

***ULSTER COUNTY
CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE
COUNTY OF ULSTER***

FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012



Teal, Becker & Chiaramonte™
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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SUPPLEMENTARY INFORMATION

Report On Internal Control Over Financial Reporting And On Compliance And
Other Matters Based On An Audit Of Financial Statements Performed In Accordance
With *Government Auditing Standards*



The Chairman and Board of Directors
Ulster County Capital Resource Corporation,
a Component Unit of the County of Ulster
Kingston, New York

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the Ulster County Capital Resource Corporation, a Component Unit of the County of Ulster (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for *the Financial Statements*

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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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 auditors consider internal control relevant to the Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ulster County Capital Resource Corporation, a Component Unit of the County of Ulster as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Management's Discussion and Analysis, Annual Report, Procurement Report, and Investment Report are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014, on our consideration of the Ulster County Capital Resource Corporation, a Component Unit of the County of Ulster's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ulster County Capital Resource Corporation, a Component Unit of the County of Ulster's internal control over financial reporting and compliance.

Teal Becker & Charmonette CPAs PC

Albany, New York
March 28, 2014

**ULSTER COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE COUNTY OF ULSTER**

2013 ANNUAL REPORT – MANAGEMENT’S DISCUSSION AND ANALYSIS

Introduction

Our discussion and analysis of Ulster County Capital Resource Corporation, a Component Unit of the County of Ulster’s (the Organization) financial performance provides an overview of the Organization's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the Organization's financial statements that follow this discussion and analysis. The Organization is a not-for-profit corporation which operates in Ulster County, New York. The Organization is classified by the New York State Authorities Budget Office as a public authority. This summary discussion and analysis includes only the financial and general business of the Organization.

Financial Highlights

The Organization's net assets have decreased by \$8,958, or 58.2% as a result of operations in 2013.

In 2013 and 2012 the Organization had no revenues.

In 2013, expenses increased \$2,186 from the end of 2012, or 32.3%.

Organization Highlights

The Organization did not close on any projects in 2013 and had no substantial activities.

Using This Annual Report

This Annual Report consists primarily of the Statements of Financial Position, Statements of Activities, and the Statements of Cash Flows, which provide information about the activities of the Organization only. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector organizations. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The statements report the Organization's net assets and changes in net assets. One way to measure the Organization's financial position is to look at the net assets - the difference between assets and liabilities.

Condensed Comparative Financial Statements and Analysis

The Organization's net assets at the end of 2013 were \$6,445 a decrease of \$8,958 from \$15,403 in 2012. Our analysis below focuses on net assets (Table 1) and the changes in net assets (Table 2).

Table 1 - Net Assets

	<u>2013</u>	<u>2012</u>
Current Assets	\$7,804	\$17,112
Current Liabilities	<u>1,359</u>	<u>1,709</u>
Unrestricted Net Assets	<u>\$6,445</u>	<u>\$15,403</u>
Total Net Assets	<u>\$6,445</u>	<u>\$15,403</u>

Current Assets:

Cash totals at the end of 2013 were \$7,804 versus \$16,972 at the end of 2012. The decrease in cash was primarily from the payment of operating expenses.

Current Liabilities:

Current liabilities were for services received in 2013 but not paid until 2014.

Table 2 - Changes in Net Assets

	<u>2013</u>	<u>2012</u>
Revenues:		
Application Fees	\$ -	\$ -
Administration Fees	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>
Expenses:		
Total Expenses	<u>8,958</u>	<u>6,772</u>
Change In Net Assets	<u>\$(8,958)</u>	<u>\$(6,772)</u>

The Organization received no revenues in 2013 or 2012. Expenses in 2013 were \$8,958 versus \$6,772 in 2012. The expenses increased in 2013 due to a general rise in the cost of operations.

Economic Factors and Next Year's Budget

One of the most important questions asked about the Organization's finances is, "Are the financials transparent and accurate". The financial records are a matter of public record under the Freedom of Information Law and are therefore transparent. In addition, the Organization's new website provides extensive access into the Organization's budget, board of directors, and policies.

The main economic factor considered when creating the 2013 budget was to budget revenue based on a mid-sized project closing. The 2013 budget has no draw on prior year's cash. Without a project closing, there was no revenue in 2013.

Contacting UCCRC Financial Administrator

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

**ULSTER COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE COUNTY OF ULSTER**

Statements Of Financial Position

December 31

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Current assets:		
Cash	\$ 7,804	\$ 16,972
Accounts receivable	<u> -</u>	<u> 140</u>
Total Assets	<u>\$ 7,804</u>	<u>\$ 17,112</u>
 <u>Liabilities And Net Assets</u>		
Current liabilities:		
Accounts payable	<u>\$ 1,359</u>	<u>\$ 1,709</u>
Total liabilities	<u>1,359</u>	<u>1,709</u>
Net assets:		
Unrestricted	<u>6,445</u>	<u>15,403</u>
Total net assets	<u>6,445</u>	<u>15,403</u>
Total Liabilities And Net Assets	<u>\$ 7,804</u>	<u>\$ 17,112</u>

The accompanying notes are an integral part of these financial statements

**ULSTER COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE COUNTY OF ULSTER**

Statements Of Activities

December 31

	<u>2013</u>	<u>2012</u>
Changes in unrestricted net assets:		
Revenues:		
Fees	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>
Operating expenses:		
Contracts for services (Note 3)	5,000	-
Professional fees	3,300	6,300
Office expense	<u>658</u>	<u>472</u>
Total operating expenses	<u>8,958</u>	<u>6,772</u>
Decrease in unrestricted net assets	(8,958)	(6,772)
Net assets - beginning	<u>15,403</u>	<u>22,175</u>
 Net Assets - Ending	 <u>\$ 6,445</u>	 <u>\$ 15,403</u>

The accompanying notes are an integral part of these financial statements

**ULSTER COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE COUNTY OF ULSTER**

Statements Of Cash Flows

December 31

	<u>2013</u>	<u>2012</u>
Operating activities:		
Decrease in unrestricted net assets	\$ (8,958)	\$ (6,772)
Adjustments to reconcile decrease in unrestricted net assets to net cash flows from (for) operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	140	-
Accounts payable	<u>(350)</u>	<u>1,709</u>
Net cash flows for operating activities	<u>(9,168)</u>	<u>(5,063)</u>
Net decrease in cash	(9,168)	(5,063)
Cash - beginning	<u>16,972</u>	<u>22,035</u>
Cash - Ending	<u><u>\$ 7,804</u></u>	<u><u>\$ 16,972</u></u>

The accompanying notes are an integral part of these financial statements

**ULSTER COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE COUNTY OF ULSTER**

Notes To Financial Statements

Note 1: Summary Of Significant Accounting Policies

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

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

Basis of presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed or contractual stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Depreciation - The Organization capitalizes fixed assets with an estimated useful life of greater than one year and a cost of greater than \$1,000.

**ULSTER COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE COUNTY OF ULSTER**

Notes To Financial Statements

Note 1: Summary Of Significant Accounting Policies (Continued)

Revenue bonds - The Organization may issue revenue bonds. The bonds are special obligations of the Organization payable solely from revenue derived from the leasing, sale, or other disposition of a project. As explained more fully in Note 2, there is no liability to the Organization; therefore, the obligations are not accounted for in the accounts of the Organization.

Income taxes - The Organization is exempt from federal income taxes under the Internal Revenue Code. Tax positions are evaluated and recognized in the financial statements when it is more-likely-than-not that the position will be sustained upon examination by tax authorities.

Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The application of these accounting principles involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. The Organization periodically evaluates estimates and assumptions used in the preparation of the financial statements and makes changes on a prospective basis when adjustments are necessary.

Presentation - Certain reclassifications, when applicable, are made to the prior year financial statement presentation to correspond to the current year's format. Reclassifications, when made, have no effect on total net assets or changes in net assets.

Note 2: Revenue Bond Transactions

Revenue bonds issued by the Organization are secured by property which is leased to private companies. The debt is retired by the lease payments. The bonds are not obligations of the Organization or New York State, and the Organization does not record related activity in its accounts. The Organization acts merely as a financing conduit. For providing this service, the Organization receives an administrative fee. Such administrative fee income is recognized immediately upon issuance of bonds. Revenue bonds outstanding as of December 31, 2013 total \$12,776,756.

**ULSTER COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE COUNTY OF ULSTER**

Notes To Financial Statements

Note 3: Related Party Transactions

During the year ended December 31, 2012, the Organization was administered by the Ulster County Development Corporation (UCDC). The UCDC also administered the funds of the Ulster County Industrial Development Agency, a Component Unit of the County of Ulster (UCIDA). As the administrator, UCDC received on an equal basis all fees paid for the calendar year to UCCRC once the total of UCCRC and UCIDA fees for the calendar year in question exceeded \$170,000. After the \$170,000 threshold had been reached, each party received 50% of the administrative fees paid to the UCCRC. The amount paid to UCDC for administrative fees for the year ended December 31, 2012 was \$-0-.

During the year ended December 31, 2013, the Organization was administered by the County of Ulster. As the administrator, the County of Ulster receives \$5,000 per calendar year, for services rendered. The amount due to the County of Ulster for administrative fees at December 31, 2013 was \$1,250.

Note 4: Concentrations Of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash in financial institutions. Accounts at each institution are insured up to Federal Deposit Insurance Corporation limits.

Note 5: Commitments And Contingencies

The Organization follows the guidance for uncertainty in income taxes. As of December 31, 2013, the Organization believes that it has appropriate support for the income tax positions taken and to be taken on its returns based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. The Organization has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits. The Organization is currently subject to federal, state, or local tax examination by the tax authorities from the initial period ended December 31, 2010.

Note 6: Subsequent Events

Subsequent events have been evaluated through March 28, 2014, which is the date the financial statements were available to be issued.

Governance Information (Authority-Related)

Question	Response	URL (if applicable)
1. Has the Authority prepared its annual report on operations and accomplishments for the reporting period as required by section 2800 of PAL?	Yes	http://www.ulstercountycrc.com/index.php?option=com_content&view=category&layout=blog&id=80&Itemid=474
2. As required by section 2800(9) of PAL, did the Authority prepare an assessment of the effectiveness of its internal controls?	Yes	http://www.ulstercountycrc.com/index.php?option=com_content&view=category&layout=blog&id=80&Itemid=474
3. Has the lead audit partner for the independent audit firm changed in the last five years in accordance with section 2802(4) of PAL?	Yes	N/A
4. Does the independent auditor provide non-audit services to the Authority?	No	N/A
5. Does the Authority have an organization chart?	Yes	http://www.ulstercountycrc.com/index.php?option=com_content&view=article&id=79&Itemid=510
6. Are any Authority staff also employed by another government agency?	No	
7. Has the Authority posted their mission statement to their website?	Yes	http://www.ulstercountycrc.com/index.php?option=com_content&view=article&id=79&Itemid=510
8. Has the Authority's mission statement been revised and adopted during the reporting period?	No	N/A
9. Attach the Authority's measurement report, as required by section 2824-a of PAL and provide the URL.		http://www.ulstercountycrc.com/index.php?option=com_content&view=category&layout=blog&id=80&Itemid=474

Governance Information (Board-Related)

Question	Response	URL
1. Has the Board established a Governance Committee in accordance with Section 2824(7) of PAL?	Yes	N/A
2. Has the Board established an Audit Committee in accordance with Section 2824(4) of PAL?	Yes	N/A
3. Has the Board established Finance Committee in accordance with Section 2824(8) of PAL?	Yes	N/A
4. Provide a URL link where a list of Board committees can be found (including the name of the committee and the date established):		http://www.ulstercountycrc.com/index.php?option=com_content&view=article&id=81&Itemid=514
5. Does the majority of the Board meet the independence requirements of Section 2825(2) of PAL?	Yes	N/A
6. Provide a URL link to the minutes of the Board and committee meetings held during the covered fiscal year		http://www.ulstercountycrc.com/index.php?option=com_content&view=category&layout=blog&id=80&Itemid=4
7. Has the Board adopted bylaws and made them available to Board members and staff?	Yes	http://www.ulstercountycrc.com/index.php?option=com_content&view=category&layout=blog&id=79&Itemid=4
8. Has the Board adopted a code of ethics for Board members and staff?	Yes	http://www.ulstercountycrc.com/index.php?option=com_content&view=category&layout=blog&id=79&Itemid=4
9. Does the Board review and monitor the Authority's implementation of financial and management controls?	Yes	N/A
10. Does the Board execute direct oversight of the CEO and management in accordance with Section 2824(1) of PAL?	Yes	N/A
11. Has the Board adopted policies for the following in accordance with Section 2824(1) of PAL?		
Salary and Compensation	Yes	N/A
Time and Attendance	Yes	N/A
Whistleblower Protection	Yes	N/A
Defense and Indemnification of Board Members	Yes	N/A
12. Has the Board adopted a policy prohibiting the extension of credit to Board members and staff in accordance with Section 2824(5) of PAL?	Yes	N/A
13. Are the Authority's Board members, officers, and staff required to submit financial disclosure forms in accordance with Section 2825(3) of PAL?	Yes	N/A
14. Was a performance evaluation of the board completed?	Yes	N/A
15. Was compensation paid by the Authority made in accordance with employee or union contracts?	Yes	N/A
16. Has the board adopted a conditional/additional compensation policy governing all employees?	Yes	http://www.ulstercountycrc.com/index.php?option=com_content&view=category&layout=blog&id=79&Itemid=4

Board of Directors Listing

Name	Morrow, John	Name	Kinnin, Robert
Chair of Board	No	Chair of Board	No
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date	01/01/2012	Term Start Date	01/01/2011
Term Expiration Date	Pleasure of Authority	Term Expiration Date	Pleasure of Authority
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Designee Name		Designee Name	
Ex-officio	No	Ex-officio	No
Nominated By	Local	Nominated By	Local
Appointed By	Local	Appointed By	Local
Confirmed by Senate?	No	Confirmed by Senate?	No
Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes	Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes
Complied with training requirement of Section 2824?	Yes	Complied with training requirement of Section 2824?	Yes
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?	Yes	Does the Board member/designee also hold an elected or appointed municipal government position?	Yes

Board of Directors Listing

Name	Horodyski, Michael	Name	Colucci, Paul
Chair of Board	Yes	Chair of Board	No
If yes, Chair designated By.	Elected by Board	If yes, Chair designated By.	
Term Start Date	01/01/2012	Term Start Date	01/01/2012
Term Expiration Date	Pleasure of Authority	Term Expiration Date	Pleasure of Authority
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Designee Name		Designee Name	
Ex-officio	No	Ex-officio	No
Nominated By	Local	Nominated By	Local
Appointed By	Local	Appointed By	Local
Confirmed by Senate?	No	Confirmed by Senate?	No
Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes	Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes
Complied with training requirement of Section 2824?	Yes	Complied with training requirement of Section 2824?	Yes
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?	Yes	Does the Board member/designee also hold an elected or appointed municipal government position?	No

Board of Directors Listing

Name	Perfit, Steve	Name	Malcolm, James
Chair of Board	No	Chair of Board	No
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date	01/01/2012	Term Start Date	01/01/2012
Term Expiration Date	Pleasure of Authority	Term Expiration Date	Pleasure of Authority
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Designee Name		Designee Name	
Ex-officio	No	Ex-officio	No
Nominated By	Local	Nominated By	Local
Appointed By	Local	Appointed By	Local
Confirmed by Senate?	No	Confirmed by Senate?	No
Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes	Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes
Complied with training requirement of Section 2824?	Yes	Complied with training requirement of Section 2824?	Yes
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?	No	Does the Board member/designee also hold an elected or appointed municipal government position?	No

Staff Listing

Name	Title	Group	Department / Subsidiary	Union Name	Bargaining Unit	Full Time/ Part Time	Exempt	Base Annualized Salary	Actual salary paid to the Individual	Over time paid by Authority	Performance Bonus	Extra Pay	Other Compensation/Allowances/Adjustments	Total Compensation	Individual also paid by another entity to perform the work of the Authority	If yes, Is the payment made by a State or local government
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This authority has indicated that it has no staff during the reporting period.

Benefit Information

During the fiscal year, did the Authority continue to pay for any of the above mentioned benefits for

No

Board Members

Name	Title	Severance Package	Payment for Unused Leave	Club Member-ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allow-ance	Spousal / Dependent Life Insurance	Tuition Assist-ance	Multi-Year Employ-ment	None of These Benefits	Other
Horodyski, Michael	Board of Directors												X	
Colucci, Paul	Board of Directors												X	
Kinnin, Robert	Board of Directors												X	
Perfit, Steve	Board of Directors												X	
Malcolm, James	Board of Directors												X	
Morrow, John	Board of Directors												X	

Staff

Name	Title	Severance Package	Payment for Unused Leave	Club Member-ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allow-ance	Spousal / Dependent Life Insurance	Tuition Assist-ance	Multi-Year Employ-ment	None of These Benefits	Other
No Data has been entered by the Authority for this section in PARIS														

Subsidiary/Component Unit Verification

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

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

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

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

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

<u>Assets</u>	
Current Assets	
Cash and cash equivalents	\$7,805
Investments	\$0
Receivables, net	\$0
Other assets	\$0
Total Current Assets	\$7,805
Noncurrent Assets	
Restricted cash and investments	\$0
Long-term receivables, net	\$0
Other assets	\$0
Capital Assets	
Land and other nondepreciable property	\$0
Buildings and equipment	\$0
Infrastructure	\$0
Accumulated depreciation	\$0
Net Capital Assets	\$0
Total Noncurrent Assets	\$0
Total Assets	\$7,805

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

Liabilities

Current Liabilities

Accounts payable	\$1,359
Pension contribution payable	\$0
Other post-employment benefits	\$0
Accrued liabilities	\$0
Deferred revenues	\$0
Bonds and notes payable	\$0
Other long-term obligations due within one year	\$0
Total Current Liabilities	\$1,359

Noncurrent Liabilities

Pension contribution payable	\$0
Other post-employment benefits	\$0
Bonds and notes payable	\$0
Long Term Leases	\$0
Other long-term obligations	\$0
Total Noncurrent Liabilities	\$0

Total Liabilities **\$1,359**

Net Asset (Deficit)

Net Asset

Invested in capital assets, net of related debt	\$0
Restricted	\$0
Unrestricted	\$6,446
Total Net Assets	\$6,446

Summary Financial Information

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETS

Operating Revenues

Charges for services	\$0
Rental & financing income	\$0
Other operating revenues	\$0
Total Operating Revenue	\$0

Operating Expenses

Salaries and wages	\$0
Other employee benefits	\$0
Professional services contracts	\$8,796
Supplies and materials	\$0
Depreciation & amortization	\$0
Other operating expenses	\$161
Total Operating Expenses	\$8,957

Operating Income (Loss) **(\$8,957)**

Nonoperating Revenues

Investment earnings	\$0
State subsidies/grants	\$0
Federal subsidies/grants	\$0
Municipal subsidies/grants	\$0
Public authority subsidies	\$0
Other nonoperating revenues	\$0
Total Nonoperating Revenue	\$0

Summary Financial Information

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETS

Nonoperating Expenses

Interest and other financing charges	\$0
Subsidies to other public authorities	\$0
Grants and donations	\$0
Other nonoperating expenses	\$0
Total Nonoperating Expenses	\$0
Income (Loss) Before Contributions	(\$8,957)
Capital Contributions	\$0
Change in net assets	(\$8,957)
Net assets (deficit) beginning of year	\$15,403
Other net assets changes	\$0
Net assets (deficit) at end of year	\$6,446

Current Debt

Question	Response
1. Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period?	Yes
2. If yes, has the Authority issued any debt during the reporting period?	No

New Debt Issuances List by Type of Debt and Program

No Data has been entered by the Authority for this section in PARIS

Schedule of Authority Debt

Type of Debt	Statutory Authorization (\$)	Outstanding Start of Fiscal Year (\$)	New Debt Issuances (\$)	Debt Retired (\$)	Outstanding End of Fiscal Year (\$)
State Obligation					
State Guaranteed					
State Supported					
State Contingent Obligation					
State Moral Obligation					
Other State Funded					
Authority Obligation					
General Obligation					
Revenue					
Other Non-State Funded					
Conduit					
Conduit Debt	0.00	13,552,776.00	0.00	776,020.00	12,776,756.00
Conduit Debt - Pilot Increment Financing					

Real Property Acquisition/Disposal List

This Authority has indicated that it had no real property acquisitions or disposals during the reporting period.

Personal Property

This Authority has indicated that it had no personal property disposals during the reporting period.

Property Documents

Question	Response	URL (if applicable)
1. In accordance with Section 2896(3) of PAL, the Authority is required to prepare a report at least annually of all real property of the Authority. Has this report been prepared?	Yes	http://www.ulstercountycrc.com/images/resources/financialstatements/2013_Real_Property_Report.pdf
2. Has the Authority prepared policies, procedures, or guidelines regarding the use, awarding, monitoring, and reporting of contracts for the acquisition and disposal of property?	Yes	http://www.ulstercountycrc.com/index.php?option=com_content&view=category&id=95&Itemid=472
3. In accordance with Section 2896(1) of PAL, has the Authority named a contracting officer who shall be responsible for the Authority's compliance with and enforcement of such guidelines?	Yes	

Grant Information

This Authority has indicated that it did not award any grants during the reporting period.

Loan Information

This Authority has indicated that it did not award any loans during the reporting period.

Bond Information

1. Name of Recipient of Bond
 Proceeds: Center for Spectrum Services
 Address Line1: 70 Kukuk Lane
 Address Line2:
 City: KINGSTON
 State: NY
 Zip - Plus4: 12401
 Province/Region:
 Country: USA
 Amount of Bonds Issued: \$2,400,000.00
 Date Bonds Issued: 10/18/2011
 Bond Interest Rate: 0
 Last Year Bonds Expected to be Retired: 2021
 Amount of Bond Principal retired during the reporting year: \$56,020
 Amt of Bond Principal retired prior to reporting year: \$62,224
 Current Amount of Bonds Outstanding: \$2,281,756
 Purpose of project requiring the Bond Issuance: Commercial Property Construction/Acquisition/Revitalization/Improvement
 Was the bond issuance expected to result in new jobs being created? No
 If yes, how many jobs were planned to be created?
 If yes, how many jobs have been created to date?
 Have the bonds been fully retired? No

2. Name of Recipient of Bond
 Proceeds: Kingston Hospital
 Address Line1: 396 Broadway
 Address Line2:
 City: KINGSTON
 State: NY
 Zip - Plus4: 12401
 Province/Region:
 Country: USA
 Amount of Bonds Issued: \$12,500,000.00
 Date Bonds Issued: 12/08/2010
 Bond Interest Rate: 4.52
 Last Year Bonds Expected to be Retired: 2025
 Amount of Bond Principal retired during the reporting year: \$720,000
 Amt of Bond Principal retired prior to reporting year: \$1,285,000
 Current Amount of Bonds Outstanding: \$10,495,000
 Purpose of project requiring the Bond Issuance: Equipment and Fixed Asset Acquisition
 Was the bond issuance expected to result in new jobs being created? No
 If yes, how many jobs were planned to be created?
 If yes, how many jobs have been created to date?
 Have the bonds been fully retired? No

Additional Comments:

Procurement-Information:

Question	Response	URL (if applicable)
1. Does the Authority have procurement guidelines?	Yes	http://www.ulstercountycrc.com/index.php?option=com_content&view=category&layout=blog&id=79&Itemid=472
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents or specifications for procurement contracts?.	Yes	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	Yes	

Procurement Transactions Listing:

1. Vendor Name: Ulster County

Type of Procurement: Other Professional Services
Award Process: Authority Contract - Non-Competitive Bid
Award Date: 01/01/2013
End Date: 12/31/2013
Amount: \$5,000
Amount Expended for Fiscal Year: \$5,000
Fair market value: \$5,000

Explain why the fair market value is less than the amount:

Address Line1: PO Box 1800
Address Line2:
City: KINGSTON
State: NY
Postal Code: 12402
Plus 4:
Province Region:
Country: USA
Procurement Description: Administrative Services

Procurement Transactions Listing:

Additional Comments:

Investment Information:

Question	Response	URL (if applicable)
1. Has the Authority prepared an Annual Investment Report for the reporting period as required by Section 2925(6) of PAL?	Yes	http://www.ulstercountycrc.com/images/resources/financials_tatements/2013_Investment_Report.pdf
2. Are the Authority's investment guidelines reviewed and approved annually?	Yes	
3. Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL?	No	
4. Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments?	No	

Additional Comments:

SUPPLEMENTARY INFORMATION



**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of
Financial Statements Performed In Accordance With
*Government Auditing Standards***

The Chairman and Board of Directors
Ulster County Capital Resource Corporation,
a Component Unit of the County of Ulster

Independent Auditors' Report

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Ulster County Capital Resource Corporation, a Component Unit of the County of Ulster (the Organization), which comprise the statements of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March XX, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance And Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Teal Becker & Charmonite, CPAs PC".

Albany, New York
March 28, 2014