

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Assumption

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension liability (asset)	\$ 2,245,374	\$ 513,562	(\$ 941,283)

K. Other Postemployment Benefits ("OPEB")

In addition to providing retirement benefits, the County provides certain health insurance benefits to retired employees and their families. Substantially all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. The County and employee each pay a percentage of the premium. The County's policy has been to account for and fund these benefits on a pay as you go basis.

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* which requires the accrual of these liabilities. The County implemented this statement during the year ended December 31, 2018.

(a) Plan Description

Ulster County administers the Ulster County Retiree Health Insurance Plan (the Plan) as a single-employer defined benefit OPEB plan, in which the County is a participant. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the County subject to the applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2019

(b) Employees Covered by Benefit Terms

At January 1, 2019, the measurement date, the following employees were covered by the benefit terms:

Active employees	1,233
Retirees of beneficiaries currently receiving benefit payments	912
Total	<u>2,145</u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments, which may be attributed to past service or “earned” discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“UAAL”) under GASB Statement No. 45.

(c) Total OPEB Liability

The County’s total OPEB liability for governmental activities of \$135,503,291 as of December 31, 2019 was measured as of January 1, 2019, and was determined by an actuarial valuation as of the same date.

(d) Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employer and the plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

The method used to calculate the costs of the Plan is known as the Entry Age Normal, Level Percent of Pay. The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary scale increases	3.0%
Discount rate	4.1%
Inflation	2.4%
Healthcare cost trend rate	SOA Long-Run Medical Cost Getzen Trend Model

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical US medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group. Pre-65 trend rates are shown on the table below.

<u>Fiscal Year</u>	<u>Medical Cost Trend Rate</u>	<u>Fiscal Year</u>	<u>Medical Cost Trend Rate</u>
2020	6.35%	2030-2034	5.18%
2021	6.10%	2035-2039	5.18%
2022	5.80%	2040-2049	4.98%
2023	5.50%	2050-2059	4.75%
2024	5.45%	2060-2069	4.42%
2025-2029	5.18%	Ultimate	3.94%

Mortality rates for active employees and retirees were based on the RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

(e) Changes in the Total OPEB Liability

The following table presents the changes to the total primary government OPEB liability:

Total OPEB liability as of December 31, 2018	\$176,083,339
Changes for the year:	
Service cost	5,564,559
Interest cost	6,156,773
Differences between expected and actual experience	(35,295,340)
Changes of assumptions or other inputs	(11,662,152)
Benefit payments	(5,343,888)
Net changes	(40,580,048)
Total OPEB liability as of December 31, 2019	<u>\$135,503,291</u>

(f) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability using the discount rate of 4.10%, as well as what the OPEB liability would be if it were to be calculated using a discount rate that is 1-percentage point lower (3.10%) or 1-percentage point higher (5.10%) than the current discount rate:

	1% Decrease 3.10%	Current 4.10%	1% Increase 5.10%
Total OPEB Liability	<u>\$155,120,981</u>	<u>\$135,503,291</u>	<u>\$119,375,799</u>

(g) Sensitivity of the Total OPEB Liability in the Healthcare Cost Trend Rates

The following presents the total OPEB liability using the healthcare cost trend rate of 6.35%/(ultimate rate of 3.94%), as well as what the OPEB liability would be if it were to be calculated using healthcare cost trend rates that are 1-percentage point lower (5.35%)/(ultimate rate of 2.94%) or 1-percentage point higher (7.35%)/(ultimate rate of 4.94%) than the current healthcare cost trend rates:

	1% Decrease 5.35%/2.94%	Current 6.35%/3.94%	1% Increase 7.35%/4.94%
Total OPEB Liability	<u>\$117,578,741</u>	<u>\$135,503,291</u>	<u>\$157,892,772</u>

(h) Funding Policy

The obligation of the plan members, employers and other entities, are established by action of the County pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the County. The County contributed \$5,343,888 for the fiscal year ended December 31, 2019.

(i) OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

The County reports deferred outflows and deferred inflows of resources due to differences during the measurement period between the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The table below presents the County's deferred outflows of resources at December 31, 2019.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 28,264,396
Changes of assumptions or other inputs	4,156,137	9,339,014
County contributions subsequent to the measurement date	4,825,851	-
Total	<u>\$ 8,981,988</u>	<u>\$ 37,603,410</u>

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
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Contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years ending December 31,</u>	
2020	\$(8,322,782)
2021	(8,322,782)
2022	(8,322,782)
2023	(8,322,782)
2024	(156,145)

Ulster County Community College

In addition to the County, UCCC provides retirement benefits and certain health insurance benefits to retired employees and their covered dependents. Certain classes of the College's employees may become eligible for those benefits if they reach normal retirement age while working for the College. UCCC's liability for postemployment benefits of \$19,876,984 as of August 31, 2019 was measured as of June 30, 2019 and determined by an actuarial valuation as of that date.

(j) Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Discount rate	2.94%
Healthcare cost trend rate	7.0% in 2018, decreasing to an ultimate rate of 4.2% by 2051.

The discount rate was based on a yield or index rate for 20 years, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Society of Actuaries' Scale SOA RP-2014 Total Dataset Mortality with Scale MP-2018 (Base Rate 2006).

(k) Changes in the Total OPEB Liability – UCCC

The following table presents the changes to the total primary government OPEB liability:

Total OPEB liability as of August 31, 2018	\$ 24,836,038
Changes for the year:	
Service cost	1,014,703
Interest cost	546,692
Differences between actual and expected experience	(10,432,596)
Changes of assumptions or other inputs	4,470,870
Benefit payments	(558,723)
Net changes	(4,959,054)
Total OPEB liability as of August 31, 2019	<u>\$ 19,876,984</u>

(l) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – UCCC

The following presents the total OPEB liability of the College using the discount rate of 2.94%, as well as what the OPEB liability would be if it were to be calculated using a discount rate that is 1-percentage point lower (1.94%) or 1-percentage point higher (3.94%) than the current discount rate:

	1% Decrease 1.94%	Current 2.94%	1% Increase 3.94%
Total OPEB Liability	<u>\$22,219,526</u>	<u>\$19,876,984</u>	<u>\$17,994,481</u>

COUNTY OF ULSTER, NEW YORK

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(m) Sensitivity of the Total OPEB Liability in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the College using the healthcare cost trend rate of 7.00% (ultimate rate of 4.20%), as well as what the OPEB liability would be if it were to be calculated using healthcare cost trend rates that are 1-percentage point lower (6.00%)/(ultimate rate of 3.20%) or 1-percentage point higher (8.00%)/(ultimate rate of 5.20%) than the current healthcare cost trend rates:

	1% Decrease 6.00%/3.20%	Current 7.00%/4.20%	1% Increase 8.00%/5.20%
Total OPEB Liability	\$16,971,375	\$19,876,984	\$23,479,736

(n) Funding Policy – UCCC

The obligation of the plan members, employers and other entities, are established by action of the College pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the College. For 2019, the College did not contribute additional funding for current premiums.

(o) OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

The College reports deferred outflows and deferred inflows of resources due to differences during the measurement period between the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The table below presents the College's deferred outflows and deferred inflows of resources at August 31, 2019.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,206,985	\$ 7,729,851
Changes of assumptions or other inputs	4,199,986	-
College contributions subsequent to the measurement date	558,723	-
Total	\$ 5,965,694	\$ 7,729,851

College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending August 31,	
2020	\$ 56,188
2021	(1,050,809)
2022	(1,328,259)

3. Other Information

A. Net Position/Fund Balances

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. Net investment in capital assets is calculated as follows on the following page.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

Capital assets (net of accumulated depreciation)	\$ 222,442,647
Less related debt:	
Bond anticipation notes	(29,430,855)
Serial bonds – general obligations, net	(98,240,494)
Tobacco asset backed bonds	(42,766,667)
Plus unspent debt proceeds	9,690,333
Total net investment in capital assets	<u>\$ 61,694,964</u>

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. “Other purposes” restricted net position include future capital projects reserves of \$2,700,000, risk retention reserves of \$129,455, tax stabilization reserves of \$2,581,059, drug forfeiture reserves of \$109,013, E-911 emergency telephone reserves of \$1,250,646, Stop DWI reserves of \$44,924, probation reserves of \$817,314, child safety seat reserves of \$2,379, traffic safety board reserves of \$3,598, and community development of \$199,015.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

In the fund financial statements, governmental fund equity is classified as fund balance. Beginning with the fiscal year ended December 31, 2011, the County implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires local governments to focus on the constraints imposed upon resources when reporting fund balance in governmental funds. The new fund balance classifications indicate the level of constraints placed upon how resources can be spent and identify the sources of those constraints. Constraints are broken down into five different classifications: nonspendable, restricted, committed, assigned and unassigned. The classifications describe the relative strength of the spending constraints on the specific purposes for which resources in a fund can be spent.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they are legally or contractually required to be maintained intact.

- *Inventories* – to reflect the assets, \$105,204, that were committed for the purchase of inventories and supplies.
- *Prepaid items* – to reflect the portion of assets, \$8,389,486, which do not represent available spendable resources.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or through constitutional provisions, charter requirements or enabling legislation.

- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest in the amount of \$6,801,448. These funds are not available for general operations. Of note, the County has appropriated \$1,708,901 of Debt Service Fund fund balance for use in the subsequent year’s budget.
- *Future capital projects* – to reflect funds established for future capital projects in the amount of \$2,700,000.
- *Risk retention* – to reflect funds established to provide for costs of settlement of various claims against the County in excess of amounts appropriated each year for such purpose in the amount of \$129,455.
- *Tax stabilization* – to reflect funds to finance certain unanticipated revenue losses or unanticipated expenditures and to lessen or prevent excessive increases of the real property tax levy in the amount of \$2,581,059.
- *Civil and DA forfeitures* – to reflect unused portions of forfeited crime proceeds that must be spent on law enforcement in the amount of \$109,013.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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- *Emergency telephone (E-911)* – to reflect unused portions of telephone surcharges that must be spent on the emergency telephone system in the amount of \$1,250,646.
- *Stop DWI* – to reflect unused portions of DWI fines that must be spent on Stop DWI programs in the amount of \$44,924.
- *Probation administration fees* – to reflect unused portions of probation fees that must be spent on probation programs in the amount of \$817,314.
- *Child safety seats* – to provide child safety seats to those in need in the amount of \$2,379.
- *Traffic safety board* – to provide funds to promote traffic safety in the amount of \$3,598.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the County Legislature before the end of the fiscal year. The County Legislature is the highest level of decision making authority for the County.

Commitments may be established, modified, or rescinded only through resolutions approved by the County Legislature. The County has no committed fund balances as of December 31, 2019.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the Legislature, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received in the amounts of \$2,782,251 in the General Fund, \$34 in the Special Grant Fund, \$34,769 in the County Road Fund, and \$22,288 in the Road Machinery Fund.
- *Subsequent years' expenditures* – to reflect the portion of fund balance designated for resource utilization in a future period, such as for general contingencies, reduction of tax levy, or capital projects. Such plans or intent are subject to change and have not been legally authorized or may not result in expenditures. The County elected to designate \$9,717,742 of the General Fund fund balance, \$504,864 of the County Road Fund fund balance, and \$650,000 of the Road Machinery Fund fund balance.
- *Specific use* – to reflect the residual amount of fund balance not already restricted, committed or assigned in the special revenue funds in the amounts of \$231,760 in the Special Grant Fund, \$2,832,336 in the County Road Fund, and \$2,533,250 in the Road Machinery Fund.
- *Jail telephone commissions* – to reflect the unused portions of jail telephone commissions that will be spent on inmate programs in the amount of \$146,383.
- *Tourism* – to promote tourism in Ulster County in the amount of \$165,368.
- *URGENT forfeitures* – to reflect unused portions of forfeited crime proceeds that will be spent on law enforcement in the amount of \$8,000.

Unassigned – represents the residual classification for the County's General Fund, and includes all other General Fund assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the County. In funds other than the General Fund, the unassigned classification is used to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

When fund balance resources are available for a specific purpose in multiple classifications, the County would use the most restrictive funds first in the following order: nonspendable, restricted, committed, assigned and unassigned as they are needed. However, the County reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

B. Risk Management

The County is exposed to various risks of loss related to unemployment, general liability, and workers' compensation. The County uses the General Fund to account for and finance, in the case of workers' compensation, its uninsured risks of loss. The County is also exposed to risk of loss for deductibles of varying amounts under several liability insurance policies.

The County established a workers' compensation claims-processing pool (Pool) under Local Law No. 1 in 1979, pursuant to Article 5 of the Workers' Compensation Law to administer the payment of worker compensation claims of pool participants. The pool is open to participation by any eligible municipality or any public entity. Under local law participants are responsible for their share of total pool liabilities. All funds of the County, and sixty two other public entities, participate in the program and make payments to the Pool based on a computation of the necessary funds to cover the participants' annual claims.

The County's claims liability of \$32,589,429 is recorded in the Workers' Compensation Pool at fiscal year end and is based on the requirements of GASB, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This total liability is offset by cash on hand previously collected from participants' premiums and assessment receivables recorded in accordance with Article 5 in the amount of \$4,103,242, of which \$1,295,856 is due and payable by the County's governmental activities to the workers' compensation claims-processing pool.

Changes in the County's workers' compensation claims liability for the last three years were:

Year	Balance at January 1	Current Year Claims & Changes in Estimates	Claims Payments	Balance at December 31
2019	\$32,488,811	\$ 4,820,113	(\$ 4,719,495)	\$32,589,429
2018	35,167,661	16,611,237	(19,290,087)	32,488,811
2017	35,845,403	17,663,612	(18,341,354)	35,167,661

The County has been named as a defendant in several personal injury claims resulting from incidents occurring in the County. Although the ultimate outcome of these claims is not certain, County officials believe that none of these claims will expose the County to amounts to exceed the insurance coverage applicable to the date of such incidents. The County has recorded liabilities related to the deductibles for these claims in the amount of \$1,711,000. The County has not had significant reductions in insurance coverage from the provider in all categories of risk. Settled claims have not exceeded insurance coverage in the past three fiscal years.

Changes in the County's claims and judgments liability for the last three years were:

Year	Balance at January 1	Current Year Claims & Changes in Estimates	Balance at December 31
2019	\$1,238,000	\$ 473,000	\$1,711,000
2018	1,272,000	(34,000)	1,238,000
2017	1,080,000	192,000	1,272,000

C. Deferred Compensation Plan

Employees of the County may elect to participate in the New York State Deferred Compensation Plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until the age of 59 and 1/2 years, without penalty, or at termination, retirement, death, or unforeseeable emergency.

Effective October 1, 1997, the New York State Deferred Compensation Board (Board) created a Trust and Custody agreement making Chase Manhattan Bank the Trustee and Custodian of the Plan in accordance with GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". Since the Board is no longer the trustee of the plan, the County no longer is required to record the value of the plan assets.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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D. Commitments

The County had active construction projects at year end. The projects include roads and bridges, roof reconstructions, upgrades to campus facilities, and repairs to infrastructure. At year end, the County had \$32,524,737 in construction commitments with contractors. These commitments are being financed by serial bonds, state and federal aid, donations and current appropriations.

On October 15, 2019, the County was authorized to enter into an agreement with the County's Deputy Sheriff's Police Benevolent Association providing a retroactive increase of 2% for 2018 and an increase of 2.5% for 2019 along with other compensation arrangements. The financial impact of this settlement was approximately \$535,000 in 2019.

On November 19, 2019, the County was authorized to enter into an agreement with the County's Sheriff's Association providing an increase of 2.5% for 2019 along with other compensation arrangements. The financial impact of this settlement was approximately \$321,000 in 2019.

On November 19, 2019, the County was authorized to enter into an agreement with the County's Deputy Sheriff's Superior Officers' Unit providing a retroactive increase of 2% for 2018 and an increase of 2.5% for 2019 along with other compensation arrangements. The financial impact of this settlement was approximately \$21,000 in 2019.

E. Contingencies

The County has received grants in excess of \$87.4 million, which are subject to audit by agencies of the State and Federal governments. Such audits may result in a request for a return of funds to the State and Federal governments. Based on past audits, the County management believes any disallowance will be immaterial.

F. Federal Grant-Revolving Loan Fund

During 2019, the County participated with RUPCO as a sub-recipient in implementing three Community Development Block Grants financed by the United States Department of Housing and Urban Development and administered through the New York State Housing Trust Fund Corporation totaling \$1,640,000.

A \$450,000 grant program was completed and used to assist low to moderate income Ulster County residents purchase and rehabilitate owner-occupied housing. Total monies received for 2019 were \$221,073. The *2017 Ulster County Homeownership Program* was started in 2018 and completed all direct assistance to households by the end of 2019.

Ulster County was awarded a \$600,000 grant focused on assisting low to moderate income Ulster County residents rehabilitate owner-occupied housing. Direct assistance for the *2019 Ulster County Housing Rehabilitation Program* began at the end of 2019 with \$16,596 in total monies received for 2019.

Ulster County was awarded a \$590,000 grant for a program that assists households with home buyer activities. No monies were received for the *Ulster County Homeownership Program* in 2019. Monies for direct assistance have been received in 2020.

A copy of RUPCO's certified financial report may be obtained from RUPCO at 289 Fair Street Kingston, NY 12401.

The activity for this loan fund is accounted for in the Special Grant Fund, a nonmajor fund in the County's financial statements.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2019

G. Agency Fund

An agency fund exists to account for money and property received and held in the capacity of custodian or agent. The following is a summary of changes in assets and liabilities for the fiscal year ended December 31, 2019:

	Balance at 1/1/2019	Increases	Decreases	Balance at 12/31/19
ASSETS				
Cash and cash equivalents	\$ 12,221,248	\$ 137,070,746	\$ 136,934,371	\$ 12,357,623
Receivables	266,508	1,925,935	2,161,161	31,282
Total assets	<u>\$ 12,487,756</u>	<u>\$ 138,996,681</u>	<u>\$ 139,095,532</u>	<u>\$ 12,388,905</u>
LIABILITIES				
Due to other funds	\$ 6,143	\$ 891,746	\$ 88,265	\$ 809,624
Agency fund liabilities	12,481,613	94,338,649	95,240,981	11,579,281
Total liabilities	<u>\$ 12,487,756</u>	<u>\$ 95,230,395</u>	<u>\$ 95,329,246</u>	<u>\$ 12,388,905</u>

H. Resource Recovery Agency

Under the terms of a solid waste service agreement dated January 1, 1992, between the County and the Ulster County Resource Recovery Agency (UCRRA), the County is liable for a service fee payable to the UCRRA. The intent of the net service fee agreement is to provide assurance that the UCRRA has the financial resources to meet all debt service obligations and debt service requirements. In December 2012, a county-wide Flow Control Law was passed by the Ulster County Legislature and signed into law by the Ulster County Executive. The Flow Control Law mandates that all Municipal Solid Waste generated within the County of Ulster must be brought to the UCRRA. The major financial impacts of this new law resulted in an increase in solid waste service fees, the elimination of County net service fees, and the ability of UCRRA to be self-sustaining. UCRRA met all of its obligations for fiscal year 2019 without the assistance of a County subsidy.

State and Federal laws required UCRRA to place a final cover on its landfill sites when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. UCRRA is currently in the post closure phase at each of the landfills. The post closure period goes throughout the year 2028. Current projections prepared by UCRRA of annual post closure monitoring and maintenance costs for the two remaining landfills are \$260,790 for each of the remaining 9 years.

I. Tobacco Settlement

In January 1997, the State of New York filed a lawsuit against the tobacco industry, seeking to recover the costs that the State and its local governments had incurred under the Medicaid program in treating smoking related illnesses. As part of a comprehensive settlement reached in November 1998 among 46 states and U.S. territories and all major tobacco companies, the State of New York and its counties will share in an estimated \$25 billion over the next 25 years. As discussed in Note 1, in February 2001, the County sold to UTASC all of its future right, title and interest in the tobacco revenues under the agreement.

J. Tax Abatements

The County is subject to tax abatements granted by the Ulster County Industrial Development Agency (UCIDA). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the UCIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the County, the abatements have resulted in reductions of property taxes, which the County administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by UCIDA, the County collected \$295,542 during 2019 in payments in lieu of taxes ("PILOT"); these collections were made in lieu of \$684,146 in property taxes.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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K. Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 83 – *Certain Asset Retirement Obligations*

The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations (ARO's). Due to the implementation of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the requirements of this Statement are now effective for reporting periods beginning after June 15, 2019, which is the fiscal year beginning January 1, 2020. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 84 – *Fiduciary Activities*

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Due to the implementation of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the requirements of this Statement are now effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning January 1, 2020. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 87 – *Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Due to the implementation of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the requirements of this Statement are now effective for reporting periods beginning after December 15, 2021, which is the fiscal year beginning January 1, 2022. The net effect of this Statement has not yet been determined.

GASB Statement No. 88 – *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*

The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Due to the implementation of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the requirements of this Statement are now effective for reporting periods beginning after June 15, 2019, which is the fiscal year beginning January 1, 2020. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Due to the implementation of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the requirements of this Statement are now effective for reporting periods beginning after December 15, 2020, which is the fiscal year beginning January 1, 2021. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 90 – *Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61*

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Due to the implementation of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the requirements of this Statement are now effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning January 1, 2020. This Statement is not expected to have a material effect on the future financial statements of the County.

COUNTY OF ULSTER, NEW YORK

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December 31, 2019

GASB Statement No. 91 – *Conduit Debt Obligations*

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Due to the implementation of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the requirements of this Statement are now effective for reporting periods beginning after December 15, 2021, which is the fiscal year beginning January 1, 2022. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 92 – *Omnibus 2020*

The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Due to the implementation of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the requirements of this Statement are now effective for reporting periods beginning after June 15, 2021, which is the fiscal year beginning January 1, 2022. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates*

The primary objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). Due to the implementation of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the requirements of this Statement are now effective for reporting periods beginning after June 15, 2021, which is the fiscal year beginning January 1, 2022. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, which is the fiscal year beginning January 1, 2023. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*

The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, which is the fiscal year beginning January 1, 2023. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.*

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, which is the fiscal year beginning January 1, 2022. This Statement is not expected to have a material effect on the future financial statements of the County.

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2019

L. Subsequent Events

Management has evaluated subsequent events through September 22, 2020, which is the date the financial statements are available for issuance, and have determined that there are no subsequent events, except as noted below, that require disclosure under generally accepted accounting principles.

COVID-19

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 County’s operational and financial performance will depend on future developments including the duration, spread, and intensity of the pandemic; all of which are difficult and uncertain considering the rapidly evolving climate. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the County’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 County’s activities, results of operations, financial condition, and cash flow.

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Required Supplementary
Information

County of Ulster, New York
Schedule of Local Government's Proportionate Share of the Net Pension Liability
Employees' Retirement System
Last Six Fiscal Years*

Governmental Activities:	Fiscal Year Ended					
	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
County's proportion of net pension liability	0.2991162%	0.3044966%	0.3097205%	0.3109345%	0.3104617%	0.3104617%
County's proportionate share of the net pension liability	<u>\$ 21,193,291</u>	<u>\$ 9,827,462</u>	<u>\$ 29,102,033</u>	<u>\$ 49,905,861</u>	<u>\$ 10,488,153</u>	<u>\$ 14,029,326</u>
County's covered payroll	<u>\$ 82,220,860</u>	<u>\$ 79,294,326</u>	<u>\$ 77,391,077</u>	<u>\$ 76,671,755</u>	<u>\$ 75,178,528</u>	<u>\$ 79,956,063</u>
County's proportionate share of the net pension liability as a percentage of its covered payroll	25.78%	12.39%	37.60%	65.09%	13.95%	17.55%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%	97.20%

Component Units:	Fiscal Year Ended					
	2019	2018	2017	2016	2015	2014
UCCC - ERS System (August 31)						
Measurement date	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
UCCC's proportion of net pension liability	0.0140617%	0.0139479%	0.0151725%	0.0154374%	0.0161338%	0.0161338%
UCCC's proportionate share of the net pension liability	<u>\$ 996,313</u>	<u>\$ 450,160</u>	<u>\$ 1,425,642</u>	<u>\$ 2,477,745</u>	<u>\$ 545,040</u>	<u>\$ 729,065</u>
UCCC's covered payroll	<u>\$ 3,896,979</u>	<u>\$ 4,018,654</u>	<u>\$ 4,055,915</u>	<u>\$ 3,926,685</u>	<u>\$ 4,029,055</u>	<u>\$ 3,668,663</u>
UCCC's proportionate share of the net pension liability as a percentage of its covered payroll	25.57%	11.20%	35.15%	63.10%	13.53%	19.87%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%	97.20%

UCRRA

Measurement date	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
UCRRA's proportion of net pension liability	0.0072483%	0.0072122%	0.0074789%	0.0080119%	0.0079561%	0.0079561%
UCRRA's proportionate share of the net pension liability	<u>\$ 513,562</u>	<u>\$ 232,770</u>	<u>\$ 702,730</u>	<u>\$ 1,285,934</u>	<u>\$ 268,777</u>	<u>\$ 359,526</u>
UCRRA's covered payroll	<u>\$ 1,710,627</u>	<u>\$ 1,656,723</u>	<u>\$ 1,530,091</u>	<u>\$ 1,553,441</u>	<u>\$ 1,512,837</u>	N/A
UCRRA's proportionate share of the net pension liability as a percentage of its covered payroll	30.02%	14.05%	45.93%	82.78%	17.77%	N/A
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%	97.20%

* Information prior to the year ended December 31, 2014, (August 31, 2014 with respect to UCCC) is not available.

See accompanying notes to the required supplementary information.

County of Ulster, New York
Schedule of Local Government's Contributions
Employees' Retirement System
Last Ten Fiscal Years

Year Ended December 31,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Contractually required contribution	\$ 12,551,263	\$ 12,304,270	\$ 12,534,454	\$ 12,866,091	\$ 13,733,997	\$ 14,740,535	\$ 17,132,581	\$ 16,940,612	\$ 13,494,253	\$ 10,254,823
Contribution in relation to the contractually required contribution	<u>(12,551,263)</u>	<u>(12,304,270)</u>	<u>(12,534,454)</u>	<u>(12,866,091)</u>	<u>(13,733,997)</u>	<u>(14,740,535)</u>	<u>(17,132,581)</u>	<u>(16,940,612)</u>	<u>(13,494,253)</u>	<u>(10,254,823)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County covered payroll	\$ 84,261,882	\$ 81,540,519	\$ 78,545,595	\$ 77,006,238	\$ 76,560,260	\$ 74,717,951	\$ 81,702,100	\$ 89,720,808	\$ 90,999,885	\$ 94,008,977
Contributions as a percentage of covered payroll	14.90%	15.09%	15.96%	16.71%	17.94%	19.73%	20.97%	18.88%	14.83%	10.91%
Component Units:										
UCCC - ERS System (August 31):										
Contractually required contribution	\$ 540,785	\$ 587,186	\$ 600,941	\$ 695,269	\$ 765,058	\$ 739,188	\$ 655,866	\$ 518,256	\$ 405,890	\$ 232,987
Contribution in relation to the contractually required contribution	<u>(540,785)</u>	<u>(587,186)</u>	<u>(600,941)</u>	<u>(695,269)</u>	<u>(765,058)</u>	<u>(739,188)</u>	<u>(655,866)</u>	<u>(518,256)</u>	<u>(405,890)</u>	<u>(232,987)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
UCCC covered payroll	\$ 3,896,979	\$ 4,018,654	\$ 4,055,915	\$ 3,926,685	\$ 4,029,055	\$ 3,668,663	\$ 3,666,104	\$ 3,320,026	\$ 3,614,337	\$ 3,213,614
Contributions as a percentage of covered payroll	13.88%	14.61%	14.82%	17.71%	18.99%	20.15%	17.89%	15.61%	11.23%	7.25%
UCRRA:										
Contractually required contribution	\$ 249,347	\$ 245,094	\$ 238,269	\$ 242,378	\$ 288,993	N/A	N/A	N/A	N/A	N/A
Contribution in relation to the contractually required contribution	<u>(249,347)</u>	<u>(245,094)</u>	<u>(238,269)</u>	<u>(242,378)</u>	<u>(288,993)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
UCRRA covered payroll	\$ 1,710,627	\$ 1,656,723	\$ 1,530,091	\$ 1,553,441	\$ 1,512,837	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	14.58%	14.79%	15.57%	15.60%	19.10%	N/A	N/A	N/A	N/A	N/A

See accompanying notes to the required supplementary information.

County of Ulster, New York
Schedule of Local Government's Proportionate Share of the Net Pension Asset/(Liability)
Teachers' Retirement System
Last Six Fiscal Years*

Component Units:	Fiscal Year Ended					
	2019	2018	2017	2016	2015	2014
UCCC - TRS System (August 31)						
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
UCCC's proportion of net pension asset/(liability)	0.0128730%	0.0132870%	0.0129310%	0.0121190%	0.0115010%	0.0104130%
UCCC's proportionate share of the net pension asset/(liability)	\$ 232,778	\$ 100,998	\$ (138,493)	\$ 1,258,757	\$ 1,281,129	\$ 1,281,129
UCCC's covered payroll	\$ 1,915,276	\$ 2,096,871	\$ 2,105,776	\$ 1,995,340	\$ 1,820,408	\$ 1,698,862
UCCC's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	12.15%	4.82%	(6.58%)	63.08%	70.38%	75.41%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

* Information prior to the year ended August 31, 2014 is not available.

See accompanying notes to the required supplementary information.

County of Ulster, New York
Schedule of Local Government's Contributions
Teachers' Retirement System
Last Ten Fiscal Years

Year Ended August 31,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Component Units:										
UCCC - TRS System:										
Contractually required contribution	\$ 203,402	\$ 205,493	\$ 246,797	\$ 264,582	\$ 319,118	\$ 276,065	\$ 180,595	\$ 140,854	\$ 109,819	\$ 74,927
Contribution in relation to the contractually required contribution	(203,402)	(205,493)	(246,797)	(264,582)	(319,118)	(276,065)	(180,595)	(140,854)	(109,819)	(74,927)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
UCCC covered payroll	\$ 1,915,276	\$ 2,096,871	\$ 2,105,776	\$ 1,995,340	\$ 1,820,408	\$ 1,698,862	\$ 1,525,296	\$ 1,267,813	\$ 1,274,002	\$ 1,210,452
Contributions as a percentage of covered payroll	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%	11.11%	8.62%	6.19%

See accompanying notes to the required supplementary information.

County of Ulster, New York
Schedule of Local Government's Changes in Total OPEB Liabilities and Related Ratios
Last Two Fiscal Years *

Governmental Activities:	2019	2018
Total OPEB Liability		
Service cost	\$ 5,564,559	\$ 5,271,940
Interest cost	6,156,773	6,278,693
Differences between expected and actual experience	(35,295,340)	-
Changes of assumptions or other inputs	(11,662,152)	6,218,737
Benefit payments	(5,343,888)	(5,034,144)
Net changes in total OPEB liability	(40,580,048)	12,735,226
Total OPEB liability - beginning	176,083,339	163,348,113
Total OPEB liability - ending	<u>\$ 135,503,291</u>	<u>\$ 176,083,339</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 5,343,888	\$ 5,034,144
Benefit payments	(5,343,888)	(5,034,144)
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending	<u>\$ 135,503,291</u>	<u>\$ 176,083,339</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Annual covered-employee payroll	\$ 84,261,882	\$ 81,540,519
Net OPEB liability as a percentage of annual covered-employee payroll	160.81%	215.95%
	Year Ended August 31, 2019	Year Ended August 31, 2018
Component Units - UCCC:		
Total OPEB Liability		
Service cost	\$ 1,014,703	\$ 1,030,867
Interest cost	546,692	782,789
Changes in benefit terms	-	311,228
Differences between expected and actual experience	(10,432,596)	-
Changes of assumptions or other inputs	4,470,870	-
Benefit payments	(558,723)	-
Net changes in total OPEB liability	(4,959,054)	2,124,884
Total OPEB liability - beginning	24,836,038	22,711,154
Total OPEB liability - ending	<u>\$ 19,876,984</u>	<u>\$ 24,836,038</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 558,723	\$ -
Benefit payments	(558,723)	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending	<u>\$ 19,876,984</u>	<u>\$ 24,836,038</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Annual covered-employee payroll	\$ 10,383,954	\$ 9,832,256
Net OPEB liability as a percentage of annual covered-employee payroll	191.42%	252.60%

* Information prior to the year ended December 31, 2018 (August 31, 2018 with respect to UCCC) is not available.

See accompanying notes to the required supplementary information.

County of Ulster, New York
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Adopted</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
REVENUES				
Taxes:				
Property	\$ 50,943,308	\$ 50,943,308	\$ 47,501,991	\$ (3,441,317)
Other real property tax items	5,440,000	5,440,000	5,078,862	(361,138)
Sales	122,435,116	124,935,116	127,215,937	2,280,821
Tax on Hotel Room Occupancy	1,700,342	1,700,342	2,032,778	332,436
Off track betting taxes	75,000	75,000	-	(75,000)
E-911 emergency telephone surcharge	791,000	791,000	770,054	(20,946)
Automobile use tax	1,225,000	1,225,000	1,196,815	(28,185)
State aid	43,643,381	48,677,426	45,697,227	(2,980,199)
Federal aid	34,679,734	31,484,320	28,819,324	(2,664,996)
Departmental income	9,935,811	9,935,811	9,240,832	(694,979)
Intergovernmental	2,451,476	2,753,066	1,603,533	(1,149,533)
Use of money and property	1,330,470	1,330,470	1,547,436	216,966
Licenses and permits	470,000	470,000	470,167	167
Fines and forfeitures	476,708	476,708	403,147	(73,561)
Sale of property and compensation for loss	1,390,500	1,411,466	2,029,879	618,413
Miscellaneous local sources	402,100	402,100	1,377,461	975,361
Interfund revenues	1,948,617	1,948,617	1,825,075	(123,542)
Total revenues	279,338,563	283,999,750	276,810,518	(7,189,232)
EXPENDITURES				
Current:				
General government	67,700,431	70,250,533	64,577,655	5,672,878
Education	10,310,863	10,212,163	10,194,615	17,548
Public safety	46,598,285	48,535,729	46,782,728	1,753,001
Public health	19,762,055	19,575,330	18,388,896	1,186,434
Transportation	5,783,999	6,243,491	5,771,738	471,753
Economic assistance	123,386,860	127,835,730	125,596,266	2,239,464
Culture and recreation	1,076,476	1,168,561	1,040,629	127,932
Home and community	3,342,360	4,142,033	2,704,943	1,437,090
Employee benefits	7,787,795	7,666,686	7,617,517	49,169
Debt service:				
Interest and other fiscal charges	300,000	1,050,000	985,731	64,269
Total expenditures	286,049,124	296,680,256	283,660,718	13,019,538
Excess (deficiency) of revenues over expenditures	(6,710,561)	(12,680,506)	(6,850,200)	5,830,306
OTHER FINANCING SOURCES (USES)				
Transfers from proprietary funds	-	-	19,100	19,100
Transfers out	(650,000)	(663,305)	(595,750)	67,555
Total other financing sources (uses)	(650,000)	(663,305)	(576,650)	86,655
Net change in fund balances *	(7,360,561)	(13,343,811)	(7,426,850)	5,916,961
Fund balances - beginning	57,990,008	57,990,008	57,990,008	-
Fund balances - ending	\$ 50,629,447	\$ 44,646,197	\$ 50,563,158	\$ 5,916,961

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and appropriated reserves.

See accompanying notes to the required supplementary information.

COUNTY OF ULSTER, NEW YORK
Notes to the Required Supplementary Information
December 31, 2019

Pension Liability

The schedules of local government's proportionate share of the net pension liability/(asset) and local government's contributions present trend information of the components of the net pension liability/(asset) and related ratios for each retirement system the County participates in, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the contributions as a percentage of covered-employee payroll.

OPEB Liability

Changes of Assumptions – Changes of assumptions reflect the effects of changes in the discount rate and the medical healthcare cost trend rate. The following summarizes the changes of assumptions for the governmental activities:

The discount rate was 4.10% as of December 31, 2019, as compared to 3.44% as of December 31, 2018. The salary scale assumed to increase at 3.00% per year. The RPH-2014 Mortality Tables, sex-distinct, with generational mortality adjusted back to 2006 using scale MP-2014, and then projected forward using scale MP-2019, were used for mortality rates. In order to estimate the change in the cost of healthcare, the valuation assumes healthcare cost trends as follows: pre-65 medical, 6.35% and post-65 medical, 7.1%. Healthcare trends are reduced by decrements to reach a rate of 3.94% in 2089. An inflation rate of 2.4% was assumed for developing the rate of increase in healthcare costs.

Budgetary Information

Budgetary Basis of Accounting – Annual budgets are legally required and adopted for the General Fund, Special Revenue Funds and the Debt Service Fund on a basis consistent with generally accepted accounting principles. Project-length financial plans are adopted for the Capital Projects Fund. All annual appropriations lapse at year end.

On or before the first Friday of October, the County Executive submits to the County Legislature a proposed budget for the fiscal year commencing the following January 1. The Legislature holds public hearings and a final budget is prepared and adopted no later than the second Thursday of December.

The appropriated budget is prepared by fund, function, department, and division. The County Executive is authorized to make transfers of appropriations within and across departments. Transfers of appropriations that alter the total appropriation of any department or agency must be approved by the Legislature. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department and object of expense level within the fund. The supplementary budgetary appropriations made were not material.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Actual results of operations presented in accordance with GAAP and the County's accounting policies do not recognize encumbrances and assigned fund balance as expenditures until the period in which actual goods and services are received and a liability is incurred.

The County considers encumbrances to be significant for amounts in excess of \$500,000. The County has a total of \$10,864,643 of encumbrances outstanding at December 31, 2019. In the General Fund and Special Revenue Funds, encumbrances of \$2,782,251 and \$57,091, respectively, are supported by assigned fund balance. The Capital Projects Fund has \$8,025,301 of outstanding encumbrances. As of December 31, 2019, the County had the following significant encumbrances:

Description	Capital Projects Fund
General government	\$ 2,705,712
Transportation	1,552,973
Total	<u>\$ 4,258,685</u>

Supplementary
Information

Combining Financial
Statements and Discretely
Presented Component Units

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

A) **Special Grant Fund** - accounts for and reports the proceeds received under the Workforce Investment Act and Community Development Block Grant programs.

B) **County Road Fund** - required by Sec 114 of the Highway Law. Its purpose is for maintenance of county roads and bridges, snow removal and construction and reconstruction of county roads.

C) **Road Machinery Fund** - required by Sec 133 of the Highway Law. It's used for the purchase, repair and maintenance of highway machinery, tools and equipment; for the construction, purchase and maintenance of buildings for the storage and repair of highway machinery and equipment; for the purchase of materials and supplies to provide an adequate central stockpile for highway, snow removal and bridge purposes.

County of Ulster, New York
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	<u>Special Revenue Funds</u>			
	Special Grant	County Road	Road Machinery	Total Nonmajor Funds
ASSETS				
Cash, cash equivalents and investments	\$ 263,851	\$ 2,718,209	\$ 2,374,862	\$ 5,356,922
Receivables	18,881	104,203	-	123,084
Due from other funds	-	1,000,000	1,000,000	2,000,000
Total assets	<u>\$ 282,732</u>	<u>\$ 3,822,412</u>	<u>\$ 3,374,862</u>	<u>\$ 7,480,006</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 50,938	\$ 450,443	\$ 169,324	\$ 670,705
Total liabilities	<u>50,938</u>	<u>450,443</u>	<u>169,324</u>	<u>670,705</u>
FUND BALANCES				
Assigned to:				
Encumbrances	34	34,769	22,288	57,091
Subsequent years' expenditures	-	504,864	650,000	1,154,864
Specific use	231,760	2,832,336	2,533,250	5,597,346
Total fund balances	<u>231,794</u>	<u>3,371,969</u>	<u>3,205,538</u>	<u>6,809,301</u>
Total liabilities and fund balances	<u>\$ 282,732</u>	<u>\$ 3,822,412</u>	<u>\$ 3,374,862</u>	<u>\$ 7,480,006</u>

County of Ulster, New York
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

Special Revenue Funds

	Special Grant	County Road	Road Machinery	Total Nonmajor Funds
REVENUES				
Real property taxes	\$ -	\$ 11,121,314	\$ 3,181,384	\$ 14,302,698
State aid	335,664	4,271,707	-	4,607,371
Federal aid	1,302,596	-	-	1,302,596
Intergovernmental	-	194,425	-	194,425
Use of money and property	4,090	33,711	45,184	82,985
Sale of property and compensation for loss	-	22,396	40,944	63,340
Miscellaneous local sources	-	20,535	-	20,535
Total revenues	1,642,350	15,664,088	3,267,512	20,573,950
EXPENDITURES				
Current:				
Transportation	-	15,116,621	3,571,738	18,688,359
Economic assistance	1,383,286	-	-	1,383,286
Home and community	231,669	-	-	231,669
Total expenditures	1,614,955	15,116,621	3,571,738	20,303,314
Excess (deficiency) of revenues over expenditures	27,395	547,467	(304,226)	270,636
OTHER FINANCING SOURCES				
Transfers in	13,300	-	-	13,300
Total other financing sources	13,300	-	-	13,300
Net change in fund balances	40,695	547,467	(304,226)	283,936
Fund balances - beginning	191,099	2,824,502	3,509,764	6,525,365
Fund balances - ending	\$ 231,794	\$ 3,371,969	\$ 3,205,538	\$ 6,809,301

County of Ulster, New York
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2019

	Ulster County Economic Development Alliance	Ulster County Capital Resource Corporation	Total Nonmajor Proprietary Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 932,329	\$ 646,798	\$ 1,579,127
Restricted cash and cash equivalents	199,015	-	199,015
Receivables	100,194	-	100,194
Total current assets	<u>1,231,538</u>	<u>646,798</u>	<u>1,878,336</u>
Noncurrent assets:			
Receivables	639,898	-	639,898
Total noncurrent assets	<u>639,898</u>	<u>-</u>	<u>639,898</u>
Total assets	<u>1,871,436</u>	<u>646,798</u>	<u>2,518,234</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	77,477	-	77,477
Total current liabilities	<u>77,477</u>	<u>-</u>	<u>77,477</u>
Noncurrent liabilities:			
Unearned revenue	114,882	-	114,882
Total noncurrent liabilities	<u>114,882</u>	<u>-</u>	<u>114,882</u>
Total liabilities	<u>192,359</u>	<u>-</u>	<u>192,359</u>
NET POSITION			
Restricted	199,015	-	199,015
Unrestricted	1,480,062	646,798	2,126,860
Total net position	<u>\$ 1,679,077</u>	<u>\$ 646,798</u>	<u>\$ 2,325,875</u>

County of Ulster, New York
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2019

	Ulster County Economic Development Alliance	Ulster County Capital Resource Corporation	Total Nonmajor Proprietary Funds
OPERATING REVENUES			
Charges for services	\$ 191,009	\$ -	\$ 191,009
Other operating revenues	33,070	-	33,070
Total operating revenues	<u>224,079</u>	<u>-</u>	<u>224,079</u>
OPERATING EXPENSES			
Administrative	17,184	3,163	20,347
Contractual	261,746	-	261,746
Provision for loan recoveries	171	6,923	7,094
Total operating expenses	<u>279,101</u>	<u>10,086</u>	<u>289,187</u>
Operating income (loss)	(55,022)	(10,086)	(65,108)
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	444	6,900	7,344
Sale of property	19,100	-	19,100
Transfer to General Fund	(19,100)	-	(19,100)
Interest expense	(204)	-	(204)
Total nonoperating revenues (expenses)	<u>240</u>	<u>6,900</u>	<u>7,140</u>
Change in net position	(54,782)	(3,186)	(57,968)
Net position - beginning	1,733,859	649,984	2,383,843
Net position - ending	<u>\$ 1,679,077</u>	<u>\$ 646,798</u>	<u>\$ 2,325,875</u>

County of Ulster, New York
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2019

	Ulster County Economic Development Alliance	Ulster County Capital Resource Corporation	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from services provided	\$ 325,034	\$ -	\$ 325,034
Payments to suppliers and service providers	(302,184)	(11,336)	(313,520)
Net cash provided (used) by operating activities	22,850	(11,336)	11,514
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interest expense	(204)	-	(204)
Payments on long-term debt	(20,413)	-	(20,413)
Net cash (used) by noncapital financing activities	(20,617)	-	(20,617)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	444	6,900	7,344
Sale of property	19,100	-	19,100
Transfer to General Fund	(19,100)	-	(19,100)
Net cash provided by investing activities	444	6,900	7,344
Net increase (decrease) in cash and cash equivalents	2,677	(4,436)	(1,759)
Total cash and cash equivalents - beginning	1,128,667	651,234	1,779,901
Total cash and cash equivalents - ending	\$ 1,131,344	\$ 646,798	\$ 1,778,142
Reconciliation of operating (loss) to net cash provided (used) by operating activities:			
Operating (loss)	\$ (55,022)	\$ (10,086)	\$ (65,108)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Provision for loan recoveries	171	-	171
(Increase) decrease in:			
Receivables	48,660	-	48,660
Due from other funds	52,124	-	52,124
Increase (decrease) in:			
Accounts payable and accrued expenses	42,789	-	42,789
Due to other funds	-	(1,250)	(1,250)
Unearned revenue	(65,872)	-	(65,872)
Net cash provided (used) by operating activities	\$ 22,850	\$ (11,336)	\$ 11,514

County of Ulster, New York
Combining Statement of Net Position
Discretely Presented Component Units
December 31, 2019

	Component Units			Aggregate
	Community College (August 31, 2019)	Resource Recovery Agency	Industrial Development Agency	Discretely Presented Component Units
ASSETS				
Cash and cash equivalents	\$ 6,283,316	\$ 7,425,658	\$ 932,377	\$ 14,641,351
Investments	9,701,501	2,542,949	-	12,244,450
Receivables	6,557,549	1,846,014	8,185	8,411,748
Prepaid items	-	375,669	225	375,894
Other assets	1,440,299	39,480	-	1,479,779
Net pension asset - proportionate share	232,778	-	-	232,778
Capital assets, net of accumulated depreciation	12,941,133	9,971,740	-	22,912,873
Total assets	37,156,576	22,201,510	940,787	60,298,873
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pensions	2,101,088	481,439	-	2,582,527
Deferred outflows of resources - OPEB	5,965,694	-	-	5,965,694
Total deferred outflows of resources	8,066,782	481,439	-	8,548,221
LIABILITIES				
Accounts payable and other accrued liabilities	1,964,046	1,353,709	37,752	3,355,507
Intergovernmental payables	49,417	-	-	49,417
Due to primary government	382,953	-	-	382,953
Unearned revenue	4,771,378	10,200	-	4,781,578
Noncurrent liabilities:				
Due within one year	768,538	1,733,138	-	2,501,676
Due in more than one year	22,018,712	6,476,533	-	28,495,245
Total liabilities	29,955,044	9,573,580	37,752	39,566,376
DEFERRED INFLOWS OF RESOURCES				
Deferred financial aid	585,461	-	-	585,461
Deferred outflows of resources - pensions	712,701	274,205	-	986,906
Deferred outflows of resources - OPEB	7,729,851	-	-	7,729,851
Total deferred inflows of resources	9,028,013	274,205	-	9,302,218
NET POSITION				
Net investment in capital assets	12,038,304	9,971,740	-	22,010,044
Restricted for:				
Scholarships and grants	1,372,351	-	-	1,372,351
Nonexpendable	10,600,615	-	-	10,600,615
Debt service	-	2,707,292	-	2,707,292
Landfill post closure	-	574,357	-	574,357
Unrestricted	(17,770,969)	(418,225)	903,035	(17,286,159)
Total net position	\$ 6,240,301	\$ 12,835,164	\$ 903,035	\$ 19,978,500

County of Ulster, New York
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended December 31, 2019

	Component Units			Total
	Community College (August 31, 2019)	Resource Recovery Agency	Industrial Development Agency	Discretely Presented Component Units
OPERATING EXPENSES				
Instruction	\$ 14,134,434	\$ -	\$ -	\$ 14,134,434
Public service	725,633	-	-	725,633
Academic support	707,708	-	-	707,708
Student services	3,111,455	-	-	3,111,455
General administration	3,254,666	697,796	59,689	4,012,151
General institution	1,988,815	-	-	1,988,815
Operation and maintenance of plant	3,176,122	-	-	3,176,122
Student aid	3,118,050	-	-	3,118,050
Auxiliary	308,489	-	-	308,489
Day care	354,177	-	-	354,177
Costs of sales and services	-	8,687,452	-	8,687,452
Salaries and wages	-	1,913,476	-	1,913,476
Benefits	-	1,053,730	-	1,053,730
Professional fees	-	-	108,536	108,536
Landfill post closure care	-	112,540	-	112,540
Depreciation	1,221,871	640,512	-	1,862,383
Interest expense	-	1,040,185	-	1,040,185
Other operating expenses	1,277,706	-	9,324	1,287,030
Total operating expenses	33,379,126	14,145,691	177,549	47,702,366
PROGRAM REVENUES				
Student tuition and fees	6,551,728	-	-	6,551,728
Auxiliary	387,951	-	-	387,951
Sale of recyclable materials	-	419,018	-	419,018
Solid waste service fees	-	15,380,778	-	15,380,778
Fees	-	-	325,378	325,378
Operating grants and contributions	8,323,989	87,991	-	8,411,980
Other operating revenue	1,280,675	74,447	-	1,355,122
Total program revenues	16,544,343	15,962,234	325,378	32,831,955
Net program revenue (expense)	(16,834,783)	1,816,543	147,829	(14,870,411)
GENERAL REVENUES				
Contribution from other governments	6,153,264	-	-	6,153,264
County contribution	6,400,863	-	-	6,400,863
Chargeback revenue	925,266	-	-	925,266
Federal and state nonoperating grants	4,805,549	-	-	4,805,549
Investment income	2,557	173,223	8,215	183,995
Total general revenues	18,287,499	173,223	8,215	18,468,937
Net change in net position	1,452,716	1,989,766	156,044	3,598,526
Net position - beginning	4,787,585	10,845,398	746,991	16,379,974
Net position - ending	\$ 6,240,301	\$ 12,835,164	\$ 903,035	\$ 19,978,500

Other
Information

Budgetary Comparison
Schedules

County of Ulster, New York
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 10,263,025	\$ 10,263,025	\$ 10,263,025	\$ -
Use of money and property	32,500	32,500	96,763	64,263
Miscellaneous local sources	-	-	4,737	4,737
Total revenues	10,295,525	10,295,525	10,364,525	69,000
EXPENDITURES				
Debt service:				
Principal	8,230,000	13,985,000	13,664,000	321,000
Interest and other fiscal charges	2,915,525	3,070,525	3,063,421	7,104
Total expenditures	11,145,525	17,055,525	16,727,421	328,104
Excess (deficiency) of revenues over expenditures	(850,000)	(6,760,000)	(6,362,896)	397,104
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	387,806	387,806
Issuance of refunding bonds	-	5,280,000	5,280,000	-
Premium on obligations	-	630,000	629,500	(500)
Total other financing sources (uses)	-	5,910,000	6,297,306	387,306
Net change in fund balances*	(850,000)	(850,000)	(65,590)	784,410
Fund balances - beginning	4,467,961	4,467,961	4,467,961	-
Fund balances - ending	<u>\$ 3,617,961</u>	<u>\$ 3,617,961</u>	<u>\$ 4,402,371</u>	<u>\$ 784,410</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

County of Ulster, New York
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Special Grant Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Adopted</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
REVENUES				
State aid	\$ 308,048	\$ 308,048	\$ 335,664	\$ 27,616
Federal aid	1,295,597	2,604,597	1,302,596	(1,302,001)
Use of money and property	1,500	1,500	4,090	2,590
Total revenues	1,605,145	2,914,145	1,642,350	(1,271,795)
EXPENDITURES				
Current:				
Economic assistance	1,605,145	1,609,675	1,383,286	226,389
Home and community	-	1,309,000	231,669	1,077,331
Total expenditures	1,605,145	2,918,675	1,614,955	1,303,720
Excess (deficiency) of revenues over expenditures	-	(4,530)	27,395	31,925
OTHER FINANCING SOURCES				
Transfers in	-	13,305	13,300	(5)
Total financing sources	-	13,305	13,300	(5)
Net change in fund balances	-	8,775	40,695	31,920
Fund balances - beginning	191,099	191,099	191,099	-
Fund balances - ending	\$ 191,099	\$ 199,874	\$ 231,794	\$ 31,920

County of Ulster, New York
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
County Road Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Adopted	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Real property taxes	\$ 11,121,314	\$ 11,121,314	\$ 11,121,314	\$ -
State aid	3,692,042	4,622,928	4,271,707	(351,221)
Intergovernmental	100,000	100,000	194,425	94,425
Use of money and property	22,500	22,500	33,711	11,211
Sale of property and compensation for loss	30,100	30,100	22,396	(7,704)
Miscellaneous local sources	15,000	15,000	20,535	5,535
Total revenues	14,980,956	15,911,842	15,664,088	(247,754)
EXPENDITURES				
Current:				
Transportation	15,330,956	16,276,687	15,116,621	1,160,066
Total expenditures	15,330,956	16,276,687	15,116,621	1,160,066
Net change in fund balances*	(350,000)	(364,845)	547,467	912,312
Fund balances - beginning	2,824,502	2,824,502	2,824,502	-
Fund balances - ending	\$ 2,474,502	\$ 2,459,657	\$ 3,371,969	\$ 912,312

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

County of Ulster, New York
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Road Machinery Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		
REVENUES				
Real property taxes	\$ 3,181,384	\$ 3,181,384	\$ 3,181,384	\$ -
Use of money and property	35,000	35,000	45,184	10,184
Sale of property and compensation for loss	28,500	28,500	40,944	12,444
Total revenues	3,244,884	3,244,884	3,267,512	22,628
EXPENDITURES				
Current:				
Transportation	3,744,884	3,748,142	3,571,738	176,404
Total expenditures	3,744,884	3,748,142	3,571,738	176,404
Net change in fund balances *	(500,000)	(503,258)	(304,226)	199,032
Fund balances - beginning	3,509,764	3,509,764	3,509,764	-
Fund balances - ending	\$ 3,009,764	\$ 3,006,506	\$ 3,205,538	\$ 199,032

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

Statistical Section (Unaudited)

COUNTY OF ULSTER, NEW YORK
Net Position by Component
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016*	2017**	2018	2019
Governmental Activities:										
Net investment in capital assets	\$ 37,390,565	\$ 20,864,249	\$ 65,377,760	\$ 67,892,165	\$ 82,086,962	\$ 53,684,436	\$ 41,545,997	\$ 48,855,391	\$ 57,245,671	\$ 61,694,964
Restricted	9,603,188	9,009,628	10,016,115	6,978,332	6,397,859	11,163,006	11,870,195	11,004,588	9,955,686	14,439,836
Unrestricted	(9,600,040)	(11,261,448)	(65,430,305)	(64,672,740)	(94,196,105)	(75,226,163)	(66,678,251)	(121,674,287)	(122,522,786)	(132,222,943)
Total governmental activities net position	\$ 37,393,713	\$ 18,612,429	\$ 9,963,570	\$ 10,197,757	\$ (5,711,284)	\$ (10,378,721)	\$ (13,262,059)	\$ (61,814,308)	\$ (55,321,429)	\$ (56,088,143)
Business-type Activities:										
Net investment in capital assets	\$ 3,580,827	\$ 3,024,756	\$ 2,586,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	39,030	39,030	-	-	-	198,969	199,656	198,915	199,015
Unrestricted	555,836	(4,934,896)	(5,427,967)	-	-	-	1,447,634	2,292,751	2,184,928	2,126,860
Total business-type activities net position	\$ 4,136,663	\$ (1,871,110)	\$ (2,802,578)	\$ -	\$ -	\$ -	\$ 1,646,603	\$ 2,492,407	\$ 2,383,843	\$ 2,325,875
Total Primary Government:										
Net investment in capital assets	\$ 40,971,392	\$ 23,889,005	\$ 67,964,119	\$ 67,892,165	\$ 82,086,962	\$ 53,684,436	\$ 41,545,997	\$ 48,855,391	\$ 57,245,671	\$ 61,694,964
Restricted	9,603,188	9,048,658	10,055,145	6,978,332	6,397,859	11,163,006	12,069,164	11,204,244	10,154,601	14,638,851
Unrestricted	(9,044,204)	(16,196,344)	(70,858,272)	(64,672,740)	(94,196,105)	(75,226,163)	(65,230,617)	(119,381,536)	(120,337,858)	(130,096,083)
Total primary government net position	\$ 41,530,376	\$ 16,741,319	\$ 7,160,992	\$ 10,197,757	\$ (5,711,284)	\$ (10,378,721)	\$ (11,615,456)	\$ (59,321,901)	\$ (52,937,586)	\$ (53,762,268)

Source: Ulster County Annual Financial Reports

* The County implemented GASB Statement No. 80, *Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*. As a result, net position has been restated at December 31, 2016.

** The County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions - An Amendment of GASB Statement No. 45*. As a result, net position has been restated at December 31, 2017.

Table 2

COUNTY OF ULSTER, NEW YORK

Changes in Net Position
Last Eight Fiscal Years

	2012	2013	2014	2015	2016	2017*	2018	2019
Expenses								
Governmental activities:								
General government	\$ 64,452,481	\$ 58,018,900	\$ 69,544,611	\$ 58,892,138	\$ 66,427,340	\$ 65,270,653	\$ 64,380,838	\$ 66,849,198
Education	9,598,123	10,127,951	8,533,495	9,823,272	10,082,920	11,376,376	10,774,993	10,960,983
Public safety	47,566,433	51,988,875	50,016,317	49,239,187	52,982,354	53,384,200	49,661,770	52,573,630
Public health	25,578,995	20,982,356	19,262,838	18,967,235	19,705,379	19,555,576	18,773,270	18,916,390
Transportation	22,963,323	24,670,675	25,423,875	28,915,480	28,852,350	29,398,429	26,465,766	29,633,901
Economic assistance	129,609,798	133,857,675	128,723,809	124,925,171	130,053,823	126,979,436	124,214,173	128,946,802
Culture and recreation	993,089	962,783	1,127,564	1,271,955	1,362,615	1,324,144	2,973,672	1,538,563
Home and community	5,883,149	2,878,042	2,793,990	3,096,083	3,474,579	4,013,375	2,976,740	3,073,357
Interest on long-term debt	6,778,572	6,575,763	6,431,867	6,236,915	6,635,851	4,872,295	4,720,161	5,410,595
Total governmental activities expenses	313,423,963	310,063,020	311,858,366	301,367,436	319,577,211	316,174,484	304,941,383	317,903,419
Business-type activities:								
Long-Term Care	33,247,837	13,047,766	-	-	-	-	-	-
Workers' Compensation Pool	10,283,758	9,508,560	9,333,330	9,603,353	10,058,153	10,007,661	10,219,727	8,979,899
Blended Component Units (UCEDA, UCCRC, GHLDC)	-	-	-	-	-	309,057	495,078	289,391
Total business-type activities expenses	43,531,595	22,556,326	9,333,330	9,603,353	10,058,153	10,316,718	10,714,805	9,269,290
Total primary government expenses	356,955,558	332,619,346	321,191,696	310,970,789	329,635,364	326,491,202	315,656,188	327,172,709
Program Revenues								
Governmental activities:								
Charges for services:								
General government	8,122,012	20,681,114	5,964,237	6,034,364	7,969,859	6,390,684	6,451,107	6,651,151
Education	80,996	78,916	90,158	180,326	217,740	70,898	81,518	81,595
Public safety	2,981,076	3,512,981	3,306,178	2,440,549	1,751,699	1,783,591	2,707,737	1,669,701
Public health	4,623,652	3,061,771	618,318	481,024	476,736	509,169	572,909	550,120
Transportation	1,236,969	1,037,490	861,642	820,054	750,115	834,542	1,032,547	1,022,653
Economic assistance	13,251,138	9,294,951	7,531,266	4,694,142	5,873,659	6,357,893	5,274,861	5,139,346
Culture and recreation	129,530	109,553	113,547	118,588	170,686	628,620	190,153	197,002
Home and community	59,759	4,228	6,019	169,734	137,571	201,960	137,457	195,668
Operating grants and contributions	87,945,815	76,283,382	74,399,760	76,303,293	84,679,415	77,044,272	78,071,951	76,183,157
Capital grants and contributions	5,420,598	1,450,701	7,420,320	9,640,072	13,118,913	9,777,416	14,453,570	15,813,682
Total governmental activities program revenues	123,851,545	115,515,087	100,311,445	100,882,146	115,146,393	103,599,045	108,973,810	107,504,075
Business-type activities:								
Charges for services:								
Long-Term Care	20,604,780	9,032,186	-	-	-	-	-	-
Workers' Compensation Pool	9,475,157	8,785,686	8,631,330	8,917,057	9,306,239	9,344,917	9,621,224	8,070,573
Blended Component Units (UCEDA, UCCRC, GHLDC)	-	-	-	-	-	1,151,782	380,147	224,079
Operating grants and contributions	2,894,328	10,506,554	655,347	646,916	707,260	567,380	335,960	567,532
Total business-type activities program revenues	32,974,265	28,324,426	9,286,677	9,563,973	10,013,499	11,064,079	10,337,331	8,862,184
Total primary government program revenues	156,825,810	143,839,513	109,598,122	110,446,119	125,159,892	114,663,124	119,311,141	116,366,259
Net revenues (expenses)								
Governmental activities	(189,572,418)	(194,547,933)	(211,546,921)	(200,485,290)	(204,430,818)	(212,575,439)	(195,967,573)	(210,399,344)
Business-type activities	(10,557,330)	5,768,100	(46,653)	(39,380)	(44,654)	747,361	(377,474)	(407,106)
Total net revenues (expenses)	(200,129,748)	(188,779,833)	(211,593,574)	(200,524,670)	(204,475,472)	(211,828,078)	(196,345,047)	(210,806,450)
General revenues and other changes in net position								
Governmental activities:								
Real property taxes and tax items	84,650,275	83,438,006	82,839,933	79,898,277	83,532,726	81,509,742	74,232,712	74,803,408
Sales tax	103,582,388	102,010,008	104,667,661	107,996,028	112,184,274	115,339,913	120,322,069	127,215,937
Other nonproperty tax items	2,068,023	2,868,519	2,969,834	3,220,565	3,319,055	3,489,031	3,669,232	3,999,647
Use of money and property	344,514	303,376	271,701	272,410	324,541	372,598	1,189,899	1,721,597
Tobacco settlement proceeds	2,282,617	2,342,517	2,991,903	4,113,420	2,329,361	1,970,014	2,157,027	1,872,941
Premium on sale of obligations	189,519	265,025	253,771	317,153	490,683	378,192	-	-
Gain (loss) on dispositions of assets	(2,612,324)	(1,678,114)	-	-	-	(380,992)	-	-
Transfers	(5,559,033)	(2,954,856)	-	-	-	-	889,513	19,100
Residual equity transfer	-	8,187,639	-	-	-	-	-	-
Exchange fee	-	-	-	-	53,955	-	-	-
Liquidity reserve termination payment	-	-	-	-	950,000	-	-	-
Total governmental activities general revenues	184,945,979	194,782,120	193,994,803	195,817,853	203,184,595	202,678,498	202,460,452	209,632,630
Business-type activities:								
Interest and earnings	53,378	36,799	19,099	14,041	18,100	77,436	236,710	349,138
Premium on sale of obligations	54,641	-	-	-	-	-	-	-
Gain (loss) on dispositions of assets	(422)	(696,757)	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	889,513	19,100
Transfers	-	-	-	-	-	-	(889,513)	(19,100)
County contribution	9,518,265	5,882,075	27,554	25,339	26,554	21,007	32,200	-
Residual equity transfer	-	(8,187,639)	-	-	-	-	-	-
Total business-type activities general revenues	9,625,862	(2,965,522)	46,653	39,380	44,654	98,443	268,910	349,138
Total primary government general revenues	194,571,841	191,816,598	194,041,456	195,857,233	203,229,249	202,776,941	202,729,362	209,981,768
Change in Net Position								
Governmental activities	(4,626,439)	234,187	(17,552,118)	(4,667,437)	(1,246,223)	(9,896,941)	6,492,879	(766,714)
Business-type activities	(931,468)	2,802,578	-	-	-	845,804	(108,564)	(57,968)
Total primary government change in net position	\$ (5,557,907)	\$ 3,036,765	\$ (17,552,118)	\$ (4,667,437)	\$ (1,246,223)	\$ (9,051,137)	\$ 6,384,315	\$ (824,682)

Note: The County has opted to present only eight years of data for this supplementary schedule.

* The County implemented GASB Statement No. 80, *Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14* during the year ended December 31, 2017.

Source: Ulster County Annual Financial Reports

Table 3

COUNTY OF ULSTER, NEW YORK
Fund Balances of Governmental Funds
Last Five Fiscal Years

	<u>2015</u>	<u>2016*</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund					
Nonspendable	\$ 6,246,619	\$ 5,941,493	\$ 5,942,611	\$ 5,910,604	\$ 6,051,109
Restricted	6,892,034	7,296,312	7,271,880	7,558,995	7,638,388
Assigned	20,146,027	20,436,691	15,584,890	10,066,374	12,819,744
Unassigned	21,005,861	25,500,073	27,001,859	34,454,035	24,053,917
Total General Fund	<u>\$ 54,290,541</u>	<u>\$ 59,174,569</u>	<u>\$ 55,801,240</u>	<u>\$ 57,990,008</u>	<u>\$ 50,563,158</u>
All Other Governmental Funds					
Nonspendable	\$ 20,000	\$ -	\$ -	\$ 114,696	\$ 2,443,581
Restricted	4,270,972	4,573,883	3,732,708	6,864,652	6,801,448
Assigned	6,411,869	7,438,161	6,324,268	6,525,365	6,809,301
Unassigned	(11,313,822)	(10,527,886)	(10,920,708)	(28,809,107)	(20,129,118)
Total all Other Governmental Funds	<u>\$ (610,981)</u>	<u>\$ 1,484,158</u>	<u>\$ (863,732)</u>	<u>\$ (15,304,394)</u>	<u>\$ (4,074,788)</u>
Total Fund Balances	<u>\$ 53,679,560</u>	<u>\$ 60,658,727</u>	<u>\$ 54,937,508</u>	<u>\$ 42,685,614</u>	<u>\$ 46,488,370</u>

Note: The County has opted to present only five years of data for this supplementary schedule.

Source: Ulster County Annual Financial Reports

* The County implemented GASB Statement No. 80, *Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*. As a result, fund balance has been restated at December 31, 2016.

Table 4

COUNTY OF ULSTER, NEW YORK
Changes in Fund Balances of Governmental Funds
Last Eight Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:								
Real property taxes	\$ 78,922,796	\$ 76,543,789	\$ 76,324,942	\$ 76,834,769	\$ 75,151,112	\$ 74,977,057	\$ 75,082,199	\$ 72,067,714
Real property tax items	5,834,255	5,472,943	6,333,802	5,877,276	6,048,264	5,282,724	5,624,634	5,078,862
Non-property taxes	105,650,411	104,878,527	107,637,495	111,216,593	115,503,329	118,828,944	123,991,301	131,215,584
State aid	44,799,731	37,183,391	44,533,486	44,183,793	57,016,650	46,228,956	53,772,166	53,028,515
Federal aid	48,566,682	40,530,616	37,210,280	41,717,649	40,776,057	40,395,780	37,286,906	34,412,179
Departmental income	17,169,138	14,818,894	10,904,121	9,347,446	10,386,132	10,038,653	9,688,696	9,240,832
Intergovernmental revenue	9,304,585	7,835,410	4,280,472	2,666,666	1,944,375	2,003,130	3,926,621	6,325,756
Use of money and property	1,519,776	1,985,925	1,488,067	853,208	1,063,901	1,073,943	1,542,283	1,793,343
Licenses and permits	29,320	43,314	25,607	122,283	460,267	464,984	463,119	470,167
Fines and forfeitures	783,664	477,741	455,829	502,427	471,617	418,646	469,645	403,147
Sale of property and compensation for loss	1,208,745	12,014,790	935,428	1,148,569	2,934,634	2,142,670	2,083,384	2,093,259
Tobacco settlement proceeds	2,343,973	2,342,517	2,650,159	2,267,912	4,580,857	2,005,770	2,172,027	2,057,941
Miscellaneous local sources	814,418	928,382	749,856	612,515	711,401	1,514,070	762,745	1,402,733
Interfund revenues	14,465,749	15,018,861	8,779,374	7,271,741	5,936,246	1,525,191	1,471,659	1,825,075
Total revenues	331,413,243	320,075,100	302,308,918	304,622,847	322,984,842	306,900,518	318,337,385	321,415,067
Expenditures:								
Current:								
General government	51,086,825	46,705,234	57,228,476	57,867,723	59,771,958	60,713,941	62,737,612	64,621,124
Education	9,490,787	9,830,905	9,795,066	9,485,726	9,556,194	9,942,883	10,116,863	10,194,615
Public safety	27,712,159	29,127,814	41,832,133	41,663,640	42,525,224	42,769,080	44,280,976	46,782,728
Public health	18,217,111	14,744,280	17,551,254	17,714,972	17,841,740	17,836,415	18,151,961	18,388,896
Transportation	22,499,919	21,656,690	27,588,082	28,912,405	29,039,645	25,020,587	23,610,117	24,460,097
Economic assistance	119,435,033	125,254,103	124,724,630	121,141,435	121,335,216	118,542,971	121,840,980	126,979,552
Culture and recreation	685,188	750,097	777,611	873,728	973,225	971,737	1,105,000	1,040,629
Home and community	4,722,410	2,121,429	2,851,490	2,910,671	3,155,312	3,671,222	2,910,415	2,936,612
Employee benefits	45,749,685	49,251,747	8,894,445	8,905,861	9,647,270	9,512,926	7,831,406	7,617,517
Debt service:								
Principal	9,350,823	7,019,392	7,753,500	6,491,300	8,758,290	8,398,750	7,686,552	13,984,000
Interest and fiscal charges	5,823,268	5,506,138	5,236,401	4,953,537	5,349,984	5,239,916	5,077,335	5,807,397
Capital outlay	5,059,664	7,930,651	7,894,983	20,425,980	20,343,360	17,862,861	33,123,575	23,700,979
Total expenditures	319,832,872	319,898,480	312,128,071	321,346,978	328,297,418	320,483,289	338,472,792	346,514,146
Excess (deficiency) of revenues over expenditures	11,580,371	176,620	(9,819,153)	(16,724,131)	(5,312,576)	(13,582,771)	(20,135,407)	(25,099,079)
Other financing sources (uses):								
Transfers in	12,397,391	7,703,535	98,483	311,300	1,178,000	2,110,045	4,405,359	1,002,656
Transfers out	(17,956,424)	(10,658,391)	(98,483)	(311,300)	(1,178,000)	(2,110,045)	(3,515,846)	(983,556)
Payments to refunded bond escrow agent	(58,430,447)	-	-	(6,260,627)	(32,384,291)	-	-	-
Issuance of obligations	56,688,888	3,318,500	3,851,300	11,053,290	43,813,750	7,861,552	6,994,000	28,253,235
Premium on obligations	8,603,672	89,998	78,310	868,120	1,495,444	-	-	629,500
Residual equity transfer	-	14,702,185	-	-	-	-	-	-
Exchange fee	-	-	-	-	53,955	-	-	-
Liquidity reserve termination payment	-	-	-	-	950,000	-	-	-
Total other financing sources (uses)	1,303,080	15,155,827	3,929,610	5,660,783	13,928,858	7,861,552	7,883,513	28,901,835
Net change in fund balance	\$ 12,883,451	\$ 15,332,447	\$ (5,889,543)	\$ (11,063,348)	\$ 8,616,282	\$ (5,721,219)	\$ (12,251,894)	\$ 3,802,756
Debt Service as a percentage of noncapital expenditures								
	4.82%	4.02%	4.27%	3.80%	4.58%	4.51%	4.18%	6.13%

Note: The County has opted to present only eight years of data for this supplementary schedule.

Source: Ulster County Annual Financial Reports

COUNTY OF ULSTER, NEW YORK
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Year	General Government	Education	Public Safety	Public Health	Transportation	Economic Assistance	Culture and Recreation
2010	\$ 48,323,781	\$ 9,435,733	\$ 26,930,573	\$ 21,796,446	\$ 23,704,699	\$ 107,704,316	\$ 850,271
2011	49,143,957	9,151,931	27,420,300	19,923,701	22,358,390	109,343,898	752,001
2012	51,086,825	9,490,787	27,712,159	18,217,111	22,499,919	119,435,033	685,188
2013	46,705,234	9,830,905	29,127,814	14,744,280	21,656,690	125,254,103	750,097
2014	57,228,476	9,795,066	41,832,133	17,551,254	27,588,082	124,724,630	777,611
2015	57,867,723	9,485,726	41,663,640	17,714,972	28,912,405	121,141,435	873,728
2016	59,771,958	9,556,194	42,525,224	17,841,740	29,039,645	121,335,216	973,225
2017	60,713,941	9,942,883	42,769,080	17,836,415	25,020,587	118,542,971	971,737
2018	62,737,612	10,116,863	44,280,976	18,151,961	23,610,117	121,840,980	1,105,000
2019	64,621,124	10,194,615	46,782,728	18,388,896	24,460,097	126,979,552	1,040,629

(1) Includes General, Special Revenue, Debt Service, UTASC, and Capital Projects Funds.

Source: Ulster County Annual Financial Reports

COUNTY OF ULSTER, NEW YORK
General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Year	Real Property Taxes	Other Tax Items	Non-Property Tax Items	State Aid	Federal Aid	Departmental Income	Inter-Governmental
2010	\$ 75,200,899	\$ 5,009,619	\$ 98,798,193	\$ 40,595,774	\$ 43,052,854	\$ 17,527,001	\$ 4,617,934
2011	73,478,690	5,369,653	102,888,138	39,964,640	40,264,625	17,685,371	4,903,658
2012	78,922,796	5,834,255	105,650,411	44,799,731	48,566,682	17,169,138	9,304,585
2013	76,543,789	5,472,943	104,878,527	37,183,391	40,530,616	14,818,894	7,835,410
2014	76,324,942	6,333,802	107,637,495	44,533,486	37,210,280	10,904,121	4,280,472
2015	76,834,769	5,877,276	111,216,593	44,183,793	41,717,649	9,347,446	2,666,666
2016	75,151,112	6,048,264	115,503,329	57,016,650	40,776,057	10,386,132	1,944,375
2017	74,977,057	5,282,724	118,828,944	46,228,956	40,395,780	10,038,653	2,003,130
2018	75,082,199	5,624,634	123,991,301	53,772,166	37,286,906	9,688,696	3,926,621
2019	72,067,714	5,078,862	131,215,584	53,028,515	34,412,179	9,240,832	6,325,756

(1) Includes General, Special Revenue, Debt Service, UTASC, and Capital Projects Funds.

Source: Ulster County Annual Financial Reports

Table 5

	Home and Community Services	Employee Benefits	Debt Service (Principal & Interest)	Capital Outlay	Total
\$	3,404,346	\$ 39,806,712	\$ 14,525,877	\$ 9,005,717	\$ 305,488,471
	3,452,833	40,102,026	14,768,593	11,500,515	307,918,145
	4,722,410	45,749,685	15,247,718	4,986,037	319,832,872
	2,121,429	49,251,747	12,525,530	7,930,651	319,898,480
	2,851,490	8,894,445	12,989,901	7,894,983	312,128,071
	2,910,671	8,905,861	11,444,837	20,425,980	321,346,978
	3,155,312	9,647,270	14,108,274	20,343,360	328,297,418
	3,671,222	9,512,926	13,638,666	17,862,861	320,483,289
	2,910,415	7,831,406	12,763,887	33,123,575	338,472,792
	2,936,612	7,617,517	19,791,397	23,700,979	346,514,146

Table 6

	Use of Money and Property	Licenses and Permits	Fines and Forfeitures	Sale of Property and Compensation for Loss	Tobacco Settlement	Miscel- laneous	Interfund Revenues	Total
\$	1,487,138	\$ 25,080	\$ 730,193	\$ 1,136,334	\$ 2,424,288	\$ 350,357	\$ 10,808,054	\$ 301,763,718
	1,429,721	1,569	812,708	1,137,137	2,298,424	253,340	12,569,586	303,057,260
	1,519,776	29,320	783,664	1,208,745	2,343,973	814,418	14,465,749	331,413,243
	1,985,925	43,314	477,741	12,014,790	2,342,517	928,382	15,018,861	320,075,100
	1,488,067	25,607	455,829	935,428	2,650,159	749,856	8,779,374	302,308,918
	853,208	122,283	502,427	1,148,569	2,267,912	612,515	7,271,741	304,622,847
	1,063,901	460,267	471,617	2,934,634	4,580,857	711,401	5,936,246	322,984,842
	1,073,943	464,984	418,646	2,142,670	2,005,770	1,514,070	1,525,191	306,900,518
	1,542,283	463,119	469,645	2,083,384	2,172,027	762,745	1,471,659	318,337,385
	1,793,343	470,167	403,147	2,093,219	2,057,941	1,402,733	1,825,075	321,415,067

Table 7

COUNTY OF ULSTER, NEW YORK
Property Tax Levies and Collections
Last Ten Fiscal Years

Year	Taxes on Roll (2)	Home Relief (2)	Other Adjustments (2)	Net Taxes	Collections During Year	Uncollected Taxes (1)	Percent of Levy Collected (1)
2010	\$ 188,232,693	\$ (1,278,961)	\$ (109,274)	\$ 186,844,458	\$ 179,323,504	\$ 8,909,189	95.27%
2011	193,884,236	(1,360,336)	(58,059)	192,465,841	184,571,901	9,312,335	95.20%
2012	198,801,463	(1,569,819)	(126,960)	197,104,684	190,384,670	8,416,793	95.77%
2013	201,070,446	(2,154,871)	(113,934)	198,801,641	191,841,338	9,229,108	95.41%
2014	200,809,358	(1,440,684)	144,000	199,512,674	191,615,198	9,194,160	95.42%
2015	201,629,920	(913,403)	104,008	200,820,525	192,854,252	8,775,668	95.65%
2016	201,809,150	-	171,885	201,981,035	193,173,257	8,635,893	95.72%
2017	203,286,944	-	109,525	203,396,469	195,229,130	8,057,814	96.04%
2018	206,036,494	-	129,614	206,166,108	198,722,934	7,313,560	96.45%
2019	209,375,419	-	112,233	209,487,652	202,068,855	7,306,564	96.51%

Note: Taxes on Roll includes relieved school taxes.

Source: (1) Ulster County Annual Update Document Supplemental Section
(2) Ulster County Real Property Tax Service Agency Tax Warrant Calculation

Table 8

COUNTY OF ULSTER, NEW YORK
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Year	County Taxable Value	Equalized Apportionment Value	Ratio of Total County Taxable Value to Total Equalized Apportionment Value
2010	\$ 16,246,087,904	\$ 20,945,147,626	77.56%
2011	16,335,383,709	19,938,963,280	81.93%
2012	15,755,567,732	18,857,224,609	83.55%
2013	15,522,809,385	18,509,048,159	83.87%
2014	15,097,755,694	17,974,374,613	84.00%
2015	15,034,766,917	17,879,387,278	84.09%
2016	16,210,513,184	17,919,334,296	90.46%
2017	16,268,511,109	18,015,386,964	90.30%
2018	16,412,833,597	18,187,934,573	90.24%
2019	16,659,640,727	18,686,763,166	89.15%

Source: Ulster County Real Property Tax Service Agency Annual Reports

Table 9

COUNTY OF ULSTER, NEW YORK
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	County Millage	Town Millage	School District Millage	Total
2010	\$ 17.63	\$ 19.29	\$ 75.03	\$ 111.95
2011	17.60	22.54	77.94	118.08
2012	18.90	23.02	82.09	124.01
2013	18.78	23.78	84.56	127.12
2014	18.78	24.77	87.92	131.47
2015	18.65	24.76	90.59	134.00
2016	6.80	7.73	30.68	45.21
2017	6.82	7.90	31.08	45.80
2018	6.77	8.15	31.49	46.41
2019	6.72	8.33	32.42	47.47

Rates are per thousand dollars of assessed valuation.

Source: Ulster County Real Property Tax Service Agency Annual Report

Table 10

COUNTY OF ULSTER, NEW YORK
Principal Taxpayers
December 31, 2019

Taxpayer	Type of Business	Equalized Taxable Value	Percentage of Total Equalized Taxable Value
City of New York	Water Supply Facilities	\$ 1,223,527,915	6.5%
Central Hudson Gas & Electric	Public Utility	384,654,983	2.1%
New York State	State Properties	358,732,542	1.9%
Hudson Valley 2011, LLC	Retail	53,975,210	0.3%
Tech City	Business Park	45,596,881	0.2%
Verizon	Public Utility	37,350,850	0.2%
Smiley Brothers, Inc.	Hotel Resort Complex	31,235,465	0.2%
CSX Transportation, Inc.	Railroad	20,955,376	0.1%
Kingston Mall, LLC	Shopping Mall	17,412,866	0.1%
Criterion Atlantic	Warehouse	16,854,624	0.1%
		<u>\$ 2,190,296,712</u>	<u>11.7%</u>

Equalized 2019 Full Valuation = \$ 18,686,763,166

Source: Ulster County Real Property Tax Service Agency Annual Report

Table 11

COUNTY OF ULSTER, NEW YORK
Ratio of Net General Obligation Bonded Debt to Assessed Value and
Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Year	Population (1)	Equalized Apportionment Value (2)	Net Bonded Debt (3)	Ratio of Net Bonded Debt to Equalized Apportionment Value	Net Bonded Debt Per Capita
2010	182,493	\$ 20,945,147,626	\$ 100,597,500	0.4803%	\$ 551.24
2011	182,493	19,938,963,280	112,820,199	0.5658%	618.22
2012	182,493	18,857,224,609	100,523,573	0.5331%	550.84
2013	182,493	18,509,048,159	93,464,059	0.5050%	512.15
2014	182,493	17,974,374,613	91,537,122	0.5093%	501.59
2015	182,493	17,879,387,278	95,030,074	0.5315%	520.73
2016	182,493	17,919,334,296	96,467,206	0.5383%	528.61
2017	182,493	18,015,386,964	93,656,517	0.5199%	513.21
2018	182,493	18,187,934,573	114,852,976	0.6315%	629.36
2019	182,493	18,686,763,166	126,759,090	0.6783%	694.60

Source: (1) Ulster County Planning Board Data Book - Schedule of Persons by Age and Sex

Accumulated from the Bureau of Census STF-1

(2) Ulster County Real Property Tax Service Agency Annual Reports

(3) Ulster County Annual Financial Reports

Table 12

COUNTY OF ULSTER, NEW YORK
Computation of Legal Debt Margin
December 31, 2019

Year	Equalized Value of Real Property
2015	\$ 17,879,387,278
2016	17,919,334,296
2017	18,015,386,964
2018	18,187,934,573
2019	18,686,763,166
Total	<u><u>\$ 90,688,806,277</u></u>
Average equalized value of taxable real property	\$ 18,137,761,255
Debt Limit - 7% thereof	<u><u>\$ 1,269,643,288</u></u>
Net Bonded Debt	\$ 126,759,090
Percentage of debt - contracting power exhausted	9.98%

Note: New York State imposes a limit on a municipality's authority to incur debt. This limit is derived by taking the average full valuation of taxable real property multiplied by 7%.

Source: Ulster County Real Property Tax Service Agency Annual Reports

Table 13

COUNTY OF ULSTER, NEW YORK
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds and Bond Anticipation Notes
December 31, 2019

Jurisdiction	Outstanding Indebtedness	Exclusions (1)	Net Indebtedness
Direct:			
County of Ulster	\$ 161,498,778	\$ 34,739,688	\$ 126,759,090
Overlapping:			
Towns	50,748,098	19,079,881	31,668,217
Villages	20,734,311	7,308,748	13,425,563
City	37,628,557	14,861,707	22,766,850
School Districts	263,631,918	181,892,258	81,739,660
Fire Districts	12,754,182	46,426	12,707,756
Total Overlapping	385,497,066	223,189,020	162,308,046
Total	<u>\$ 546,995,844</u>	<u>\$ 257,928,708</u>	<u>\$ 289,067,136</u>

(1) County exclusions include the obligations of UTASC. Overlapping exclusions include water and/or sewer debt and estimated State Building aid.

Source: Fiscal Advisors & Marketing, Inc. (Bond & BAN issuance statement 11/19/19)
and Latest New York State Comptroller's Report on Municipal Affairs.

Table 14

COUNTY OF ULSTER, NEW YORK
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years

Year	Debt Service (Principal & Interest)	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2010	\$ 14,525,877	\$ 305,488,471	4.75%
2011	14,768,593	307,918,145	4.80%
2012	15,247,718	319,832,872	4.77%
2013	12,525,530	319,898,480	3.92%
2014	12,989,901	312,128,071	4.16%
2015	11,444,837	321,346,978	3.56%
2016	14,108,274	328,297,418	4.30%
2017	13,638,666	320,483,289	4.26%
2018	12,763,887	338,472,792	3.77%
2019	19,791,397	346,514,146	5.71%

*Total general governmental expenditures does not include transfers out.

Source: Ulster County Annual Financial Reports

Table 15

COUNTY OF ULSTER, NEW YORK
Demographic Statistics
Last Ten Fiscal Years

Year	Population (1)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2010	182,493	\$ 38,247	25,643	7.8%
2011	182,493	39,627	24,901	7.8%
2012	182,493	40,964	24,332	8.3%
2013	182,493	41,314	23,878	7.1%
2014	182,493	42,913	23,372	5.7%
2015	182,493	44,632	22,871	4.8%
2016	182,493	46,211	22,577	4.4%
2017	182,493	48,508	22,363	4.5%
2018	182,493	50,462	22,129	3.9%
2019	182,493	N/A	21,948	3.8%

Source: (1) US Census Bureau - 2010 Decennial US Census
 (2) US Bureau of Economic Analysis. Regional Economic Accounts
 (3) NYS Education Department - Student Repository Information System
 (4) NYS Department of Labor - Local Area Unemployment Statistics Program

N/A - Information not available at time of printing.

Table 16

COUNTY OF ULSTER, NEW YORK
Taxable Property Values and Residential Construction
Last Ten Fiscal Years

Year	County Taxable Value (1)	Exemptions (1)	Total	Units of Construction (2)	Average Value	Construction Value (2)
2010	\$ 16,246,087,904	\$ 219,107,591	\$ 16,465,195,495	334	\$ 129,659	\$ 43,306,000
2011	16,335,383,709	225,560,778	16,560,944,487	230	202,504	46,576,000
2012	15,755,567,732	222,764,397	15,978,332,129	214	163,215	34,928,000
2013	15,522,809,385	216,961,169	15,739,770,554	151	250,967	37,896,000
2014	15,097,755,694	245,043,338	15,342,799,032	285	238,740	68,041,000
2015	15,034,766,917	238,129,112	15,272,896,029	307	235,046	72,159,000
2016	16,210,513,184	242,326,827	16,452,840,011	252	213,492	53,800,000
2017	16,268,511,109	240,270,180	16,508,781,289	336	243,533	81,827,000
2018	16,412,833,597	247,199,300	16,660,032,897	252	280,794	70,760,000
2019	16,659,640,727	245,186,724	16,904,827,451	389	207,059	80,546,000

Note: County Taxable Values includes all classifications of taxable real property

Source: (1) Ulster County Real Property Tax Service Agency Annual Reports
 (2) US Census Bureau - Building Permits Survey, Permits by Metropolitan Area (Kingston, NY MSA)

Table 17

COUNTY OF ULSTER, NEW YORK
Miscellaneous Statistics
December 31, 2019

Date Founded	November 1, 1683
Form of Government	Charter
Area in Square Miles	1,161
Miles of County Roads	425
Taxable Parcels of Property	84,945

Facilities and Services Not Included in the Reporting Entity:

Number of Cities	1
Number of School Districts	15
Number of Towns	20
Number of Villages	3
Number of Fire Districts	56
Number of Hospitals	3

Source: Ulster County Real Property Tax Service Agency Annual Reports

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FORM OF BOND COUNSEL’S OPINION – THE BONDS

November 18, 2020

County of Ulster,
State of New York

Re: County of Ulster, New York
\$8,673,654 Public Improvement (Serial) Bonds, 2020

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$8,673,654 Public Improvement (Serial) Bonds, 2020 (the "Obligations"), of the County of Ulster, State of New York (the "Obligor"), dated November 18, 2020, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of ____ and ____ hundredths per centum (____%) per annum as to bonds maturing in each of the years 20__ to 20__, both inclusive, and at the rate of ____ per centum (____%) per annum as to bonds maturing in each of the years 20__ to 20__, both inclusive payable on May 15, 2021, November 15, 2021 and semi-annually thereafter on May 15 and November 15, and maturing in the amount of \$____ on November 15, 2021, \$____ on November 15, 2022, \$____ on November 15, 2023, \$____ on November 15, 2024, \$____ on November 15, 2025, \$____ on November 15, 2026, \$____ on November 15, 2027, \$____ on November 15, 2028, \$____ on November 15, 2029, \$____ on November 15, 2030, \$____ on November 15, 2031, \$____ on November 15, 2032, \$____ on November 15, 2033 and \$____ on November 15, 2034.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

FORM OF BOND COUNSEL’S OPINION – THE NOTES

November 18, 2020

County of Ulster,
State of New York

Re: County of Ulster, New York
\$19,290,400 Bond Anticipation Notes, 2020

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$19,290,400 Bond Anticipation Notes, 2020 (the “Obligation”), of the County of Ulster, New York (the “Obligor”), dated November 18, 2020, numbered ____, of the denomination of \$_____, bearing interest at the rate of ____% per annum, payable at maturity, and maturing November 18, 2021.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the “Code”);
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the “Arbitrage Certificate”); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP