

COUNTY OF ULSTER, NEW YORK



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended
December 31, 2022

Jen Metzger
County Executive



Roseann Daw
Commissioner of Finance

COUNTY OF ULSTER, NEW YORK

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended
December 31, 2022



PREPARED BY:

THE ULSTER COUNTY DEPARTMENT OF FINANCE
Roseann Daw, Commissioner

County of Ulster, New York

Annual Comprehensive Financial Report

Fiscal Year Ended December 31, 2022

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COUNTY OF ULSTER, NEW YORK
LIST OF PRINCIPAL OFFICIALS, ULSTER COUNTY LEGISLATURE
AS OF DECEMBER 31, 2022

Tracey A. Bartels– Chair

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

District No. 1 – Town of Saugerties
Aaron Levine

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

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

District No. 4 – Town of Ulster, Town of Kingston
Brian Cahill

District No. 5 – City of Kingston
Abe Uchitelle

District No. 6 – City of Kingston
Phil Erner

District No. 7 – City of Kingston
Peter J. Criswell

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
Gina Hansut

District No. 11 – Town of Marlborough
Thomas Corcoran, Jr.

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
John Gavaris

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

District No. 17 – Town of Esopus, Town of New Paltz
Megan Sperry

District No. 18 – Town of Hurley, Town of Marbletown
Eric Stewart

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

District No. 20 – Town of New Paltz,
Village of New Paltz
Eve Walter

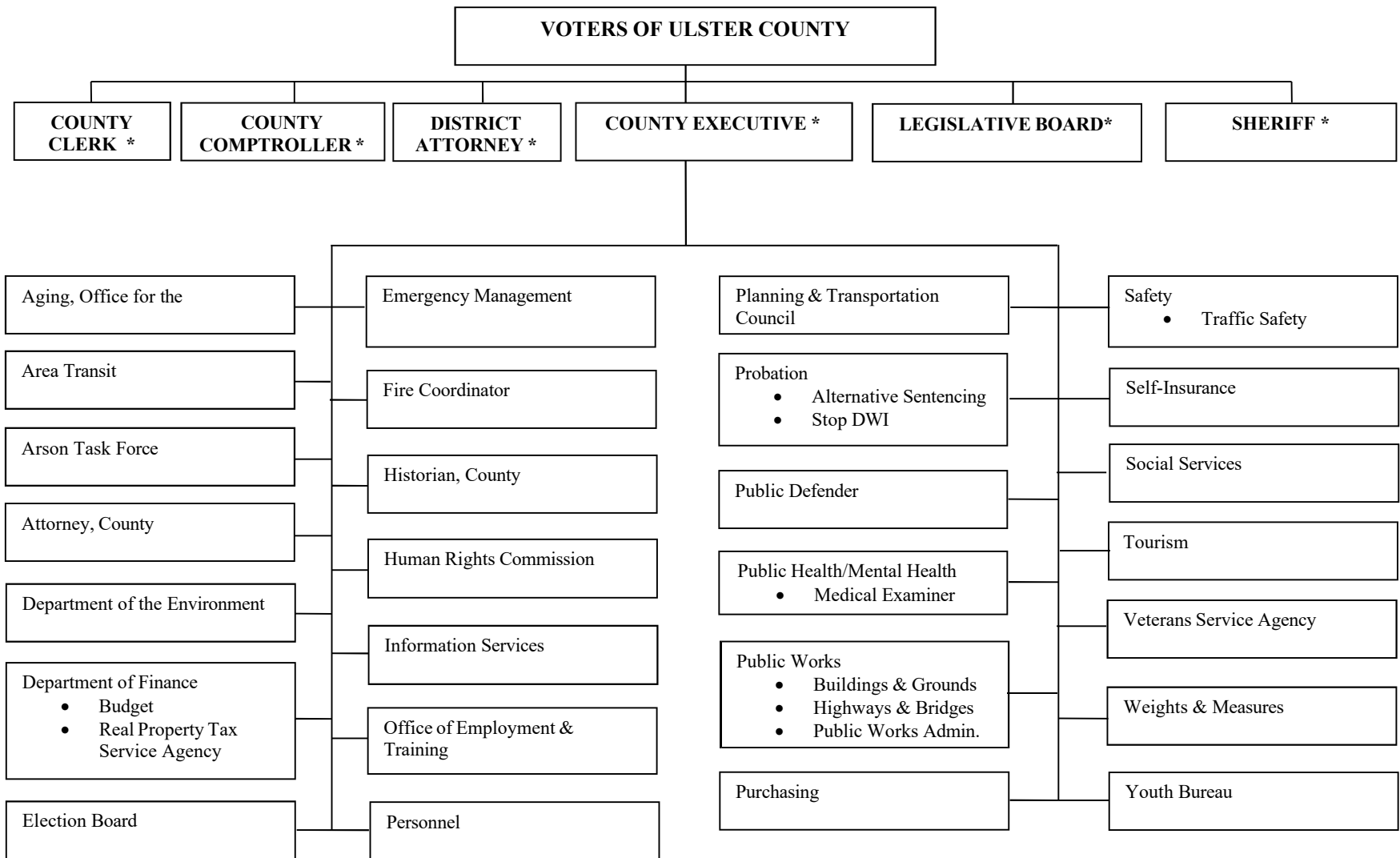
District No. 21 – Town of Rochester,
Town of Wawarsing
Christopher Hewitt

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, 2022

ExecutiveJen Metzger
Aging, Office for the..... Susan C. Koppenhaver
Arson Task Force..... Everett Erichsen
Attorney Clinton G. Johnson
Budget OfficeBurton Gulnick, Jr.
Clerk Nina Postupack
Comptroller..... March S. Gallagher
County CourtHon. Bryan Rounds
District Attorney David J Clegg
Economic Development..... Timothy J. Weidemann
Election BoardAshley Torres, John P. Quigley
Emergency Management Everett Erichsen
Department of the Environment..... Nick Hvozda
Family Court.....Hon. Sarah Rakov,
.....Hon. A. McGinty, Hon. Keri Savona
Finance.....Burton Gulnick, Jr.
Fire Coordinator..... Everett Erichsen
Health Department..... Carol M. Smith, MD
Human Rights Commission Tyrone Wilson
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.....Dawn Spader
Planning Dennis Doyle
Probation.....Nancy H. Schmidt
Public Defender Ruth L Boyer
Public Works Brendan Masterson
Purchasing.....Edward M. Jordan
Real Property Tax Service Agency Tracey Williams
Safety Diane K. Beitel
Sheriff..... Juan J. Figueroa
Social Services.....Michael A. Iapoco
Soil and Water Conservation District..... Leonard Tantillo
Stop DWI..... Valerie Naccarato
Supreme Court.....Hon. Christopher Cahill
..... Hon. James Gilpatric, Hon. Julian Schreiber
Surrogate's Court Hon. Sara W. McGinty
Tourism.....Lisa Berger
Traffic Safety BoardBrian Slack
Ulster County Community College.....Alison Buckley
Ulster County Resource Recovery Agency.....Timothy E. DeGraff
Ulster County Area Transportation Toni Roser
Veterans Service Agency Mark A Cozzupoli
Weights and MeasuresJames F DeGasperi
Youth Bureau.....Christina Dawson



* Elected official

ULSTER COUNTY DEPARTMENT OF FINANCE

PO Box 1800, 244 Fair Street, Kingston, New York
Telephone (845) 340-3460 Fax (845) 340-3430

Roseann Daw, MBA, CPP
Commissioner of Finance



Christopher R. Jaros, MBA
Deputy Commissioner of Finance

Max Cordella
Deputy Commissioner of Finance

Tracey Williams
Deputy Commissioner of Finance
Director of Real Property

January 25, 2024

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

I am pleased to submit the Annual Comprehensive Financial Report ("Annual Report") of the County of Ulster, New York ("County") for the fiscal year ended December 31, 2022. The Annual Report 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 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, 2022, 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, 2022, 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 Annual Report 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 Annual Report 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 in the east central portion of the State on the western 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 181,851. 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"), Ulster County Industrial Development Agency ("UCIDA"), and Ulster County Water & Soil Conservation District (UCWSCD"), which are reported as discretely presented component units. Additional information on all seven 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 fiduciary 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 annual unemployment rate decreased from 4.7% in 2021 to 3.2% in 2022. The monthly unemployment rate stood at 3.4% in October 2023, having decreased from 3.8% in January 2023. In October 2023, the number of employed individuals in Ulster County increased to 86,200 from 85,600 in October 2022. During this same one-year period, the County's labor force increased from 87,900 to 89,300. According to the New York State Department of Labor and the Federal Reserve Bank of St. Louis, the annual labor stayed between 87,000 and 88,000 people from 2020 to 2022, dropping from higher levels before the pandemic. The number of employed individuals is increasing in 2023 after being range-bound since 2020.

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 from 43,083 in 2021 to 44,335 in 2022. The latest data available for Quarter 2 of 2023 has Ulster County with 45,442 private sector jobs. Recent data from the U.S Census Bureau's American Community Survey shows 70% of Ulster County workers remained in the County for employment in 2022.

Per capita personal income data for the County shows an increase of 1.7% from 2021 to 2022, rising from \$61,224 to \$62,270, respectively. The median family income as calculated by the United States Department of Housing and Urban Development went from \$96,000 in 2022 to 112,400 for 2023.

The 2020 Census reports a total population of 181,851, a 0.3% decrease from 182,493 as reported in the 2010 Census. The most recent Census estimates have the County's population at 182,319 for 2022. The most recent figures from the New York State Association of Realtors have the County's 2022 median sale price for residential properties at \$369,900, up from \$335,979 in 2021. The New York State Department of Taxation and Finance has residential median sale prices of \$320,000 for 2021 and \$350,000 for 2022. Rental housing data collected by the County Planning Department for 2022 has a vacancy rate of 2.84%.

For the Year

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

- 1) Personnel Attrition - During 2022, the County was aggressive with vacancy budget savings of \$7,259,982.
- 2) Tax Overlay - The County provided \$1,000,000 of accumulated fund balance in the 2022 tax levy for debt reduction and cash flow purposes.
- 3) Real Property Tax Levy - In 2022, the Acting County Executive delivered a County Operating Budget for 2023 with a 3% tax decrease to provide economic relief to taxpayers during a period of rising costs.
- 4) For the second half of 2022, the County capped sales tax for automotive fuel to \$0.08 a gallon for additional economic relief.

For the Future

The 2023 capital budget dedicated \$52.8 million in capital investments to transportation, water, sewer, and the County's trails network. The County received approximately \$34.5 million in funds related to the American Rescue Plan Act ("ARPA"), to support pandemic response efforts, replace lost public sector revenue, support immediate economic stabilization, and address the systematic public health and economic challenges that have contributed to the unequal impact of the pandemic.

Debt Administration

Of the County's \$153.5 million of outstanding obligations, \$87.8 million of serial bonds and \$31.1 million of bond anticipation notes were issued for general purposes, \$33.4 million was issued for the UTASC, a blended component unit of the County, and \$1.2 million was issued on behalf of the 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, 2022, the County's general obligation bonded debt of \$120.1 million was well below the legal limit of approximately \$1.387 billion.

Cash Management

The County's investment goals 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 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 2022 was 3.69%, which led to interest earnings of \$1.8 million, an increase from the prior year of approximately \$1.7 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.

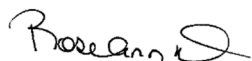
The County maintains a workers' compensation claims-servicing pool to administer the payment of workers' compensation claims of pool participants. The pool is open to participation by any eligible municipality or any public entity. Under local law, participants are responsible for their proportionate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

Acknowledgements

Preparation of this Annual Comprehensive 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, PKF O'Connor Davies, who assisted with its preparation.

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

Respectfully submitted,



Roseann Daw, MBA, CPP
Commissioner of Finance

Independent Auditors' Report

**The Honorable Legislature
of the County of Ulster, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 ("County"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Ulster County Economic Development Alliance ("UCEDA"), which represents 56.6% of the assets and 47.6% of the revenues of the business-type activities. We also did not audit the financial statements of the Ulster County Community College ("UCCC"), the Ulster County Resource Recovery Agency ("UCRRA"), or the Ulster County Soil and Water Conservation District ("UCSWCD"), which represent 98.6% of the assets and deferred outflows of resources and 99.8% of the revenues of the aggregate discretely presented component units as of December 31, 2022. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for such component units are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Policy

We draw attention to Note 2D in the notes to financial statements which disclose the effects of the County's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases". Our opinion is not modified with respect to this matter.

PKF O'CONNOR DAVIES, LLP
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Emphasis of Matter

As more fully disclosed in Note 3 in the notes to financial statements, the only significant resource of the Ulster County Tobacco Asset Securitization Corporation ("UTASC"), a blended component unit, is the right to receive tobacco revenues. A reduction in these revenues would affect debt service coverage on the tobacco bonds. If the reduction were material, it could impair the ability of the UTASC to make Turbo Redemption payments or even its ability to pay required bond structuring amounts as they are due. As a result, actual payments may not conform to the required bond structuring amounts or allow the UTASC to make advance Turbo Redemption payments prior to the Subordinate Bonds maturity dates. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and the other auditors 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.

Supplementary 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 combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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 County's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

January 25, 2024

County of Ulster, New York
Management's Discussion and Analysis
December 31, 2022

This section of the County of Ulster, New York's ("County") annual comprehensive financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2022. 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 \$31,002,667 (*net position deficit*). This consists of \$107,411,784 net investment in capital assets, and restricted net position of \$16,003,700 offset by an unrestricted net position deficit of \$154,418,151.
- The primary government's total net position increased by \$28,607,482.
- At year end, the County governmental funds reported combined fund balances of \$117,190,917, an increase of \$40,595,866 in comparison with the fund balances in the prior year of \$76,595,051, as restated.
- At the end of the fiscal year, the General Fund fund balance increased by \$39,013,253 to a total fund balance of \$140,580,108. Unassigned fund balance for the General Fund was \$111,287,641, or 36% of total General Fund expenditures and operating transfers out. Total assigned fund balance was \$9,654,298, of which \$5,577,697 was budgeted for appropriation in the next fiscal year.

Overview of the Financial Statements

This discussion and analysis are 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 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 support, education, public safety, public health, transportation, economic opportunity and development, culture and recreation, home and community, and interest on long-term debt. The business-type activities of the County include three blended component units: the Ulster County Tobacco Asset Securitization Corporation ("UTASC"), the Ulster County Economic Development Alliance ("UCEDA"), and the Ulster County Capital Resource Corporation ("UCCRC").

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2022

The government-wide financial statements can be found on pages 15-16 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"), the Ulster County Industrial Development Agency ("UCIDA"), and the Ulster County Soil and Water Conservation District ("UCSWCD"). 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 33-35 of this report.

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 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 six 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 and Capital Projects Fund, which are considered 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 apart from the Capital Projects Fund. 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 18-22 of this report.

Proprietary funds of the County are enterprise funds and internal service funds. Both fund types operate in many ways like private-sector businesses. Thus, enterprise and internal service fund financial statements traditionally have shared a common measurement focus (economic resources) and basis of accounting (accrual) with the financial statements of private-sector businesses.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2022

The County uses three enterprise funds to account for the UTASC, UCEDA, and UCCRC, and two internal service funds to account for the Workers' Compensation Pool and the Self-Insurance Fund.

Internal service funds, by definition, are nonmajor funds and are aggregated by fund-type by being reported in a single internal service fund column in the basic financial statements.

The proprietary fund financial statements can be found on pages 25-30 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 fiduciary fund financial statements can be found on pages 31-32 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 36-88 of this report.

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 89-94 of this report.

Supplementary information can be found on pages 95-102 of this report.

Finally, the statistical section can be found on pages 103-114 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 \$31,002,667 at fiscal year-end.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2022

County of Ulster's Net Position – Primary Government

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current Assets	\$ 281,816,223	\$ 217,050,784	\$ 7,459,048	\$ 41,259,925	\$ 289,275,271	\$ 258,310,709
Capital Assets, Net	231,153,663	212,738,313	-	-	231,153,663	212,738,313
Total Assets	512,969,886	429,789,097	7,459,048	41,259,925	520,428,934	471,049,022
Deferred Outflows of Resources	84,774,254	99,727,982	-	-	84,774,254	99,727,982
Current Liabilities	87,888,813	119,584,515	424,979	2,420,795	88,313,792	122,005,310
Long-term Liabilities	409,667,204	356,344,935	34,355,758	36,674,000	444,022,962	393,018,935
Total Liabilities	497,556,017	475,929,450	34,780,737	39,094,795	532,336,754	515,024,245
Deferred Inflows of Resources	97,686,388	120,981,108	6,182,713	-	103,869,101	120,981,108
Net Position:						
Net Investment in Capital Assets	107,411,784	52,956,834	-	-	107,411,784	52,956,834
Restricted	15,804,130	8,736,482	199,570	199,127	16,003,700	8,935,609
Unrestricted	(120,714,179)	(129,086,795)	(33,703,972)	1,966,003	(154,418,151)	(127,120,792)
Total Net Position	\$ 2,501,735	\$ (67,393,479)	\$ (33,504,402)	\$ 2,165,130	\$ (31,002,667)	\$ (65,228,349)

The largest positive portion of the County's net position, \$107,411,784, represents its investment in capital assets (e.g., land, buildings, machinery, and equipment), net of accumulated depreciation, 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 \$16,003,700, represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the County's net position, (\$154,418,151), is considered 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 postemployment benefits ("OPEB") obligations, claims payable, and net pension liability, are funded annually within the funds.

The County's primary government net position increased by \$28,607,482 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, 2022, and 2021:

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2022

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues						
Charges for Services	\$ 52,530,040	\$ 10,833,627	\$ 1,094,835	\$ 6,833,612	\$ 53,624,875	\$ 17,667,239
Operating Grants and Contributions	93,552,020	86,342,870	947,457	3,952,935	94,499,477	90,295,805
Capital Grants and Contributions	9,620,339	5,682,704	-	-	9,620,339	5,682,704
General Revenues						
Real Property Taxes	75,978,573	77,707,423	-	-	75,978,573	77,707,423
Other Tax Items	8,198,511	5,585,357	-	-	8,198,511	5,585,357
Non-property Taxes	171,266,464	160,340,303	-	-	171,266,464	160,340,303
Unrestricted Use of Money and Property	3,511,799	917,342	40,724	46,857	3,552,523	964,199
Tobacco Settlement Proceeds	-	2,763,142	2,658,593	-	2,658,593	2,763,142
Other Revenues	4,797,478	-	-	-	4,797,478	-
Total Revenues	419,455,224	350,172,768	4,741,609	10,833,404	424,196,833	361,006,172
PROGRAM EXPENSES						
General Government Support	101,792,564	92,792,881	-	-	101,792,564	92,792,881
Education	9,839,732	9,708,425	-	-	9,839,732	9,708,425
Public Safety	76,917,534	62,808,834	-	-	76,917,534	62,808,834
Health	23,788,149	22,078,358	-	-	23,788,149	22,078,358
Transportation	37,003,808	31,775,650	-	-	37,003,808	31,775,650
Economic Opportunity and Development	130,342,869	113,669,841	-	-	130,342,869	113,669,841
Culture and Recreation	1,510,648	1,413,743	-	-	1,510,648	1,413,743
Home and Community Services	6,110,195	3,032,103	-	-	6,110,195	3,032,103
Interest	4,147,840	2,588,967	-	-	4,147,840	2,588,967
UTASC	-	-	1,439,486	-	1,439,486	-
UCEDA	-	-	2,558,409	230,731	2,558,409	230,731
UCCRC	-	-	138,117	106,843	138,117	106,843
Workers' Compensation	-	-	-	10,572,708	-	10,572,708
Total Expenses	391,453,339	339,868,802	4,136,012	10,910,282	395,589,351	350,779,084
Change in Net Position Before Transfers	28,001,885	10,303,966	605,597	(76,878)	28,607,482	10,227,088
Transfers	(633,591)	-	633,591	-	-	-
Change in Net Position	27,368,294	10,303,966	1,239,188	(76,878)	28,607,482	10,227,088
NET POSITION						
Beginning, as restated	(24,866,559)	(77,697,445)	(34,743,590)	2,242,008	(59,610,149)	(75,455,437)
Ending	\$ 2,501,735	\$ (67,393,479)	\$ (33,504,402)	\$ 2,165,130	\$ (31,002,667)	\$ (65,228,349)

Key elements of the primary government's increase in net position during the year ended December 31, 2022, of \$28,607,482 are as follows:

Governmental Activities: Governmental activities increased the County's net position by \$27,368,294 primarily due to an increase in sales tax.

Business-type Activities: Business-type activities increased the County's net position by \$1,239,188 primarily due to the Tobacco settlement revenues offset by the interest expense incurred on the tobacco related bond payments.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2022

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, and Capital Project Funds. 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, the 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 \$111,287,641, while total fund balance was \$140,580,108. 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 36% of total fund expenditures and operating transfers out, while total fund balance represents 46% of that same amount.

Revenues for governmental funds totaled \$385,275,496 in the current fiscal year, which represents an increase of 9% 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	2022	2022 % of Total	2021	2021 % of Total	Increase/ (Decrease) Amount	Increase/ (Decrease) % Change
Real property taxes	\$ 77,902,298	20.22 %	\$ 77,224,271	21.91 %	\$ 678,027	0.88 %
Other tax items	8,198,511	2.13	5,585,357	1.58	2,613,154	46.79
Non-property taxes	171,266,464	44.45	160,340,303	45.49	10,926,161	6.81
Departmental income	8,598,736	2.23	10,049,583	2.85	(1,450,847)	(14.44)
Intergovernmental charges	1,063,908	0.28	3,323,806	0.94	(2,259,898)	(67.99)
Use of money and property	3,116,372	0.81	917,342	0.26	2,199,030	239.72
Licenses and permits	514,223	0.13	550,267	0.16	(36,044)	(6.55)
Fines and forfeitures	456,784	0.12	284,787	0.08	171,997	60.39
Sale of property and compensation for loss	6,744,326	1.75	1,802,718	0.51	4,941,608	274.12
Interfund revenues	1,827,021	0.47	1,621,075	0.46	205,946	12.70
State aid	61,245,307	15.90	57,627,936	16.35	3,617,371	6.28
Federal aid	41,273,430	10.71	32,214,744	9.14	9,058,686	28.12
Miscellaneous	3,068,116	0.80	969,642	0.28	2,098,474	216.42
	<u>\$ 385,275,496</u>	<u>100.00 %</u>	<u>\$ 352,511,831</u>	<u>100.00 %</u>	<u>\$ 32,763,665</u>	<u>9.29 %</u>

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

- **Non-property taxes** – the significant increase is due to increased sales tax revenues in 2022.
- **Intergovernmental** – the significant decrease is primarily due to receiving funds from other local government sources for a capital project.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2022

- **Use of money and property** – the significant increase is primarily due to an increased interest rate environment in 2022.
- **Sale of property and compensation for loss** – the significant increase is primarily due to the sale of TechCity East that closed in 2022.
- **Federal aid** – the significant increase is primarily due to the use of American Rescue Plan Act for various programs funding in 2022.
- **Miscellaneous local sources** – the significant increase is primarily due to the proceeds from the NYS opioid settlement received in the current year.

Expenditures for governmental funds totaled \$358,723,925 in the current fiscal year, which represents an increase of 25.7% from the previous year.

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

Expenditures by Function
Governmental Funds

Expenditures by Function	2022	2022 % of Total	2021	2021 % of Total	Increase/ (Decrease) Amount	Increase/ (Decrease) % Change
General government support	\$ 79,461,718	22.15 %	\$ 70,678,708	19.52 %	\$ 8,783,010	12.43 %
Education	9,839,732	2.74	9,708,425	2.68	131,307	1.35
Public safety	51,761,129	14.43	50,360,658	13.91	1,400,471	2.78
Health	20,129,822	5.61	19,749,320	5.45	380,502	1.93
Transportation	27,999,476	7.81	26,724,387	7.38	1,275,089	4.77
Economic opportunity and development	117,039,132	32.63	105,521,577	29.14	11,517,555	10.91
Culture and recreation	1,211,376	0.34	1,066,230	0.29	145,146	13.61
Home and community services	4,337,763	1.21	2,993,792	0.83	1,343,971	44.89
Employee benefits	5,693,490	1.59	6,720,839	1.86	(1,027,349)	(15.29)
Debt service						
Principal	10,969,398	3.06	39,968,654	11.04	(28,999,256)	(72.55)
Interest	3,279,966	0.91	5,517,592	1.52	(2,237,626)	(40.55)
Capital outlay	27,000,923	7.53	23,148,969	6.39	3,851,954	16.64
	<u>\$ 358,723,925</u>	<u>100.00 %</u>	<u>\$ 362,159,151</u>	<u>100.00 %</u>	<u>\$ (3,435,226)</u>	<u>(0.95) %</u>

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

- **General government support** – the significant increase is primarily due to a \$3 million increase in distribution of sales tax and \$2.6 million in leases issued.
- **Economic opportunity and development** – the significant increase is primarily due to an increase in spending within the department of social services programs.
- **Debt (principal, interest, and issuance costs)** – the significant decrease is primarily due to payments to an escrow agent related to a refunding bond issue.

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

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2022

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

	General	Debt Service	Capital Projects Fund	Non-Major Governmental	Total
Revenues	\$ 342,651,220	\$ 12,618,551	\$ 3,870,652	\$ 26,135,073	\$ 385,275,496
Expenditures	294,342,030	12,508,862	27,000,923	24,872,110	358,723,925
Excess (Deficiency) of Revenues Over Expenditures	48,309,190	109,689	(23,130,271)	1,262,963	26,551,571
Other Financing Sources (Uses)	(9,295,937)	180,584	23,159,648	-	14,044,295
Net Change in Fund Balances	39,013,253	290,273	29,377	1,262,963	40,595,866
Fund Balances (Deficits)					
Beginning of Year, as Restated	101,566,855	2,422,627	(30,690,379)	3,295,948	76,595,051
End of Year	\$ 140,580,108	\$ 2,712,900	\$ (30,661,002)	\$ 4,558,911	\$ 117,190,917

The fund balance of the County's General Fund increased by \$39,013,253 during the fiscal year due to increased property and sales tax revenues in 2022.

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 adopted budget and the final amended budget resulted in a \$23.6 million increase in appropriations and transfers out, and a \$21.1 million increase in revenues and significant changes can be briefly summarized as follows:

- \$3.5 million to fund increases for the PHEP for NYS School Reopening Grant allowing as awarded through the NYS ELC program for the purposes of assisting local schools in reopening to pre-pandemic conditions.
- \$1.5 million to fund increases in American Rescue Plan Act associated with the Youth and Community Programs as adopted by the County Legislature.
- \$1.0 million to fund increases in American Rescue Plan Act associated with the Small Business & Economic Recovery as adopted by the County Legislature.
- \$1.0 million to fund increases in American Rescue Plan Act associated with the Ulster County Land Bank as adopted by the County Legislature.
- \$1.0 million to fund increases in public health related to the COVID-19 pandemic enhanced detection expenses.
- \$.03 million to fund the stipend increase for Supported Housing beds and for funding for the Veteran P2P Pilot program.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2022

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

- Non-Property Tax revenue was \$19.6 million higher than budgeted primarily due to Sales Tax revenues being \$18.7 million higher than budgeted which was caused by a significant increase in economic and local spending.
- Real Property Tax revenue was \$2.5 million higher than budgeted primarily due to the timely receipt of property taxes.
- Public Safety expenditures were \$3.0 million lower than the final budget primarily from vacancy savings attributed to the County Jail.
- Public health expenditures were \$9.3 million lower than budgeted primarily due to contractual costs coming in lower than anticipated related to public health administration and mental health services.
- Economic Opportunity expenditures were \$8.2 million lower than budgeted primarily due to contractual and personnel costs coming in lower than anticipated related to D.S.S. administration and assistance services.

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 \$231,153,663 (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>	
	<u>2022</u>	<u>2021</u>
Land	\$ 4,036,343	\$ 4,036,343
Construction in progress	28,837,193	29,703,827
Land improvements	1,083,650	1,173,709
Buildings and improvements	69,884,020	72,995,364
Machinery and equipment	17,957,422	17,964,182
Infrastructure	103,649,074	86,864,888
Right-to-use asset	5,705,961	4,205,892
	<u>\$ 231,153,663</u>	<u>\$ 216,944,205</u>

Additional information on the County's capital assets can be found in Note 3E on pages 56-57 of this report.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2022

Long-term debt. At the end of the current fiscal year, the primary government of the County had total serial bonded debt outstanding of \$122,359,795. Of this amount, \$89,001,000 comprises debt backed by full faith and credit of the County and \$33,358,795 is backed by the tobacco settlement revenues per the Master Settlement Agreement.

	2022	2021	Increase/ (Decrease)
Governmental Activities			
General obligation bonds payable	\$ 87,755,252	\$ 86,120,708	\$ 1,634,544
General obligation bonds payable - UCCC	1,245,748	929,372	316,376
Total Governmental Activities	89,001,000	87,050,080	1,950,920
Business-type Activities			
General obligation bonds payable	27,870,000	28,805,000	(935,000)
Capital appreciation bonds payable	5,488,795	5,131,190	357,605
Total Business-type Activities	33,358,795	33,936,190	(577,395)
Total Primary Government	\$ 122,359,795	\$ 120,986,270	\$ 1,373,525

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 8.66% of its statutory debt limit at fiscal year-end.

Additional information on the County's long-term debt can be found in Note 3H on pages 60-61 of this report.

Economic Factors and Next Year's Budget and Rates

- The property tax levy was not increased in 2023.
- The 2023 capital budget dedicated \$52.8 million in capital investments to transportation, water, sewer, and the County's trails network.

These factors were considered in preparing the County's budget for fiscal year 2023.

During the current fiscal year, fund balance in the General Fund increased to \$140,580,108. The County elected to appropriate \$5,577,697 of the fund balance in the General Fund for spending in the 2023 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.

County of Ulster, New York

Statement of Net Position
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and equivalents	\$ 191,305,562	\$ 1,891,109	\$ 193,196,671	\$ 16,419,873
Investments	-	202,536	202,536	15,183,377
Receivables				
Property taxes, net	6,611,608	-	6,611,608	-
Accounts, net	1,329,309	2,824,864	4,154,173	5,675,782
Grants	-	26,382	26,382	2,237,256
Loans, net	-	5,365,366	5,365,366	-
Internal balances	5,150,154	(5,150,154)	-	-
Leases	209,901	-	209,901	-
State and Federal aid, net	42,969,979	-	42,969,979	-
Pledge	-	-	-	1,114,734
Due from primary government	-	-	-	21,179
Due from other governments	1,395,692	-	1,395,692	480,202
Inventories	80,670	-	80,670	63,461
Accrued interest receivable	-	-	-	42,369
Prepaid expenses	6,803,802	-	6,803,802	342,184
Other assets	-	-	-	937,095
Restricted cash and equivalents	-	8,410	8,410	1,737,264
Restricted Investments	-	2,290,535	2,290,535	-
Deposits with third party administrator	1,200,000	-	1,200,000	-
Net pension asset - ERS	24,759,546	-	24,759,546	1,902,811
Net pension asset - TRS	-	-	-	1,918,960
Capital assets	-	-	-	-
Not being depreciated	32,873,536	-	32,873,536	2,159,081
Being depreciated, net	198,280,127	-	198,280,127	30,759,362
Total Assets	512,969,886	7,459,048	520,428,934	80,994,990
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding bonds	670,047	-	670,047	-
Pension related	53,045,435	-	53,045,435	5,301,658
OPEB related	31,058,772	-	31,058,772	1,514,295
Total Deferred Outflows of Resources	84,774,254	-	84,774,254	6,815,953
LIABILITIES				
Accounts payable and accrued liabilities	19,003,798	333,251	19,337,049	3,110,256
Accrued interest payable	1,750,638	-	1,750,638	774,581
Due to fiduciary fund	1,115,514	-	1,115,514	-
Other payables	-	-	-	147,846
Due to other governments	5,466,250	14,522	5,480,772	57,132
Unearned revenues	29,407,313	51,767	29,459,080	4,975,363
Bond anticipation notes payable	31,145,300	-	31,145,300	-
Deposits payable	-	4,260	4,260	20,345
Due to component unit	-	21,179	21,179	-
Non-current liabilities				
Due within one year	39,210,647	3,670,000	42,880,647	2,158,381
Due in more than one year	370,456,557	30,685,758	401,142,315	27,176,984
Total Liabilities	497,556,017	34,780,737	532,336,754	38,420,888
DEFERRED INFLOWS OF RESOURCES				
Inventory for sale	-	-	-	63,461
Pension related	86,590,957	-	86,590,957	8,827,244
OPEB related	10,839,875	-	10,839,875	1,513,644
Leases related	255,556	-	255,556	-
Deferred gain on refunding bonds	-	6,182,713	6,182,713	-
Financial aid	-	-	-	217,707
Total Deferred Inflows of Resources	97,686,388	6,182,713	103,869,101	10,622,056
NET POSITION				
Net investment in capital assets	107,411,784	-	107,411,784	30,375,997
Restricted for:				
Tax stabilization	5,999,888	-	5,999,888	-
Insurance liability	131,294	-	131,294	-
Sheriff - forfeitures	52,261	-	52,261	-
911 Phone Surcharge	1,672,356	-	1,672,356	-
Stop - DWI Program	209,322	-	209,322	-
V&T Admin Fees	854,511	-	854,511	-
Traffic safety board	3,598	-	3,598	-
Opioid settlement	4,168,000	-	4,168,000	-
Debt service	2,712,900	-	2,712,900	-
Telecommunications fund	-	199,570	199,570	-
Foundation	-	-	-	13,522,046
Debt repayment	-	-	-	3,177,083
Landfill post closure	-	-	-	581,679
Soil and water conservation	-	-	-	912,105
Unrestricted	(120,714,179)	(33,703,972)	(154,418,151)	(9,800,911)
Total Net Position	\$ 2,501,735	\$ (33,504,402)	\$ (31,002,667)	\$ 38,767,999

The notes to financial statements are an integral part of this statement.

County of Ulster, New York

Statement of Activities
Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 101,792,564	\$ 16,517,475	\$ 6,107,708	\$ -
Education	9,839,732	61,360	-	1,483,045
Public safety	76,917,534	14,410,463	4,124,326	247,702
Health	23,788,149	3,051,395	15,393,668	-
Transportation	37,003,808	5,255,927	6,359,810	7,365,553
Economic opportunity and development	130,342,869	11,629,282	57,351,781	-
Culture and recreation	1,510,648	623,287	723,128	524,039
Home and community services	6,110,195	678,946	3,491,599	-
Interest	4,147,840	301,905	-	-
Total Governmental Activities	391,453,339	52,530,040	93,552,020	9,620,339
Business-type activities				
Ulster County Tobacco Asset Securitization Corporation	1,439,486	-	-	-
Ulster County Economic Development Alliance	2,558,409	1,018,479	947,457	-
Ulster County Capital Resource Corporation	138,117	76,356	-	-
Total Business-type Activities	4,136,012	1,094,835	947,457	-
Total Primary Government	<u>\$ 395,589,351</u>	<u>\$ 53,624,875</u>	<u>\$ 94,499,477</u>	<u>\$ 9,620,339</u>
Component units				
Ulster County Community College	\$ 33,594,338	\$ 7,040,450	\$ 12,203,061	\$ 134,572
Ulster County Resource Recovery Agency	19,784,979	19,775,989	180,180	-
Ulster County Industrial Development Agency	198,061	95,986	-	-
Ulster County Soil and Water Conservation District	3,147,305	6,467	2,812,268	-
Total Component Units	<u>\$ 56,724,683</u>	<u>\$ 26,918,892</u>	<u>\$ 15,195,509</u>	<u>\$ 134,572</u>
		General revenues		
		Real property taxes		
		Other tax items		
		Interest and penalties on real property taxes		
		Payments in lieu of taxes		
		Gain on sale of tax acquired property		
		Non-property taxes		
		Sales tax		
		OTB tax		
		Hotel occupancy tax		
		911 surcharge		
		Automobile use tax		
		Unrestricted use of money and property		
		Sale of property		
		Tobacco settlement		
		Chargeback revenue		
		Federal and state nonoperating revenues		
		Contributions from other governments		
		Miscellaneous		
		County contributions		
		State sources		
		Transfers		
		Total General Revenues		
		Change in Net Position		
		NET POSITION		
		Beginning, as Reported		
		Prior Period Adjustment		
		Beginning, as Restated		
		Ending		

The notes to financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business- type Activities	Total	Component Units
\$ (79,167,381)	\$ -	\$ (79,167,381)	\$ -
(8,295,327)	-	(8,295,327)	-
(58,135,043)	-	(58,135,043)	-
(5,343,086)	-	(5,343,086)	-
(18,022,518)	-	(18,022,518)	-
(61,361,806)	-	(61,361,806)	-
359,806	-	359,806	-
(1,939,650)	-	(1,939,650)	-
(3,845,935)	-	(3,845,935)	-
(235,750,940)	-	(235,750,940)	-
-	(1,439,486)	(1,439,486)	-
-	(592,473)	(592,473)	-
-	(61,761)	(61,761)	-
-	(2,093,720)	(2,093,720)	-
(235,750,940)	(2,093,720)	(237,844,660)	-
-	-	-	(14,216,255)
-	-	-	171,190
-	-	-	(102,075)
-	-	-	(328,570)
-	-	-	(14,475,710)
75,978,573	-	75,978,573	-
3,972,893	-	3,972,893	-
416,925	-	416,925	-
3,808,693	-	3,808,693	-
165,528,731	-	165,528,731	-
4,314	-	4,314	-
3,750,115	-	3,750,115	-
809,241	-	809,241	-
1,174,063	-	1,174,063	-
3,511,799	40,724	3,552,523	156,060
414,140	-	414,140	-
-	2,658,593	2,658,593	-
-	-	-	940,649
-	-	-	2,860,635
-	-	-	6,092,944
4,383,338	-	4,383,338	(566,053)
-	-	-	6,553,668
-	-	-	241,747
(633,591)	633,591	-	-
263,119,234	3,332,908	266,452,142	16,279,650
27,368,294	1,239,188	28,607,482	1,803,940
(67,393,479)	2,165,130	(65,228,349)	36,087,728
42,526,920	(36,908,720)	5,618,200	876,331
(24,866,559)	(34,743,590)	(59,610,149)	36,964,059
\$ 2,501,735	\$ (33,504,402)	\$ (31,002,667)	\$ 38,767,999

County of Ulster, New York

Balance Sheet
Governmental Funds
December 31, 2022

	General	Debt Service	Capital Projects Fund
ASSETS			
Cash and equivalents	\$ 128,566,293	\$ 2,532,316	\$ 7,817,336
Taxes receivable, net	6,611,608	-	-
Other receivables			
Accounts, net	1,069,182	-	-
State and Federal aid, net	42,545,397	-	424,582
Leases	209,901	-	-
Due from other governments	1,368,252	-	-
Due from other funds	15,982,865	180,584	7,736,400
Advances to other funds	4,000,000	-	-
	65,175,597	180,584	8,160,982
Inventories	80,670	-	-
Prepaid expenditures	5,336,990	-	1,466,812
Total Assets	<u>\$ 205,771,158</u>	<u>\$ 2,712,900</u>	<u>\$ 17,445,130</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable and accrued liabilities	\$ 15,669,979	\$ -	\$ 2,009,539
Due to other governments	5,466,250	-	-
Due to other funds	7,798,402	-	14,951,293
Due to fiduciary funds	1,115,514	-	-
Unearned revenues	28,305,600	-	-
Bond anticipation notes payable	-	-	31,145,300
Total Liabilities	58,355,745	-	48,106,132
Deferred inflows of resources			
Deferred tax revenues	3,709,028	-	-
Unavailable revenue - opioids settlement	2,870,721	-	-
Lease related	255,556	-	-
Total deferred inflows of resources	6,835,305	-	-
Total Liabilities and Deferred Inflows of Resources	65,191,050	-	48,106,132
Fund balances (deficits)			
Nonspendable	9,417,660	-	-
Restricted	10,220,509	2,712,900	-
Assigned	9,654,298	-	-
Unassigned	111,287,641	-	(30,661,002)
Total Fund Balances (Deficits)	140,580,108	2,712,900	(30,661,002)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 205,771,158</u>	<u>\$ 2,712,900</u>	<u>\$ 17,445,130</u>

The notes to financial statements are an integral part of this statement.

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 4,885,951	\$ 143,801,896
-	6,611,608
133,022	1,202,204
-	42,969,979
-	209,901
27,440	1,395,692
-	23,899,849
-	4,000,000
160,462	73,677,625
-	80,670
-	6,803,802
<u>\$ 5,046,413</u>	<u>\$ 230,975,601</u>
\$ 487,502	\$ 18,167,020
-	5,466,250
-	22,749,695
-	1,115,514
-	28,305,600
-	31,145,300
487,502	106,949,379
-	3,709,028
-	2,870,721
-	255,556
-	6,835,305
487,502	113,784,684
-	9,417,660
-	12,933,409
4,558,911	14,213,209
-	80,626,639
4,558,911	117,190,917
<u>\$ 5,046,413</u>	<u>\$ 230,975,601</u>

County of Ulster, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position - Governmental Activities December 31, 2022

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances - Governmental Funds:	\$ 117,190,917
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	32,873,536
Capital assets - depreciable/amortizable	410,360,063
Accumulated depreciation/amortization	(212,079,936)
	<u>231,153,663</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on statement of net position.	
Deferred outflows - pension related	53,045,435
Deferred outflows - OPEB related	31,058,772
Deferred inflows - pension related	(86,590,957)
Deferred inflows - OPEB related	(10,839,875)
	<u>(13,326,625)</u>
Internal service funds are used by management to charge the costs of workers' compensation and self-insurance claims to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	
	<u>10,300,189</u>
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - ERS	24,759,546
Opioids settlement	2,870,721
Real property taxes	3,709,028
	<u>31,339,295</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(1,750,638)
General obligation bonds payable	(89,001,000)
Leases payable	(5,782,876)
Compensated absences	(15,967,686)
Claims payable	(1,696,000)
Total OPEB liability	(256,361,925)
	<u>(370,560,125)</u>
Governmental funds report the effect of premiums, discounts, and refundings as similar items when debt is first issued, whereas these amounts are deferred or amortized in the statement of activities.	
Deferred amount on refunding	670,047
Premium on general obligation bonds	(4,265,626)
	<u>(3,595,579)</u>
Net Position of Governmental Activities	<u>\$ 2,501,735</u>

The notes to financial statements are an integral part of this statement.

County of Ulster, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2022

	General	Debt Service	Capital Projects Fund
REVENUES			
Real property taxes	\$ 48,230,364	\$ 12,558,466	\$ -
Other tax items	8,198,511	-	-
Non-property taxes	171,266,464	-	-
Departmental income	8,598,736	-	-
Intergovernmental charges	1,255,934	-	(250,000)
Use of money and property	3,031,192	60,085	-
Licenses and permits	514,223	-	-
Fines and forfeitures	456,784	-	-
Sale of property and compensation for loss	6,479,222	-	-
Interfund revenues	1,827,021	-	-
State aid	52,020,725	-	3,348,635
Federal aid	37,949,560	-	742,017
Miscellaneous	2,822,484	-	30,000
Total Revenues	342,651,220	12,618,551	3,870,652
EXPENDITURES			
Current			
General government support	79,461,718	-	-
Education	9,839,732	-	-
Public safety	51,761,129	-	-
Health	20,129,822	-	-
Transportation	6,421,934	-	-
Economic opportunity and development	115,462,953	-	-
Culture and recreation	1,211,376	-	-
Home and community services	3,002,150	-	-
Employee benefits	5,693,490	-	-
Debt service			
Principal	680,352	9,930,080	-
Interest	677,374	2,578,782	-
Capital outlay	-	-	27,000,923
Total Expenditures	294,342,030	12,508,862	27,000,923
Excess (Deficiency) of Revenues Over Expenditures	48,309,190	109,689	(23,130,271)
OTHER FINANCING SOURCES (USES)			
General obligation bonds issued	-	-	11,881,000
Leases issued	2,616,302	-	-
Issuance premium	-	180,584	-
Transfers in	-	-	11,278,648
Transfers out	(11,912,239)	-	-
Total Other Financing Sources (Uses)	(9,295,937)	180,584	23,159,648
Net Change in Fund Balances	39,013,253	290,273	29,377
FUND BALANCES (DEFICITS)			
Beginning of Year, as Reported	107,524,447	2,422,627	(30,690,379)
Prior Period Adjustment	(5,957,592)	-	-
Beginning of Year, as Restated	101,566,855	2,422,627	(30,690,379)
End of Year	\$ 140,580,108	\$ 2,712,900	\$ (30,661,002)

The notes to financial statements are an integral part of this statement.

UTASC	Non-Major Governmental	Total Governmental Funds
\$ -	\$ 17,113,468	\$ 77,902,298
-	-	8,198,511
-	-	171,266,464
-	-	8,598,736
-	57,974	1,063,908
-	25,095	3,116,372
-	-	514,223
-	-	456,784
-	265,104	6,744,326
-	-	1,827,021
-	5,875,947	61,245,307
-	2,581,853	41,273,430
-	215,632	3,068,116
-	26,135,073	385,275,496
-	-	79,461,718
-	-	9,839,732
-	-	51,761,129
-	-	20,129,822
-	21,577,542	27,999,476
-	1,576,179	117,039,132
-	-	1,211,376
-	1,335,613	4,337,763
-	-	5,693,490
-	358,966	10,969,398
-	23,810	3,279,966
-	-	27,000,923
-	24,872,110	358,723,925
-	1,262,963	26,551,571
-	-	11,881,000
-	-	2,616,302
-	-	180,584
-	-	11,278,648
-	-	(11,912,239)
-	-	14,044,295
-	1,262,963	40,595,866
2,355,822	3,295,948	84,908,465
(2,355,822)	-	(8,313,414)
-	3,295,948	76,595,051
\$ -	\$ 4,558,911	\$ 117,190,917

County of Ulster, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2022

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	\$ 40,595,866
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/amortization expense. This amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold and, therefore, were not capitalized.	
Capital outlay expenditures	30,135,685
Depreciation/amortization expense	(15,684,986)
	<u>14,450,699</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Opioids settlement	2,870,721
Sale of property	(5,000,000)
Real property taxes	(1,923,725)
	<u>(4,053,004)</u>
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	
Loss on disposal of assets	(241,241)
	<u>(241,241)</u>
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of 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.	
General obligation bonds issued	(11,881,000)
Issuance premium	(180,584)
Leases issued	(2,616,302)
Principal paid on general obligation bonds	9,930,080
Principal paid on leases	1,039,318
	<u>(3,708,488)</u>
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.	
Accrued interest	(1,275,096)
Retainage payable	179,407
Compensated absences	1,761,575
Claims payable	(186,000)
Changes in pension liabilities and related deferred outflows and inflows of resources	10,249,093
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(34,405,766)
Amortization of loss on refunding bonds and issuance premium	407,222
	<u>(23,269,565)</u>
Internal service funds are used by management to charge the costs of risk activities to individual funds. The net revenue or expenses of the internal service funds are reported within the governmental activities.	
	<u>3,594,027</u>
Change in Net Position of Governmental Activities	\$ <u>27,368,294</u>

The notes to financial statements are an integral part of this statement.

County of Ulster, New York

General Fund

Statement of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 45,645,824	\$ 45,645,824	\$ 48,230,364	\$ 2,584,540
Other tax items	5,794,000	5,794,000	8,198,511	2,404,511
Non-property taxes	147,880,000	151,630,000	171,266,464	19,636,464
Departmental income	10,527,690	10,579,516	8,598,736	(1,980,780)
Intergovernmental charges	1,449,838	1,449,838	1,255,934	(193,904)
Use of money and property	913,580	913,580	3,031,192	2,117,612
Licenses and permits	475,160	475,160	514,223	39,063
Fines and forfeitures	326,000	327,525	456,784	129,259
Sale of property and compensation for loss	1,498,450	1,571,912	6,479,222	4,907,310
Interfund revenues	1,834,891	1,834,891	1,827,021	(7,870)
State aid	46,263,320	50,548,596	52,020,725	1,472,129
Federal aid	35,519,788	48,641,398	37,949,560	(10,691,838)
Miscellaneous	444,600	357,100	2,822,484	2,465,384
Total Revenues	298,573,141	319,769,340	342,651,220	22,881,880
EXPENDITURES				
Current				
General government support	78,802,000	90,405,591	79,461,718	10,943,873
Education	10,360,863	10,360,863	9,839,732	521,131
Public safety	53,596,868	54,830,502	51,761,129	3,069,373
Health	23,116,785	29,431,612	20,129,822	9,301,790
Transportation	7,418,238	7,526,138	6,421,934	1,104,204
Economic opportunity and development	120,415,366	123,685,993	115,462,953	8,223,040
Culture and recreation	1,415,194	1,609,511	1,211,376	398,135
Home and community services	5,015,269	5,946,545	3,002,150	2,944,395
Employee benefits	6,314,625	6,253,745	5,693,490	560,255
Debt Service				
Principal	680,352	680,352	680,352	-
Interest	614,648	614,648	677,374	(62,726)
Total Expenditures	307,750,208	331,345,500	294,342,030	37,003,470
Excess (Deficiency) of Revenues Over Expenditures	(9,177,067)	(11,576,160)	48,309,190	59,885,350
OTHER FINANCING SOURCES (USES)				
Leases issued	-	-	2,616,302	2,616,302
Transfers out	(750,000)	(750,000)	(11,912,239)	(11,162,239)
Total Other Financing Uses	(750,000)	(750,000)	(9,295,937)	(8,545,937)
Net Change in Fund Balance	(9,927,067)	(12,326,160)	39,013,253	51,339,413
FUND BALANCE				
Beginning of Year, as Reported	9,927,067	12,326,160	107,524,447	95,198,287
Prior Period Adjustment	-	-	(5,957,592)	(5,957,592)
Beginning of Year, as Restated	9,927,067	12,326,160	101,566,855	89,240,695
End of Year	\$ -	\$ -	\$ 140,580,108	\$ 140,580,108

The notes to financial statements are an integral part of this statement.

County of Ulster, New York

Statement of Net Position

Proprietary Funds

December 31, 2022

	Business-type Activities - Enterprise Funds		
	Ulster County Tobacco Asset Securitization Corporation	Ulster County Economic Development Alliance	Ulster County Capital Resource Corporation
ASSETS			
Current assets			
Cash and equivalents	\$ 108,916	\$ 1,519,023	\$ 263,170
Investments	-	-	202,536
Accounts receivable, net	2,620,000	204,864	-
Grants receivable	-	26,382	-
Loan receivable - TechCity East property, current portion	-	1,112,156	-
Loan receivable, current portion	-	62,970	-
Due from other funds	-	62,002	-
Total Current Assets	2,728,916	2,987,397	465,706
Noncurrent assets			
Loan receivable - TechCity East property, less current portion	-	4,000,000	-
Loan receivable, less current portion, net	-	190,240	-
Deposits with third party administrator	-	-	-
Restricted cash and equivalents	4,150	-	4,260
Restricted investments	2,290,535	-	-
Total Noncurrent Assets	2,294,685	4,190,240	4,260
Total Assets	5,023,601	7,177,637	469,966
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	123,802	209,449	-
Due to other governments	14,522	-	-
Due to other funds	-	1,212,156	-
Due to component unit	-	-	21,179
Advances from other funds	-	4,000,000	-
Unearned revenue	-	51,767	-
Escrow deposits	-	-	4,260
Current maturities on bonds payable	3,670,000	-	-
Claims payable	-	-	-
Total Current Liabilities	3,808,324	5,473,372	25,439
Noncurrent liabilities			
Unearned revenue	-	-	-
Bonds payable, less current portion	25,196,963	-	-
Capital appreciation bonds payable	5,488,795	-	-
Claims payable, less current portion	-	-	-
Total Noncurrent Liabilities	30,685,758	-	-
Total Liabilities	34,494,082	5,473,372	25,439
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding bonds	6,182,713	-	-
NET POSITION			
Restricted	-	199,570	-
Unrestricted	(35,653,194)	1,504,695	444,527
Total Net Position	\$ (35,653,194)	\$ 1,704,265	\$ 444,527

The notes to financial statements are an integral part of this statement.

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 1,891,109	\$ 47,503,666
202,536	-
2,824,864	127,105
26,382	-
1,112,156	-
62,970	-
62,002	-
<u>6,182,019</u>	<u>47,630,771</u>
4,000,000	-
190,240	-
-	1,200,000
8,410	-
2,290,535	-
<u>6,489,185</u>	<u>1,200,000</u>
<u>12,671,204</u>	<u>48,830,771</u>
333,251	836,778
14,522	-
1,212,156	-
21,179	-
4,000,000	-
51,767	-
4,260	-
3,670,000	-
-	25,931,521
<u>9,307,135</u>	<u>26,768,299</u>
-	1,101,713
25,196,963	-
5,488,795	-
-	10,660,570
<u>30,685,758</u>	<u>11,762,283</u>
<u>39,992,893</u>	<u>38,530,582</u>
<u>6,182,713</u>	<u>-</u>
199,570	-
(33,703,972)	10,300,189
<u>\$ (33,504,402)</u>	<u>\$ 10,300,189</u>

County of Ulster, New York

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds		
	Ulster County Tobacco Asset Securitization Corporation	Ulster County Economic Development Alliance	Ulster County Capital Resource Corporation
OPERATING REVENUES			
Tobacco settlement revenues	\$ 2,658,593	\$ -	\$ -
Contract and administrative fees	-	278,669	76,175
Community Development Block Grant	-	947,057	-
Contribution	-	400	-
Interest on loans	-	14,218	-
Rental income	-	611,931	-
Late fees collected	-	505	-
Miscellaneous	-	1,000	181
Charges for services	-	-	-
Total Operating Revenues	2,658,593	1,853,780	76,356
OPERATING EXPENSES			
Administrative services	-	106,347	-
Professional fees	45,703	178,342	27,706
Contractual	-	26,002	-
Grants	-	947,057	110,000
Repairs and maintenance	-	32,171	-
Provision for loan losses	-	(4,326)	-
Utilities and taxes	-	1,150,063	-
Other operating expenses	-	-	411
Claimants	-	-	-
Total Operating Expenses	45,703	2,435,656	138,117
Income (Loss) from Operations	2,612,890	(581,876)	(61,761)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	36,419	2,889	1,416
Interest on TechEast property	-	112,156	-
Interest on TechEast property - granted to Ulster County	-	(112,156)	-
Interest expense	(1,393,783)	-	-
Unrelated business taxes	-	(10,597)	-
Total Non-Operating Revenues (Expenses)	(1,357,364)	(7,708)	1,416
Income (Loss) Before Transfers	1,255,526	(589,584)	(60,345)
Transfers In	-	633,591	-
Change in Net Position	1,255,526	44,007	(60,345)
NET POSITION			
Beginning of Year, as Reported	-	1,660,258	504,872
Prior Period Adjustment	(36,908,720)	-	-
Beginning of Year, as Restated	(36,908,720)	1,660,258	504,872
End of Year	\$ (35,653,194)	\$ 1,704,265	\$ 444,527

The notes to financial statements are an integral part of this statement.

Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 2,658,593	\$ -
354,844	-
947,057	-
400	-
14,218	-
611,931	-
505	-
1,181	184,974
-	37,652,331
4,588,729	37,837,305
106,347	28,974,721
251,751	-
26,002	-
1,057,057	-
32,171	-
(4,326)	-
1,150,063	-
411	-
-	5,663,984
2,619,476	34,638,705
1,969,253	3,198,600
40,724	395,427
112,156	-
(112,156)	-
(1,393,783)	-
(10,597)	-
(1,363,656)	395,427
605,597	3,594,027
633,591	-
1,239,188	3,594,027
2,165,130	-
(36,908,720)	6,706,162
(34,743,590)	6,706,162
\$ (33,504,402)	\$ 10,300,189

County of Ulster, New York

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds		
	Ulster County Tobacco Asset Securitization Corporation	Ulster County Economic Development Alliance	Ulster County Capital Resource Corporation
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from tobacco settlement revenues	\$ 2,618,593	\$ -	\$ -
Cash received from charges for services	-	283,099	76,175
Cash received from contributions and grants	-	313,866	-
Cash received from rental income	-	87,512	-
Cash received from miscellaneous items	-	204,081	7,551
Cash payments to suppliers and vendors	(45,296)	(1,238,166)	(9,938)
Cash payments for grants	-	-	(110,000)
Cash payments for claims and related services	-	-	-
Net Cash from Operating Activities	2,573,297	(349,608)	(36,212)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(2,290,535)	-	-
Interest income	36,419	2,889	335
Net Cash from Investing Activities	(2,254,116)	2,889	335
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in	-	633,591	-
Repayment of bonds payable	(935,000)	-	-
Interest paid	(1,641,052)	-	-
Net Cash from Non-Capital Financing Activities	(2,576,052)	633,591	-
Net Change in Cash and Equivalents	(2,256,871)	286,872	(35,877)
CASH AND EQUIVALENTS			
Beginning of Year	2,369,937	1,232,151	303,307
End of Year	\$ 113,066	\$ 1,519,023	\$ 267,430
Cash and equivalents	\$ 108,916	\$ 1,519,023	\$ 263,170
Restricted cash and equivalents	4,150	-	4,260
Total cash and equivalents	\$ 113,066	\$ 1,519,023	\$ 267,430
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES			
Income (loss) from operations	\$ 2,612,890	\$ (581,876)	\$ (61,761)
Adjustments to reconcile income (loss) from operations to net cash from operating activities			
Provision for loan losses	-	(4,326)	-
Changes in assets and liabilities			
Accounts receivable	-	966	-
Tobacco settlement receivable	(40,000)	-	-
Loan receivable	-	125,324	-
Due from other funds	-	66,498	-
Accounts payable and accrued liabilities	-	(7,203)	(810)
Due to other governments	407	-	-
Due to component unit	-	-	18,989
Unearned revenue	-	51,009	-
Escrow deposits	-	-	7,370
Claims payable	-	-	-
Net Cash from Operating Activities	\$ 2,573,297	\$ (349,608)	\$ (36,212)
NONCASH INVESTING ACTIVITIES			
Increase in bonds payable from accreted interest on Series 2005 capital appreciation bonds	\$ 357,605	\$ -	\$ -
Decrease in deferred inflows of resources from amortization of loss on refunding bonds	515,226	-	-
Decrease in bonds payable from amortization of original issue premium	83,080	-	-
Reclassification of TechCity East from available for sale to loan receivable	-	5,000,000	-
Accrued interest on TechCity East property	-	112,156	-
Expenses paid by Ulster County on the Alliance's behalf	-	1,158,010	-
Rental income and contribution from Ulster County	-	1,158,010	-

The notes to financial statements are an integral part of this statement.

Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 2,618,593	\$ -
359,274	37,772,182
313,866	-
87,512	-
211,632	-
(1,293,400)	-
(110,000)	-
-	(36,651,004)
<u>2,187,477</u>	<u>1,121,178</u>
(2,290,535)	-
39,643	395,427
<u>(2,250,892)</u>	<u>395,427</u>
633,591	-
(935,000)	-
<u>(1,641,052)</u>	<u>-</u>
<u>(1,942,461)</u>	<u>-</u>
(2,005,876)	1,516,605
<u>3,905,395</u>	<u>45,987,061</u>
<u>\$ 1,899,519</u>	<u>\$ 47,503,666</u>
\$ 1,891,109	\$ 47,503,666
8,410	-
<u>\$ 1,899,519</u>	<u>\$ 47,503,666</u>
\$ 1,969,253	\$ 3,198,600
(4,326)	-
966	(65,123)
(40,000)	-
125,324	-
66,498	-
(8,013)	(298,873)
407	-
18,989	-
51,009	-
7,370	-
-	(1,713,426)
<u>\$ 2,187,477</u>	<u>\$ 1,121,178</u>
\$ 357,605	\$ -
515,226	-
83,080	-
5,000,000	-
112,156	-
1,158,010	-
1,158,010	-

County of Ulster, New YorkStatement of Fiduciary Net Position
Fiduciary Fund
December 31, 2022

	Custodial Fund
ASSETS	
Restricted cash and equivalents	\$ 5,267,695
Real property taxes receivable for other governments	22,596,647
Due from primary government	<u>1,115,514</u>
 Total Assets	 <u>28,979,856</u>
LIABILITIES	
Held in custody for other funds	2,049,417
Due to school districts	<u>23,712,161</u>
 Total Liabilities	 <u>25,761,578</u>
NET POSITION	
Restricted for:	
Social services	748,021
Court and trust	489,210
Bail deposits	1,131,373
Guaranty and bid deposits	121,210
Other	<u>728,464</u>
	 <u><u>\$ 3,218,278</u></u>

The notes to financial statements are an integral part of this statement.

County of Ulster, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2022

	Custodial Fund
ADDITIONS	
Real property collected for other governments	\$ 1,115,514
Funds received on behalf of individuals	<u>1,692,668</u>
Total Additions	<u>2,808,182</u>
DEDUCTIONS	
Payments of real property taxes to other governments	1,115,514
Funds distributed on behalf of individuals	<u>623,382</u>
Total Deductions	<u>1,738,896</u>
Net Change in Fiduciary Net Position	1,069,286
NET POSITION	
Beginning of Year	<u>2,148,992</u>
End of Year	<u><u>\$ 3,218,278</u></u>

The notes to financial statements are an integral part of this statement.

County of Ulster, New York

Statement of Net Position
Component Units
December 31, 2022

	Ulster County Community College	Ulster County Resource Recovery Agency	Ulster County Industrial Development Agency	Ulster County Soil and Water Conservation District	Total
ASSETS					
Cash and equivalents	\$ 10,607,194	\$ 5,232,490	\$ 580,189	\$ -	\$ 16,419,873
Cash and equivalents - restricted	-	1,215,813	20,195	501,256	1,737,264
Investments	12,437,896	2,542,949	202,532	-	15,183,377
Receivables					
Accounts, net	3,746,139	1,528,028	401,390	225	5,675,782
Grants	2,152,000	85,256	-	-	2,237,256
Pledge	1,114,734	-	-	-	1,114,734
Due from other governments	-	-	-	480,202	480,202
Due from primary government	-	-	21,179	-	21,179
Accrued interest	-	42,369	-	-	42,369
Prepaid expenses	-	342,184	-	-	342,184
Inventories	-	63,461	-	-	63,461
Other assets	937,095	-	-	-	937,095
Net pension asset - ERS	1,305,878	596,933	-	-	1,902,811
Net pension asset - TRS	1,918,960	-	-	-	1,918,960
Capital assets (net of accumulated depreciation)	21,417,573	11,464,818	-	36,052	32,918,443
Total Assets	55,637,469	23,114,301	1,225,485	1,017,735	80,994,990
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	4,025,993	1,275,665	-	-	5,301,658
OPEB related	1,514,295	-	-	-	1,514,295
Total Deferred Outflows of Resources	5,540,288	1,275,665	-	-	6,815,953
LIABILITIES					
Accounts payable and accrued liabilities	2,466,528	624,701	12,988	6,039	3,110,256
Accrued interest payable	-	774,581	-	-	774,581
Unearned revenues	4,975,363	-	-	-	4,975,363
Host community benefits payable	-	19,943	-	-	19,943
Other payables	-	127,903	-	-	127,903
Deposits	150	-	-	-	150
Escrow deposits	-	-	20,195	-	20,195
Due to other governments	57,132	-	-	-	57,132
Non-current liabilities					
Due within one year					
Capital appreciation bonds	-	628,129	-	-	628,129
Capital lease payable	17,770	-	-	-	17,770
Compensated absences	-	564,332	-	-	564,332
Landfill post closure care costs	-	249,548	-	-	249,548
Other postemployment benefit liability	698,602	-	-	-	698,602
Due in more than one year					
Capital appreciation bonds	-	1,865,085	-	-	1,865,085
Capital lease payable	18,805	-	-	-	18,805
Compensated absences	1,153,911	-	-	63,539	1,217,450
Landfill post closure care costs	-	1,247,740	-	-	1,247,740
Other postemployment benefit liability	22,827,904	-	-	-	22,827,904
Total Liabilities	32,216,165	6,101,962	33,183	69,578	38,420,888
DEFERRED INFLOWS OF RESOURCES					
Inventory for sale	-	63,461	-	-	63,461
Pension related	6,730,172	2,097,072	-	-	8,827,244
OPEB related	1,513,644	-	-	-	1,513,644
Financial aid	217,707	-	-	-	217,707
Total Deferred Inflows of Resources	8,461,523	2,160,533	-	-	10,622,056
NET POSITION					
Net investment in capital assets	21,368,341	8,971,604	-	36,052	30,375,997
Restricted	13,522,046	3,758,762	-	912,105	18,192,913
Unrestricted	(14,390,318)	3,397,105	1,192,302	-	(9,800,911)
Total Net Position	\$ 20,500,069	\$ 16,127,471	\$ 1,192,302	\$ 948,157	\$ 38,767,999

The notes to financial statements are an integral part of this statement.

County of Ulster, New York

Statement of Activities

Component Units

Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Ulster County Community College	\$ 33,594,338	\$ 7,040,450	\$ 12,203,061	\$ 134,572
Ulster County Resource Recovery Agency	19,784,979	19,775,989	180,180	-
Ulster County Industrial Development Agency	198,061	95,986	-	-
Ulster County Soil and Water Conservation District	<u>3,147,305</u>	<u>6,467</u>	<u>2,812,268</u>	<u>-</u>
Total Component Units	<u>\$ 56,724,683</u>	<u>\$ 26,918,892</u>	<u>\$ 15,195,509</u>	<u>\$ 134,572</u>

General revenues

Chargeback revenue

Federal and state nonoperating revenues

Contributions from other governments

Miscellaneous

County contributions

State sources

Use of money and property

Total General Revenues

Change in Net Position

NET POSITION

Beginning, as Reported

Prior Period Adjustment

Beginning, as Restated

Ending

The notes to financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position				
Ulster County Community College	Ulster County Resource Recovery Agency	Ulster County Industrial Development Agency	Ulster County Soil and Water Conservation District	Total
\$ (14,216,255)	\$ -	\$ -	\$ -	\$ (14,216,255)
-	171,190	-	-	171,190
-	-	(102,075)	-	(102,075)
-	-	-	(328,570)	(328,570)
(14,216,255)	171,190	(102,075)	(328,570)	(14,475,710)
940,649	-	-	-	940,649
2,860,635	-	-	-	2,860,635
6,092,944	-	-	-	6,092,944
(647,690)	72,646	3,990	5,001	(566,053)
6,400,863	-	-	152,805	6,553,668
-	-	-	241,747	241,747
1,220	152,185	1,812	843	156,060
15,648,621	224,831	5,802	400,396	16,279,650
1,432,366	396,021	(96,273)	71,826	1,803,940
19,067,703	15,731,450	1,288,575	-	36,087,728
-	-	-	876,331	876,331
19,067,703	15,731,450	1,288,575	876,331	36,964,059
<u>\$ 20,500,069</u>	<u>\$ 16,127,471</u>	<u>\$ 1,192,302</u>	<u>\$ 948,157</u>	<u>\$ 38,767,999</u>

Note 1 - Summary of Significant Accounting Policies

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 financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The County's significant accounting policies are described below:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the County, b) organizations for which the County is financially accountable and c) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the County's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following individual component units are included in the County's reporting entity because of their operational relationship with the County.

Blended Component Units - though legally separate entities, these component units are, in substance, part of the County's operations. The blended component units serve or benefit the County almost exclusively. Financial information from these units is combined with that of the County. The following represents the County's blended component unit.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 ("Trust"). The County is the beneficial owner of the Trust and thus the funds received by the Trust will ultimately transfer to the County.

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 a blended component unit of the County and is reported as an enterprise fund. Separate financial statements may be obtained from the Ulster Tobacco Asset Securitization Corporation, P.O. Box 1800, Kingston, New York 12402.

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, New York 12402.

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, New York 12402.

Discretely Presented Component Units – are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. They are financially accountable to the County, or have a relationship such that exclusion would cause the County's financial statements to be misleading or incomplete.

Note 1 - Summary of Significant Accounting Policies (Continued)

The following discretely presented component units are reported, in aggregate, in a separate column to emphasize that they are legally separate from the County. The following represents the County's discretely presented component units.

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 21). 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, New York 12484-0557.

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 2022 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, New York 12402.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, New York 12402.

Ulster County Soil and Water Conservation District ("UCSWCD") was created as a public benefit corporation by virtue of the provisions of Section 1199, Title 8-E of the Public Authorities Law. The UCSWCD provides for the conservation of soil and soil resources of the State and the County.

The Board of Directors is appointed by the County Legislature. Members of the Board of Directors have been appointed by the County governing body and the UCSWCD is allotted County appropriations to administer various projects and therefore, the primary government is able to impose its will on the UCSWCD. Since the UCSWCD is also dependent on the financial support provided by the County, the financial statements of the UCSWCD have been reflected as a discretely presented component unit.

Separate financial statements may be obtained from the Ulster County Soil and Water Conservation District, 5 Park Lane, Highland, New York 12528.

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.

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, 2022. Had GHLDC been active, it would be presented as a proprietary fund of the County.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the County and its component units at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The County does not allocate indirect expenses to functions in the Statement of Activities.

While separate government-wide and fund financial statements are provided, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the County's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise Fund and the Internal Service Funds are charges to customers for services. Operating expenses for the Enterprise Fund and the Internal Service Funds include the cost of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Fund Financial Statements

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The County maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Proprietary and Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the governmentwide presentation. The County's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable

Note 1 - Summary of Significant Accounting Policies (Continued)

financial resources and the related liabilities are accounted for through governmental funds. Special Revenue Funds are governmental funds established 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. The following are the County's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the County and 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.

Debt Service Fund - 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.

Capital Projects Fund - 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 County also reports the following non-major governmental funds.

Special Revenue Funds:

Special Grants Fund - The Special Grants Fund is used to account for and reports the proceeds received under the Workforce Investment Act and Community Development Block Grant Funds.

County Road Fund - The County Road Fund was established pursuant to Section 114 of the New York State Highway Law and is used to account for the acquisition and maintenance of County roads and bridges.

Road Machinery Fund - The Road Machinery Fund was established pursuant to Section 133 of the New York State Highway Law and is used to account for the acquisition and maintenance of road machinery and equipment.

- b. Proprietary Funds - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. Internal service funds account for operations that provide services to other departments or agencies of the government, or

Note 1 - Summary of Significant Accounting Policies (Continued)

to other governments, on a cost reimbursement basis. The following are the County's major proprietary funds.

Enterprise Funds:

Ulster Tobacco Asset Securitization Corporation Fund ("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.

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.

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.

Internal Service Funds:

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.

Self-Insurance Fund accounts for and reports the payments of health benefit claims.

- c. Fiduciary Funds (Not Included in Government-wide Financial Statements) – The Fiduciary Funds are used to account for assets held by the County on behalf of others. The Custodial Fund is used to account for real property taxes collected for other governments and monies from outside entities, controlled and administered by the County for the benefit of others.

D. 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 being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary and Fiduciary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, landfill closure costs, certain claims, net pension liability and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

Component Units

Component units are presented on the basis of accounting that most accurately reflect their activities. The Ulster County Soil and Water Conservation District is accounted for on the modified accrual basis and is converted to the accrual basis for the government-wide statements. The Ulster County Community College, Ulster County Resource Recovery Agency and Ulster County Industrial Development Agency are accounted for on the accrual basis.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The County's deposits and investment policies are governed by State statutes. The County has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The County is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The County has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The County follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to that extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the County does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. GASB Statement No. 40, "*Deposits and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the County's name. The County's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2022.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The County does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The County's investment policy limits the amount on deposit at each of its banking institutions.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

County and school districts taxes collected prior to the satisfaction of the respective warrants are considered a fiduciary activity under the provisions of GASB Statement No. 84 "*Fiduciary Activities*", and therefore have been accounted for within the Custodial Fund.

Lease Receivable - The County is a lessor for noncancellable leases of building premises, cell towers, parking spaces and a segment of the railroad. The County recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease-term, and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Other Receivable - Other receivables include amounts due from other governments and individuals for services provided by the County. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds and Due From/To Fiduciary Fund - During the course of its operations, the County has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2022, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between

Note 1 - Summary of Significant Accounting Policies (Continued)

the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Advances To/From Other Funds - Advances to/from other funds represent loans to other funds, which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by nonspendable fund balance in the General Fund to indicate that the funds are not "available" for appropriation and are not expendable available financial resources.

Inventories - The inventories reflected in the balance sheet are recorded at cost on a first in, first out basis. The cost is recorded as inventory at the time the individual items are purchased. The County uses the consumption method to relieve inventory. Purchases of inventory items at other locations are recorded as expenditures at the time of purchase and yearend balances at these locations are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of employee retirement and other costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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 acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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>Class</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).

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The County has reported unearned revenues of \$28,305,600, which is made up of \$28,110,801 for American Rescue Plan Act monies received in advance of eligible expenditures and \$194,799 for State and Federal aid received in advance in the General Fund. The County has also reported unearned revenues of \$51,767 for monies received in advance in the Ulster County Economic Development Alliance Fund, \$1,101,713 for monies received in advance in the Workers' Compensation Pool Fund and \$4,975,363 in the UCCC (component unit) for tuition and other fees. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The County reported deferred inflows of resources in the General Fund of \$3,709,028 for real property taxes and \$2,870,721 for unavailable revenue from the opioids settlement. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 1 - Summary of Significant Accounting Policies (Continued)

The County reported deferred amounts on refunding bonds resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The County has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the government-wide financial statement for governmental activities. These amounts are detailed in the discussion of the County's pension and other postemployment benefit liabilities in Note 3H.

The County also reported deferred inflows of resources of \$255,556 in the General Fund in relation to the leases where the County is the lessor. The amounts are being deferred and amortized over the life of the leases.

Long-term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the 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 Capital Projects Fund expenditures.

Leases Payable - The County is a lessee for noncancellable leases of equipment and building rentals. The County recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the government-wide financial statements.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and purchase option price that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation or sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide and proprietary fund financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Asset/Liability - The net pension liability represents the County's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System. The component unit's net pension liability represents the UCCC's (component unit) proportionate share of the net pension liability of the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No.68"*.

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the County and UCCC (component unit) provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

Net Position - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of sources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling of legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the County includes restricted for tax stabilization, insurance liability, sheriff – forfeitures, 911 phone surcharge, stop – DWI program, V&T admin fees, traffic safety board, opioid settlement, debt service, telecommunications fund, foundation, debt repayment, landfill post-closure and soil and water conservation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of two preceding categories.

Fund Balances - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The County Legislature is the highest level of decision making authority for the County that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the County Legislature removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the County Legislature.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the County Legislature for amounts assigned for balancing the ensuing year's budget or delegated to the Commissioner of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted 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. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and all Special Revenue funds, except the Community Development Fund. Encumbrances outstanding at year end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

The preparation of the 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 and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 25, 2024.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The County generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) Budget hearings are scheduled with each department to occur during August.
- b) 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 then holds public hearings.
- c) The final budget is prepared and adopted no later than the second Thursday of December.
- d) Formal budgetary integration is employed during the year as a management control device for the General Fund, all Special Revenue funds, and the Debt Service Fund.
- e) Budgets for General, certain Special Revenue and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis.
- f) The County Legislature has established legal control of the budget at the department and object of expense level of expenditures. The County Executive is authorized to make transfers between appropriation accounts, at the function level. Transfers of appropriations that alter the total appropriation of any department of agency must be approved by the Legislature.
- g) Appropriations in the General Fund, all Special Revenue funds and the Debt Service Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Note 2 - Stewardship, Compliance and Accountability (Continued)

Budgeted amounts are as originally adopted, or as amended by the legislature. Amendments in the General Fund for the current year are as follows:

Operating expenditures funded by various unanticipated revenues	<u>\$ 23,595,292</u>
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B. Property Tax Limitation

The County is permitted by the State Constitution to levy, for purposes other than debt service, up to 1 1/2% of the five year average full valuation of taxable real estate located within the County. In accordance with this provision, the maximum amount of the tax levy for 2022 was \$292,950,549, which exceeded the actual levy by \$230,442,603.

Under New York State General Municipal Law, the County is not limited as to the maximum amount of real property taxes which may be raised. However, Chapter 97 of the New York State Laws of 2011, as amended ("Tax Levy Limitation Law") modified previous law by imposing a limit on the amount of real property taxes a local government may levy. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the County to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The County is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the County, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the County. The County Legislature may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the County Legislature first enacts, by a vote of at least sixty percent of the total voting power of the County Legislature, a local law to override such limit for such coming fiscal year.

C. Capital Projects Fund Deficits

The individual project deficits in the Capital Projects Fund arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as a revenue only to the extent that they are redeemed. These deficits will be reduced or eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 2 - Stewardship, Compliance and Accountability (Continued)

financing. Other deficits where no bond anticipation notes are outstanding arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

D. Cumulative Effect of Change in Accounting Principle

The County implemented the provisions of GASB Statement No. 87, "Leases," for the year ended December 31, 2022, which established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. As a result, the County has reported a cumulative effect of change in accounting principle of \$4,205,892 for the right-to-use leased assets and a (\$4,205,892) liability for leases payable for a net cumulative effect of \$0 to the January 1, 2022 net position of governmental activities.

This statement also requires a lessor to recognize a lease receivable and a deferred inflow of resources. As a result, the County reported cumulative effect of change in accounting principle of \$442,594 for the lease receivable and (\$442,594) for a deferred inflow of resources for a net cumulative effect of \$0 to the January 1, 2022 net position of the governmental activities and the General Fund.

E. Prior Period Adjustment

The composition of the prior period adjustments that were recorded within the primary government and discretely presented component units were as follows:

	Governmental Activities	Governmental Funds		Business-type Activities Enterprise Fund	Internal Service Fund	Discretely Presented Component Unit
		General Fund	UTASC	Ulster County Tobacco Asset Securitization Corporation	Self- Insurance	Ulster County Soil and Water Conservation District
BAN premium deferred in the prior year	\$ 444,774	\$ 444,774	\$ -	\$ -	\$ -	\$ -
Write-off of DSS receivables	(12,157,037)	(12,157,037)	-	-	-	-
Impact of property tax revenue for GASB 84	5,754,671	5,754,671	-	-	-	-
Change presentation of UTASC as an Enterprise Fund	36,778,350	-	(2,355,822)	(36,908,720)	-	-
Unavailable revenue for sale of property	5,000,000	-	-	-	-	-
Record net position and IBNR	6,706,162	-	-	-	6,706,162	-
Include discretely presented component unit	-	-	-	-	-	876,331
	<u>\$ 42,526,920</u>	<u>\$ (5,957,592)</u>	<u>\$ (2,355,822)</u>	<u>\$ (36,908,720)</u>	<u>\$ 6,706,162</u>	<u>\$ 876,331</u>

F. Expenditures in Excess of Budget

The following functional expenditure categories exceed their budgetary authorization by the amounts indicated:

General Fund	
Debt Service – Interest	\$ 62,726
Transfers Out	11,162,239

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds

A. Cash, Cash Equivalents and Investments

At year end, the County's primary government and Custodial Fund total carrying amount of deposits and investments was \$200,965,847, while the total bank balance was \$202,981,380. Of the bank balance, \$1,500,000 was covered by federal depository insurance with the remaining balance, \$201,481,380, 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.

	Category		Reported Amount/ Fair Value
	1	2	
<u>Governmental activities</u>			
Cash and cash equivalents	\$ 191,305,562	\$ -	\$ 191,305,562
<u>Business-type activities</u>			
Cash and cash equivalents	1,899,519	-	1,899,519
Certificates of deposit	202,536	-	202,536
US Treasury Bills	2,290,535	-	2,290,535
Total business-type activities	4,392,590	-	4,392,590
Total primary government	<u>\$ 195,698,152</u>	<u>\$ -</u>	<u>\$ 195,698,152</u>
<u>Discretely presented component units</u>			
UCCC - Cash and cash equivalents	\$ 10,607,194	\$ -	\$ 10,607,194
UCCC - Commercial paper	12,437,896	-	12,437,896
UCRRA - Cash and cash equivalents	6,448,303	-	6,448,303
UCRRA - U.S. Government securities	-	2,542,949	2,542,949
UCIDA - Cash and cash equivalents	600,384	-	600,384
UCIDA - Certificates of deposit	202,532	-	202,532
UCSWCD - Cash and cash equivalents	501,256	-	501,256
Total discretely presented component units	<u>\$ 30,797,565</u>	<u>\$ 2,542,949</u>	<u>\$ 33,340,514</u>
<u>Custodial Fund</u>			
Cash and cash equivalents	<u>\$ 5,267,695</u>	<u>\$ -</u>	<u>\$ 5,267,695</u>

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

B. Receivables

Receivables and amounts due from other governments at year end of the County's governmental funds, net of the applicable allowances for uncollectible accounts, are shown below:

	Major Funds		Non-major	Total
	General	Capital Projects	Governmental	Governmental Funds
Receivables -				
Taxes	\$ 17,866,147	\$ -	\$ -	\$ 17,866,147
Accounts	1,069,182	-	133,022	1,202,204
State and Federal aid	42,545,397	424,582	-	42,969,979
Grants	-	-	-	-
Due from other governments	1,368,252	-	27,440	1,395,692
Gross receivables	62,848,978	424,582	160,462	63,434,022
Less: allowance for uncollectable*	(11,254,539)	-	-	(11,254,539)
Net receivables	<u>\$ 51,594,439</u>	<u>\$ 424,582</u>	<u>\$ 160,462</u>	<u>\$ 52,179,483</u>

*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.

C. Interfund Receivables/Payables

The composition of due from/to other funds and advances to/from other funds at December 31, 2022 were as follows:

Fund	Due From	Due To	Advances To	Advances From
Governmental Activities				
General	\$ 15,982,865	\$ 7,798,402	\$ 4,000,000	\$ -
Debt Service	180,584	-	-	-
Capital Projects	7,736,400	14,951,293	-	-
Business-Type Activities				
Ulster County Economic Development Alliance	62,002	1,212,156	-	4,000,000
	<u>\$ 23,961,851</u>	<u>\$ 23,961,851</u>	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>

The composition of due from/to fiduciary fund at December 31, 2022 were as follows:

Fund	Due From	Due To
General	\$ -	\$ 1,115,514
Fiduciary	1,115,514	-
	<u>\$ 1,115,514</u>	<u>\$ 1,115,514</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)**D. Lease Receivable**

As of December 31, 2022, the County's leases receivable were as follows:

Purpose	Original Issue Amount	Final Maturity	Lease Receivable
Cellco Partnership- Sam's Point Tower	\$ 124,573	05/31/25	\$ 90,154
Sante Fe or 11 Main St	2,353	12/31/23	1,187
T-Mobile Northeast LLC - Golden Hill Tower	146,113	11/30/26	118,560
			<u>\$ 209,901</u>

Also, the County has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term. As of December 31, 2022 the balance of the deferred inflow of resources was \$255,556.

The expected minimum future lease payments under this agreement are as follows:

Years Ending December 31,	Principal	Interest	Total
2023	\$ 65,683	\$ 3,710	\$ 69,393
2024	67,594	2,338	69,932
2025	47,162	1,037	48,199
2026	29,462	304	29,766
	<u>\$ 209,901</u>	<u>\$ 7,389</u>	<u>\$ 217,290</u>

E. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

Class	Balance January 1, 2022 as restated*	Additions	Deductions	Balance December 31, 2022
Capital Assets, not being depreciated:				
Land	\$ 4,036,343	\$ -	\$ -	\$ 4,036,343
Construction-in-progress	29,703,827	12,248,092	13,114,726	28,837,193
Total Capital Assets, not being Depreciated	<u>\$ 33,740,170</u>	<u>\$ 12,248,092</u>	<u>\$ 13,114,726</u>	<u>\$ 32,873,536</u>

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance January 1, 2022 as restated*	Additions	Deductions	Balance December 31, 2022
Capital Assets, being depreciated/amortized:				
Land improvements	\$ 5,518,565	\$ -	\$ -	\$ 5,518,565
Buildings and improvements	174,636,739	1,697,400	2,700	176,331,439
Machinery and equipment	63,700,467	4,377,575	1,954,115	66,123,927
Infrastructure	134,458,047	22,311,042	1,205,151	155,563,938
Right-to-use leased equipment	4,205,892	2,616,302	-	6,822,194
Total Capital Assets, being Depreciated	382,519,710	31,002,319	3,161,966	410,360,063
Less accumulated depreciation/amortization for:				
Land improvements	4,344,856	90,059	-	4,434,915
Buildings and improvements	101,641,375	4,808,744	2,700	106,447,419
Machinery and equipment	45,736,285	4,242,380	1,812,160	48,166,505
Infrastructure	47,593,159	5,427,570	1,105,865	51,914,864
Right-to-use leased equipment	-	1,116,233	-	1,116,233
Total Accumulated Depreciation/Amortization	199,315,675	15,684,986	2,920,725	212,079,936
Total Capital Assets being Depreciated/Amortized, net	<u>\$ 183,204,035</u>	<u>\$ 15,317,333</u>	<u>\$ 241,241</u>	<u>\$ 198,280,127</u>
Capital Assets, net	<u>\$ 216,944,205</u>	<u>\$ 27,565,425</u>	<u>\$ 13,355,967</u>	<u>\$ 231,153,663</u>

*See Note 2D.

Depreciation/Amortization expense was charged to the County's functions and programs as follows:

General Government Support	\$ 9,584,498
Public Safety	3,692,434
Health	17,845
Transportation	1,309,007
Economic Opportunity and Development	305,632
Home and Community Services	775,570
Total Depreciation Expense	<u>\$ 15,684,986</u>

Capital Assets - Component Units

Component Units	Balance January 1, 2022	Additions	Deductions	Reclassification	Balance December 31, 2022
Ulster County Community College August 31, 2022:					
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	<u>\$ 834,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 834,674</u>

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Component Units	Balance January 1, 2022	Additions	Deductions	Reclassification	Balance December 31, 2022
Ulster County Community College August 31, 2022:					
Capital Assets, being depreciated:					
Buildings and improvements	\$ 45,303,351	\$ 120,249	\$ -	\$ 918,664	\$ 46,342,264
Machinery and equipment	6,288,653	363,201	(425,473)	(918,664)	5,307,717
Total Capital Assets, being Depreciated	51,592,004	483,450	(425,473)	-	51,649,981
Less accumulated depreciation	29,912,746	1,565,576	(411,240)	-	31,067,082
Total Capital Assets being Depreciated, net	\$ 21,679,258	\$ (1,082,126)	\$ (14,233)	\$ -	\$ 20,582,899
Total Ulster County Community College Capital Assets, net	\$ 22,513,932	\$ (1,082,126)	\$ (14,233)	\$ -	\$ 21,417,573
Ulster County Resource Recovery Agency:					
Capital Assets, not being depreciated:					
Land	\$ 1,238,172	\$ -	\$ -	\$ -	\$ 1,238,172
Construction in progress	65,015	21,220	-	-	86,235
Total Capital Assets, not being Depreciated	\$ 1,303,187	\$ 21,220	\$ -	\$ -	\$ 1,324,407
Capital Assets, being depreciated:					
Buildings and improvements	\$ 12,126,622	\$ 49,200	\$ -	\$ -	\$ 12,175,822
Machinery and equipment	8,356,495	938,224	(402,310)	-	8,892,409
Infrastructure	130,924	-	-	-	130,924
Total Capital Assets, being Depreciated	20,614,041	987,424	(402,310)	-	21,199,155
Less accumulated depreciation					
Buildings and improvements	4,733,561	330,742			5,064,303
Machinery and equipment	5,724,283	639,444	(401,081)	-	6,764,808
Infrastructure	25,250	6,545	-	-	31,795
Total Accumulated Depreciation	10,483,094	976,731	(401,081)	-	11,860,906
Total Capital Assets being Depreciated, net	\$ 10,130,947	\$ 10,693	\$ (1,229)	\$ -	\$ 10,140,411
Total Ulster County Community College Capital Assets, net	\$ 11,434,134	\$ 31,913	\$ (1,229)	\$ -	\$ 11,464,818
Ulster County Soil and Water Conservation District:					
Capital Assets, being depreciated:					
Furniture and equipment	\$ 35,734	\$ 29,667	\$ -	\$ -	\$ 65,401
Less accumulated depreciation					
Furniture and equipment	21,461	7,888	-	-	29,349
Total Capital Assets being Depreciated, net	\$ 14,273	\$ 21,779	\$ -	\$ -	\$ 36,052
Total component units	\$ 33,962,339	\$ (1,028,434)	\$ (15,462)	\$ -	\$ 32,918,443

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

F. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at December 31, 2022 were as follows:

	Major Funds		Non-Major	Total
	General	Capital Projects	Governmental	Governmental
Accounts payable	\$ 11,693,202	\$ 2,009,539	\$ 303,373	\$ 14,006,114
Accrued salaries and benefits payable	3,844,866	-	184,129	4,028,995
Accrued interest	131,911	-	-	131,911
Total Accounts Payable and Accrued Liabilities	<u>\$ 15,669,979</u>	<u>\$ 2,009,539</u>	<u>\$ 487,502</u>	<u>\$ 18,167,020</u>

G. Short-Term Capital Borrowings - Bond Anticipation Notes

The schedule below details the changes in short-term capital borrowings.

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2022	Issues	Redemptions	Balance December 31, 2022
Governmental Activities:							
HVAC – various county facilities	2015	11/26/23	4.50 %	\$ 1,500,000	\$ -	\$ 40,000	\$ 1,460,000
Public Safety enterprise software	2016	11/26/23	4.50	1,680,000	-	650,000	1,030,000
Water Supply extension	2016	11/26/23	4.50	2,600,000	-	617,500	1,982,500
Road reconstruction	2017	n/a	n/a	180,000	-	180,000	-
Transit Eq. and parking lot	2017	n/a	n/a	360,060	-	360,060	-
Transit Eq. and parking lot	2017	n/a	n/a	139,940	-	139,940	-
Wolven Bridge replacement	2018	11/26/23	4.50	150,000	-	5,000	145,000
Clean Energy Project – UCLEC	2018	11/26/23	4.50	612,000	-	287,000	325,000
Various road reconstruction	2018	n/a	n/a	225,000	-	225,000	-
Fantinekill Bridge	2018	11/26/23	4.50	135,000	-	-	135,000
Public Safety Training Center	2019	n/a	n/a	6,000,000	-	6,000,000	-
Mass transit buses	2019	11/26/23	4.50	345,000	-	75,000	270,000
Stone Arch Bridge replacement	2019	n/a	n/a	225,000	-	225,000	-
Maltby Hollow Bridge replacement	2019	11/26/23	4.50	500,000	-	125,000	375,000
Various road reconstruction	2019	11/26/23	4.50	325,000	-	105,000	220,000
Fleet vehicles	2019	n/a	n/a	410,000	-	410,000	-
Shawangunk Kill Bridge replacement	2019	11/26/23	4.50	340,000	2,600,000	20,000	2,920,000
UCCC Technology Upgrade	2019	n/a	n/a	150,000	-	150,000	-
Creekside Drive Road	2019	11/26/23	4.50	360,000	-	85,000	275,000
HVAC UCCC SUNY Ulster	2019	11/26/23	4.50	150,000	-	40,000	110,000
Furniture for SUNY Ulster	2019	11/26/23	4.50	100,000	-	10,000	90,000
Roof reconstruction Hardenburgh	2019	11/26/23	4.50	1,000,000	-	-	1,000,000
DASNY for windows	2019	11/26/23	4.50	500,000	-	15,000	485,000
Water storage tank UCCC	2019	n/a	n/a	226,025	-	226,025	-
Floyd Ackert Bridge	2020	n/a	n/a	175,000	-	175,000	-
Crawford Bridge	2020	n/a	n/a	25,000	-	25,000	-
Fox Hollow Bridge	2020	n/a	n/a	200,000	-	200,000	-
Slope stabilization Hardenburgh	2020	n/a	n/a	150,000	-	150,000	-
Ulster County fairgrounds design	2020	n/a	n/a	28,400	-	28,400	-
Sheriff live scan upgrade	2020	n/a	n/a	100,000	-	100,000	-
Seraphin volumetric calibration trailer	2020	n/a	n/a	34,500	-	34,500	-
Ulster County Enterprise west	2020	n/a	n/a	150,000	-	150,000	-
Maltby Hollow Bridge	2020	n/a	n/a	500,000	-	500,000	-
Reconstruction of roads	2020	11/26/23	4.50	650,000	-	125,000	525,000
Veterans Cemetery renovations	2021	11/26/23	4.50	161,000	450,000	10,000	601,000
Fairgrounds improvements	2021	11/26/23	4.50	45,000	696,800	10,000	731,800
Various road pavement preserve	2021	11/26/23	4.50	650,000	-	125,000	525,000
Countywide radio system	2021	11/26/23	4.50	7,715,000	-	-	7,715,000
McKinstry Bridge	2021	11/26/23	4.50	60,000	1,440,000	-	1,500,000

(Continued)

County of Ulster, New York

Notes to Financial Statements (Continued) December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2022	Issues	Redemptions	Balance December 31, 2022
Governmental Activities (Continued):							
2021 DPW bridges	2021	n/a	n/a	\$ 350,000	\$ -	\$ 350,000	\$ -
Box culverts	2021	n/a	n/a	60,000	-	60,000	-
Guide rail replacement	2021	11/26/23	4.50	60,000	40,000	-	100,000
Asphalt overlay	2021	n/a	n/a	2,500,000	-	2,500,000	-
Purchase of highway equipment	2021	11/26/23	4.50	2,585,000	-	-	2,585,000
County fleet vehicles	2021	11/26/23	4.50	1,217,000	-	402,000	815,000
Technology upgrades	2021	11/26/23	4.50	650,000	-	130,000	520,000
Personal computers	2021	11/26/23	4.50	175,000	-	35,000	140,000
Purchases of buses	2022	11/26/23	4.50	-	525,000	-	525,000
Bridge flag response	2022	11/26/23	4.50	-	100,000	-	100,000
UCLEC Fire Alarm & Heating/Cooling	2022	11/26/23	4.50	-	450,000	-	450,000
Black Creek Upgrade	2022	11/26/23	4.50	-	500,000	-	500,000
Courthouse Fascia, Exterior Repairs, Roof	2022	11/26/23	4.50	-	150,000	-	150,000
Fleet Vehicles - Sheriff	2022	11/26/23	4.50	-	650,000	-	650,000
Fleet Vehicles - Sedans and Minivans	2022	11/26/23	4.50	-	530,000	-	530,000
Fleet Vehicles - Buildings & Grounds	2022	11/26/23	4.50	-	260,000	-	260,000
Sundown Bridge	2022	11/26/23	4.50	-	750,000	-	750,000
Pavement Preservation - Roads	2022	11/26/23	4.50	-	650,000	-	650,000
Total Governmental Activities				<u>\$ 36,453,925</u>	<u>\$ 9,791,800</u>	<u>\$ 15,100,425</u>	<u>\$ 31,145,300</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within seven years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$612,726 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,877,562 was recorded in the government-wide financial statements for governmental activities.

H. Long-Term Liabilities

The following table summarizes changes in the County's long-term liabilities for the year ended December 31, 2022:

	Balance January 1, 2022, as restated*	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2022	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable	\$ 86,120,708	\$ 11,321,000	\$ 9,686,456	\$ 87,755,252	\$ 10,218,336
General Obligation Bonds Payable - UCCC	929,372	560,000	243,624	1,245,748	152,664
Plus - Unamortized Premium on bonds	4,779,872	180,584	694,830	4,265,626	-
	<u>91,829,952</u>	<u>12,061,584</u>	<u>10,624,910</u>	<u>93,266,626</u>	<u>10,371,000</u>
Leases Payable	<u>4,205,892</u>	<u>2,616,302</u>	<u>1,039,318</u>	<u>5,782,876</u>	<u>1,311,357</u>

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2022, as restated*	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2022	Due Within One Year
Governmental Activities (Continued):					
Other Non-current Liabilities:					
Compensated Absences	\$ 17,729,261	\$ -	\$ 1,761,575	\$ 15,967,686	\$ 1,596,769
Claims	39,815,517	25,177,077	26,704,503	38,288,091	25,931,521
Net Pension Liability - ERS	302,437	-	302,437	-	-
Other Postemployment Benefit Liability	209,957,052	51,952,655	5,547,782	256,361,925	-
Total Other Non- Current Liabilities	267,804,267	77,129,732	34,316,297	310,617,702	27,528,290
Governmental Activities Long-term Liabilities	<u>\$ 363,840,111</u>	<u>\$ 91,807,618</u>	<u>\$ 45,980,525</u>	<u>\$ 409,667,204</u>	<u>\$ 39,210,647</u>
Business-type Activities:					
Tobacco Settlement					
Asset-Backed Bonds	\$ 28,805,000	\$ -	\$ 935,000	\$ 27,870,000	\$ 3,670,000
Capital Appreciation Bonds Payable	5,131,190	357,605	-	5,488,795	-
Plus - Unamortized Premium on bonds	1,080,043	-	83,080	996,963	-
Business-type Activities Long-term Liabilities	<u>\$ 35,016,233</u>	<u>\$ 357,605</u>	<u>\$ 1,018,080</u>	<u>\$ 34,355,758</u>	<u>\$ 3,670,000</u>
Discretely Presented Component Units:					
UCCC (August 31, 2022)					
Capital lease payable	\$ 60,688	\$ -	\$ 24,113	\$ 36,575	\$ 17,770
Compensated Absences	1,218,270	-	64,359	1,153,911	-
Net Pension Liability - ERS	15,449	-	15,449	-	-
Net Pension Liability - TRS	323,454	-	323,454	-	-
Other Postemployment Benefit Liability	22,202,338	1,878,224	554,056	23,526,506	698,602
Total UCCC	23,820,199	1,878,224	981,431	24,716,992	716,372
UCRRA					
Capital Appreciation Bonds Payable	3,162,280	-	669,066	2,493,214	628,129
Compensated Absences	539,850	24,482	-	564,332	564,332
Landfill Post-Closure Liability	1,524,586	-	27,298	1,497,288	249,548
Net Pension Liability	7,093	-	7,093	-	-
Total UCRRA	5,233,809	24,482	703,457	4,554,834	1,442,009
UCSWCD					
Compensated Absences	58,351	5,188	-	63,539	-
Total Component Units	<u>\$ 29,112,359</u>	<u>\$ 1,907,894</u>	<u>\$ 1,684,888</u>	<u>\$ 29,335,365</u>	<u>\$ 2,158,381</u>

*See Note 2E.

Each governmental fund's liability for bonds is liquidated by the Debt Service Fund, which is funded by transfers from other funds. Each governmental fund's liability for compensated absences, claims, net pension liability and other postemployment benefit liability is liquidated by the General Fund.

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at December 31, 2022 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity Date	Interest Rates	Amount Outstanding at December 31, 2022
Governmental Activities:					
General Obligation					
Refunding Bond	2015	\$ 4,513,259	November, 2023	4.500 %	\$ 247,000
Public Improvements	2015	5,548,290	November, 2028	2.000 - 2.500	2,785,000
Public Improvements	2016	926,000	November, 2026	2.000	390,300
Public Improvements	2016	11,650,750	November, 2031	2.000 - 3.000	7,440,000
Public Improvements	2017	7,861,552	November, 2028	2.000 - 2.125	4,540,000
Public Improvements	2018	6,994,000	November, 2033	3.000 - 3.500	5,420,000
Refunding Bond	2019	4,534,976	November, 2027	3.500 - 5.000	1,963,452
Public Improvements	2019	22,973,235	November, 2037	2.250 - 2.750	19,755,000
Refunding Bond	2020	1,650,000	November, 2028	4.000	1,280,000
Public Improvements	2020	8,673,654	November, 2034	2.000	7,540,000
Refunding Bond	2021	26,060,000	November, 2029	4.000	21,945,000
Public Improvements	2021	3,322,000	November, 2036	2.000	3,128,500
Public Improvements	2022	11,321,000	November, 2037	4.000	11,321,000
Total General Obligation					87,755,252
Debt Issued for UCCC					
Refunding Bond	2015	991,741	November, 2023	4.500	8,000
Public Improvements	2016	177,000	November, 2026	2.000	74,700
Public Improvements	2019	745,024	November, 2027	3.500 - 5.000	496,548
Public Improvements	2021	113,080	November, 2036	2.000	106,500
Public Improvements	2022	560,000	November, 2037	4.000	560,000
Total Debt Issued for UCCC					1,245,748
Total Governmental Activities					\$ 89,001,000
Business-type Activities:					
Tobacco Settlement Asset-Backed Bonds	2016	\$ 31,060,000	June, 2034	2.00 - 6.75 %	\$ 27,870,000
Subordinate Capital Appreciation Bonds	2005	15,852,000	June, 2039	6.00 - 7.85	5,488,795
Total Business-type Activities					\$ 33,358,795
Discretely Presented Component Units:					
UCRRA					
Capital Appreciation Bonds	2002	\$ 5,448,755	March, 2025	4.96 - 5.29 %	\$ 2,493,214

Interest expenditures of \$2,578,782 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$2,181,820 was recorded in the government-wide financial statements for governmental activities. Interest expense of \$1,393,783 was recorded in the fund financial and government-wide financial statements for the business-type activities – UTASC.

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 9 years by approximately \$1.7 million.

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,

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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 3 years by approximately \$101 thousand.

A default will have occurred if the payment of principal or interest are not paid when due and payable. Upon defaults on payments in full of the principal or interest on the bonds, the holder of such defaulted bonds has a contractual right to sue the County for the amount due thereon. The County does not have any lines of credit.

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

Issue	Defeased Debt Outstanding
Governmental Activities:	
Public Improvements, 2005	\$ 4,100,000
Public Improvements, 2006	19,905,000
Public Improvements, 2008	270,000
	<u>\$ 24,275,000</u>

Leases Payable

Governmental activities leases payable as of December 31, 2022 are compromised of the following agreements:

Purpose	Issue Date	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2022
VanDale Properties, LLC - 2018 384	01/01/22	\$ 149,018	June, 2023	2.06 %	\$ 50,099
Pine Professional Center, LLC - 2018 404	01/01/22	40,084	October, 2023	2.06	18,376
Chrysler CCAP - District Attorney - Jeep Cherokee	01/01/22	9,162	February, 2024	2.06	4,975
NYCOMCO - Department of Social Services Radio Leases 2019-205	01/01/22	18,469	March, 2024	2.06	10,348
Chrysler CCAP - District Attorney - Jeep Cherokee	01/01/22	11,092	June, 2024	2.06	6,712
O&W Station, LLC - 2020 296 - Contract and Amd 1	01/01/22	192,820	March, 2025	2.06	136,443
Warwarsing, Town of - 202 261	01/01/22	911	April, 2025	2.06	605
NYCOMCO - District Attorney Radio Leases 2020- 430	01/01/22	47,089	July, 2025	2.06	34,237
CPR Kingston, LLC - 2020 387	01/01/22	238,424	August, 2025	2.06	177,433
CPR Kingston, LLC - 2020 410	01/01/22	421,977	September, 2025	2.06	316,670
Spring Lake Fire Department, Inc - 2020 506	01/01/22	46,229	November, 2025	2.06	31,029
NYCOMCO - Sheriff U.R.G.E.N.T. 2021-285	01/01/22	72,205	May, 2026	2.06	56,330
NYCOMCO - Probation Radio Leases 2021-332	01/01/22	79,751	June, 2026	2.06	62,554
NYCOMCO - Public Works Radio Leases 2021-391	01/01/22	609,858	October, 2026	2.06	487,771
New York Communications Co-NYCOMCO - 2021 391	01/01/22	609,858	October, 2026	2.06	487,771
NYCOMCO - Sheriff Criminal Division Radios 2021-88	01/01/22	472,382	December 2026	2.06	381,100
NYCOMCO - Sheriff Corrections Divisions Radio Leases 2020-493	01/01/22	301,972	March, 2027	2.06	246,517
American Tower Management, LLC	01/01/22	118,018	May, 2034	2.06	111,573
American Tower Management, LLC	01/01/22	160,182	May, 2034	2.06	151,436
American Tower Management, LLC	01/01/22	284,938	September, 2034	2.06	269,994
American Tower Management, LLC	01/01/22	321,457	June, 2045	2.06	310,130
NYCOMCO - Probation Radio Leases 2022-145	03/01/22	113,613	February, 2027	2.06	95,319
Wallkill Fire District - 2022 076	04/01/22	49,068	March, 2027	2.06	42,044
Chrysler CCAP District Attorney - Jeep Cherokee	06/13/22	12,228	June, 2025	2.06	9,892
Chrysler CCAP District Attorney - Jeep Cherokee	06/13/22	12,228	June, 2025	2.06	9,892
Chrysler CCAP - District Attorney - Dodge Charger	06/17/22	15,695	June, 2025	2.06	12,719
Higginsville Station, LLC - 2022 001	06/20/22	473,405	June, 2027	2.06	430,860
NYCOMCO - Emergency Services Radio Leases 2022-325	07/01/22	11,229	June, 2027	2.06	8,908
Kaatskill Development Holdings, LLC - 2022 291	07/01/22	37,091	June, 2027	2.06	33,495
Atlantic Tomorrow's Office - Copier Printers	07/01/22	847,149	June, 2027	2.06	765,013
Le Kingston Trois, LLC 2017 474 - Contract and Amd 1-3	10/09/22	723,706	October, 2027	2.06	701,741
Tappen House Development, LLC - 2022 599	12/15/22	320,890	December, 2027	2.06	320,890
					<u>\$ 5,782,876</u>

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures/expense of \$64,648, \$1,881 and \$21,929 were recorded in the fund financial statements in the General Fund, Country Road Fund and Road Machinery Fund, respectively, and also in the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded debt and leases outstanding as of December 31, 2022, including interest payments of \$25,988,323 are as follows:

Year Ending December 31,	Governmental Activities					
	General Obligation Bonds		General Obligation Bonds - UCCC		Leases Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 10,218,336	\$ 2,684,228	\$ 152,664	\$ 49,342	\$ 1,311,357	\$ 106,699
2024	10,318,005	2,345,121	151,995	43,217	1,277,178	80,280
2025	8,279,794	2,016,561	155,206	38,127	1,182,696	54,127
2026	8,284,274	1,782,129	160,726	31,446	983,868	31,756
2027	8,426,143	1,514,643	148,857	24,520	423,770	16,040
2028-2032	27,453,200	4,241,453	221,800	72,436	316,946	46,913
2033-2037	14,775,500	1,039,493	254,500	239,488	168,266	17,707
2038-2042	-	-	-	-	78,078	8,351
2043-2045	-	-	-	-	40,717	1,057
	<u>\$ 87,755,252</u>	<u>\$ 15,623,628</u>	<u>\$ 1,245,748</u>	<u>\$ 498,576</u>	<u>\$ 5,782,876</u>	<u>\$ 362,930</u>

Year Ending December 31	Business-type Activities		Total	
	Tobacco Settlement		Total	
	Principal	Interest	Principal	Interest
2023	\$ 3,670,000	\$ 1,485,633	\$ 15,352,357	\$ 4,325,902
2024	1,495,000	1,311,314	13,242,178	3,779,932
2025	1,610,000	1,206,520	11,227,696	3,315,335
2026	1,725,000	1,096,086	11,153,868	2,941,417
2027	1,855,000	980,166	10,853,770	2,535,369
2028-2032	11,240,000	3,085,345	39,231,946	7,446,147
2033-2037	6,275,000	338,125	21,473,266	1,634,813
2038-2042	-	-	78,078	8,351
2043-2045	-	-	40,717	1,057
	<u>\$ 27,870,000</u>	<u>\$ 9,503,189</u>	<u>\$ 122,653,876</u>	<u>\$ 25,988,323</u>

The above general obligation bonds are direct borrowings of the County for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the County.

Legal Debt Margin

The County is subject to legal limitations on the amount of debt that it may issue. The County's legal debt margin is 7% of the five-year average full valuation of taxable real property.

UTASC - Capital Appreciation Bonds Payable ("CAB")

Interest on the Subordinate Turbo CABs is compounded semiannually on June 1 and December 1 but is not payable until bond maturity. Interest accretes until both principal and accreted interest

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

are paid. The accreted interest on the Subordinate Turbo CABs is reflected within the Subordinate Turbo CABs payable liability.

The remaining projected debt service requirements as of December 31, 2022, including principal of \$5,488,795, capital appreciation and interest for the Series 2005 NYCTT V Bonds are to be paid starting June 1, 2050 and maturing June 1, 2060 totaling \$13,030,250 as follows:

<u>Year Ending December 31</u>	<u>Principal and Interest</u>
2023	\$ -
2024	-
2025	-
2026	-
2027	-
2028 and thereafter	13,030,250
	<u>\$ 13,030,250</u>

During 2022, there were no payments of principal and accreted interest on the above bonds.

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, 2022 is \$15,967,686 classified as a long-term liability in the governmental activities, which includes \$1,596,769, estimated to be due within one year.

The UCCC recognizes a liability for vesting sick leave and other compensated absences with similar characteristics to the extent it is probable that the UCCC will compensate the employees for the benefits through cash payments at retirement rather than be taken as absences due to illness or other contingencies. The liability at December 31, 2022 was \$1,153,911.

The UCRRA employees are entitled to reimbursement of unused sick and vacation time at the time of retirement or other termination of service. UCRRA's policy is to accrue the cost of compensated absences as earned and vested by the UCRRA's employees. The liability at December 31, 2022 was \$564,332.

The UCSWCD recognizes a liability for unpaid accumulated paid annual and vacation leave. Vacation leave eligibility and accumulation is specified in individual employee contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated annual leave. The liability at December 31, 2022 was \$63,539.

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Unpaid Claim Liabilities

The County is exposed to various risks of loss related to unemployment, general liability, health insurance and workers' compensation. 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 participant's annual claims.

The County's claims liability of \$35,043,000 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.

Changes in the County's workers' compensation claims liability for the last three years were:

<u>Year Ending December 31,</u>	<u>Balance January 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance December 31,</u>
2022	\$ 36,674,000	\$ 20,033,971	\$ (21,664,971)	\$ 35,043,000
2021	33,288,470	23,992,721	(20,607,191)	36,674,000
2020	32,589,429	21,947,884	(21,248,843)	33,288,470

The County is self-insured for health insurance claims. The County's claims liability of \$1,549,091 is recorded in the Self-Insurance Fund at fiscal year end. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported.

Changes in the County's health insurance claims liability were:

<u>Year Ending December 31,</u>	<u>Balance January 1,</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance December 31,</u>
2022	\$ 1,631,517	\$ 28,221,881	\$ (28,304,307)	\$ 1,549,091

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

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

related to the deductibles for these claims in the amount of \$1,696,000. 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 Ending December 31,	Balance January 1, 2022	Current Year Claims and Changes in Estimates	Balance December 31, 2022
2022	\$ 1,510,000	\$ 186,000	\$ 1,696,000
2021	2,372,000	(862,000)	1,510,000
2020	1,711,000	661,000	2,372,000

Pension Plans

New York State and Local Employee's Retirement System

The County, and the County's discretely presented component units, the UCCC and the UCRRA, participate in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the Trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, 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. The County also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The ERS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% depending on salary levels for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2022 are as follows:

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Tier/Plan	Option	Rate
1 75I	41J165	25.2 %
2 75I	41J165	23.0
3 552		30.1
3 A14	41J165	18.2
3 A14	41J165 CCSV	18.3
4 551		24.3
4 552		30.1
4 89P		22.8
4 A15	41J165	18.2
4 A15	41J165 CCSV	18.3
5 552		27.4
5 89P		19.8
5 A15	41J165	15.2
5 A15	41J165 CCSV	15.3
6 552		21.8
6 89P		14.4
6 A15	41J100	10.6
6 A15	41J100 CCSV	10.7
6 A15	41J165	10.7

At December 31, 2022, the County, UCCC and UCRRA reported assets as follows for their proportionate share of the net pension asset:

Primary Government:	
Governmental Activities	\$ (24,759,546)
Component Unit:	
UCCC	(1,305,878)
UCRRA	(596,933)

The net pension asset was measured as of March 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The County, UCCC and UCRRA proportion of the net pension asset was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2022, the County, UCCC and UCRRA proportions were as follows:

	2022	2021	Change
Primary Government:			
Governmental Activities	0.3028844%	0.3039539%	-0.0010695%
Component Unit:			
UCCC	0.0159749%	0.0152919%	0.0006830%
UCRRA	0.0073023%	0.0071229%	0.0001794%

For the year ended December 31, 2022, the County recognized its proportionate share of pension expense in the government-wide financial statements of \$1,326,784. Pension expenditures of \$11,513,138 were recorded in the fund financial statements and were charged to the following funds:

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Fund	ERS
Primary Government:	
General	\$ 10,436,836
County Road	886,024
Road Machinery	164,893
Special Grants	68,910
Component Unit:	
UCCC	(58,046) *
UCRRA	14,521
	<u>\$ 11,513,138</u>

* As of the year ended August 31, 2022

At December 31, 2022, the County, UCCC and UCRRA reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit (UCCC)		Component Unit (UCRRA)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,875,075	\$ 2,432,078	\$ 98,896	\$ 128,274	\$ 45,207	\$ 58,636
Changes of assumptions	41,320,907	697,246	2,179,363	36,774	996,215	16,810
Net difference between projected and actual earnings on pension plan investments	-	81,077,141	-	4,276,202	-	1,954,707
Changes in proportion and differences between County contributions and proportionate share of contributions	2,289,132	2,384,492	120,734	125,764	23,154	66,919
County contributions subsequent to the measurement date	7,560,321	-	449,573	-	211,089	-
	<u>\$ 53,045,435</u>	<u>\$ 86,590,957</u>	<u>\$ 2,848,566</u>	<u>\$ 4,567,014</u>	<u>\$ 1,275,665</u>	<u>\$ 2,097,072</u>

\$7,560,321, \$449,573 and \$211,089 reported as deferred outflows of resources related to ERS governmental activities, UCCC and UCRRA, respectively, resulting from the accrued contributions made subsequent to the measurement date will be recognized as a reduction of the net pension asset in the plan's year ended March 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

Year Ended March 31,	Primary Government	Component Unit (UCCC)	Component Unit (UCRRA)
2023	\$ (6,326,931)	\$ (333,698)	\$ (172,499)
2024	(9,158,556)	(483,044)	(234,860)
2025	(21,231,838)	(1,119,818)	(515,015)
2026	(4,388,518)	(231,461)	(110,122)
2027	-	-	-
Thereafter	-	-	-
	<u>\$ (41,105,843)</u>	<u>\$ (2,168,021)</u>	<u>\$ (1,032,496)</u>

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability for the ERS measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liability to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

Measurement date	March 31, 2022
Actuarial valuation date	April 1, 2021
Investment rate of return	5.9% *
Salary scale	4.4%
Inflation rate	2.7%
Cost of living adjustments	1.4%

* Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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 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 the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	3.30 %
International Equity	15	5.85
Private Equity	10	6.50
Real Estate	9	5.00
Opportunistic/ARSPortfolio	3	4.10
Credit	4	3.78
Real Assets	3	5.80
Fixed Income	23	0.00
Cash	1	(1.00)
Total	100 %	

The real rate of return is net of the long-term inflation assumption of 2.7%.

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the ERS'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.

The following presents the County, UCCC and UCRRA's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the County, UCCC and UCRRA's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Governmental Activities proportionate share of the net pension liability (asset)	<u>\$ 63,730,803</u>	<u>\$ (24,759,546)</u>	<u>\$ (98,777,454)</u>
Component Unit (UCCC) proportionate share of the net pension liability (asset)	<u>\$ 3,361,315</u>	<u>\$ (1,305,878)</u>	<u>\$ (5,209,759)</u>
Component Unit (UCRRA) proportionate share of the net pension liability (asset)	<u>\$ 1,536,500</u>	<u>\$ (596,933)</u>	<u>\$ (2,381,448)</u>

The components of the collective net pension liability (asset) as of the March 31, 2022 measurement date were as follows:

	ERS
Total pension liability	\$ 223,874,888,000
Fiduciary net position	<u>232,049,473,000</u>
Employers' net pension liability (asset)	<u>\$ (8,174,585,000)</u>
Fiduciary net position as a percentage of total pension liability	<u>103.65%</u>

Employer contributions to ERS are paid annually and cover the period through the end of the ERS's fiscal year, which is March 31st. Retirement contributions as of December 31, 2022 represent the employer contribution for the period of April 1, 2022 through December 31, 2022 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2022 were \$7,560,321.

Pension Plans - Component Units

Teachers' Retirement System

The UCCC participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law.

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the 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. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

The TRS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% depending on salary levels for their entire length of service. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rate for the plan's year ending in 2022 was 9.80%.

At August 31, 2022, the UCCC reported an asset of \$1,918,960 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The UCCC's proportion of the net pension liability was based on its contributions to the pension plan relative to the contributions of all participating members. At June 30, 2021, the UCCC's proportion was .0110740%, which was a decrease of .000630% from its proportion measured as of June 30, 2020.

For the year ended August 31, 2022, the UCCC recognized its proportionate share of pension expense of (\$116,840). At August 31, 2022, the UCCC reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 264,508	\$ 9,970
Changes of assumptions	631,186	111,774
Net difference between projected and actual earnings on pension plan investments	-	2,008,390
Changes in proportion and differences between College contributions and proportionate share of contributions	90,344	33,024
College contributions subsequent to the measurement date	<u>191,389</u>	<u>-</u>
	<u><u>\$ 1,177,427</u></u>	<u><u>\$ 2,163,158</u></u>

\$191,389 reported as deferred outflows of resources related to TRS resulting from the UCCC's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to TRS will be recognized in pension expense as follows:

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

<u>Year Ended June 30,</u>	<u>UCCC</u>
2022	\$ (242,176)
2023	(279,136)
2024	(348,324)
2025	(467,706)
2026	93,833
Thereafter	66,389
	<u>\$ (1,177,120)</u>

The total pension liability for the June 30, 2021 measurement date was determined by using an actuarial valuation as of June 30, 2020, with updated procedures used to roll forward the total pension liability to June 30, 2021. These actuarial valuations used the following actuarial assumptions:

Measurement date	June 30, 2021
Actuarial valuation date	June 30, 2020
Investment rate of return	6.95% *
Salary scale	1.95%-5.18%
Inflation rate	2.4%
Cost of living adjustments	1.3%

The measurement date used of June 30, 2021 was the most recent available at the time the UCCC audit was completed.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2020, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the June 30, 2021 valuation was based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard 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. Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of the valuation date of June 30, 2021 are summarized in the following table:

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Asset Class	TRS	
	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.0 %	6.80 %
International equity	16.0	7.60
Private equity	8.0	10.00
Real estate	11.0	6.50
Domestic fixed income securities	16.0	1.30
Global bonds	2.0	0.80
High-yield bonds	1.0	3.80
Global equities	4.0	7.10
Private debt	1.0	5.90
Real estate debt	7.0	3.30
Casn equivalents	1.0	-0.20
	<u>100.0 %</u>	

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, TRS'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.

The following presents the UCCC's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.95%, as well as what the UCCC's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.95%) or one percentage point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Component Unit (UCCC) proportionate share of the net pension asset	<u>\$ (201,367)</u>	<u>\$ (1,918,960)</u>	<u>\$ (3,362,472)</u>

The components of the collective net pension asset of TRS as of the June 30, 2021 measurement date were as follows:

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

	<u>TRS</u>
Total pension liability	\$ 130,819,415,417
Fiduciary net position	<u>148,148,457,363</u>
Employers' net pension liability (asset)	<u>\$ (17,329,041,946)</u>
Fiduciary net position as a percentage of total pension liability	<u>113.20%</u>

Employer and employee contributions for the plan's year ended June 30, 2021 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the College to TRS. Accrued retirement contributions as of August 31, 2022 represent employee and employer contributions for the fiscal year ended August 31, 2022 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS. Accrued retirement contributions to TRS as of August 31, 2022 were \$191,389.

Voluntary Defined Contribution Plan

The County, UCCC and UCRRA can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the County, UCCC and UCRRA will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability ("OPEB")

In addition to providing pension benefits, the County provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the County may vary according to length of service. The cost of providing Postemployment health care benefits is shared between the County and the retired employee as noted below. Substantially all of the County employees may become eligible for those benefits if they reach normal retirement age while working for the County. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2022, the following employees were covered by the benefit terms:

	<u>Governmental Activities</u>
Inactive employees currently receiving benefit payments	1,123
Active employees	<u>1,191</u>
	<u>2,314</u>

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The County's total OPEB liability for governmental activities of \$256,361,925 as of December 31, 2022 was measured as of January 1, 2022, and was determined by an actuarial valuation as of January 1, 2021.

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.50%
Discount rate	2.06%
Healthcare cost trend rates	6.0% for 2022, decreasing at various rates to an ultimate rate of 3.94%
Retirees' share of benefit-related costs	Varies from 10% to 100%, depending on participant group

The discount rate was based on the Bond Buyer Weekly 20-Bond GO Index.

The Pub-2010 mortality table for employees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

The turnover assumptions reflect the rate of decrement due to turnover based on the experience under the New York State and Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (June 2019).

The County's change in the total OPEB liability for the year ended December 31, 2022 is as follows:

	Governmental Activities
Total OPEB Liability - Beginning of Year	\$ 209,957,052
Service cost	8,856,300
Interest	4,580,038
Changes of benefit terms	26,461,994
Differences between expected and actual experience	-
Changes in assumptions or other inputs	12,054,323
Benefit payments	(5,547,782)
Total OPEB Liability - End of Year	<u>\$ 256,361,925</u>

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.06%) or 1 percentage point higher (3.06%) than the current discount rate:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Governmental Activities Total OPEB Liability	<u>\$ 305,145,632</u>	<u>\$ 256,361,925</u>	<u>\$ 217,915,776</u>

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.0% decreasing to 2.94%)	Current Healthcare Cost Trend Rates (6.0% decreasing to 3.94%)	1% Increase (7.0% decreasing to 4.94%)
Governmental Activities Total OPEB Liability	<u>\$ 211,893,004</u>	<u>\$ 256,361,925</u>	<u>\$ 314,754,475</u>

For the year ended December 31, 2022, the County recognized OPEB expense of \$40,375,471 in the government-wide financial statements. At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 25,089,067	\$ 2,369,600
Differences between expected and actual experience	-	8,470,275
Employer contribution subsequent to the measurement date	5,969,705	-
	<u>\$ 31,058,772</u>	<u>\$ 10,839,875</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Governmental Activities
2023	\$ 477,139
2024	8,643,776
2025	3,098,338
2026	2,029,939
2027	-
Thereafter	-
	<u>\$ 14,249,192</u>

Other Postemployment Benefit Liability ("OPEB") - Component Unit

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 UCCC's employees may become eligible for those benefits if they reach normal retirement age while working for the UCCC.

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

At September 1, 2020, the following employees were covered by the benefit terms:

	UCCC (Component Unit)
Inactive employees currently receiving benefit payments	180
Active employees	112
	<u>292</u>

UCCC's liability for postemployment benefits of \$23,526,506 as of August 31, 2022 was measured as of August 31, 2022 and determined by an actuarial valuation as of September 1, 2020. The changes in the OPEB liability are as follows:

	UCCC (Component Unit)
Total OPEB Liability - Beginning of Year	\$ 22,202,338
Service cost	1,409,022
Interest	469,202
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments	<u>(554,056)</u>
Total OPEB Liability - End of Year	<u>\$ 23,526,506</u>

The UCCC's total OPEB liability in the September 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	4.04%
Discount rate	2.14%
Healthcare cost trend rate	7.0% decreasing to an ultimate rate of 4.04% by 2089.

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- 2020 (Base Rate 2006).

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the UCCC, as well as what the UCCC's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.14%) or 1 percentage point higher (3.14%) than the current discount rate:

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB Liability	<u>\$ 27,613,146</u>	<u>\$ 23,526,506</u>	<u>\$ 20,225,445</u>

The following presents the total OPEB liability of the UCCC, as well as what the UCCC's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.04%) or 1 percentage point higher (8.0% decreasing to 5.04%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.04%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.04%)	1% Increase (8.0% decreasing to 5.04%)
Total OPEB Liability	<u>\$ 19,593,804</u>	<u>\$ 23,526,506</u>	<u>\$ 28,598,025</u>

At August 31, 2022, the UCCC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	UCCC (Component Unit)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 1,514,295	\$ -
Differences between expected and actual experience	-	1,513,644
	<u>\$ 1,514,295</u>	<u>\$ 1,513,644</u>

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2023	\$ 189
2024	189
2025	189
2026	84
	<u>\$ 651</u>

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

I. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

	Transfers In		Total
		Enterprise Fund Ulster County Economic Development Alliance	
Transfers Out	Capital Projects		
General	\$ 11,278,648	\$ 633,591	\$ 11,912,239

Transfers are used to 1) move funds from the General Fund to finance various capital projects and programs accounted for in other funds and 2) contribution to UCEDA.

J. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Tax Stabilization - the component of net position that has been established to legally segregate funds to stabilize real property tax rates in accordance with Section 6e of the General Municipal Law of the State of New York.

Restricted for Insurance Liability - the component of net position to set aside funds for uninsured losses, claims, actions or judgments.

Restricted for Sheriff - forfeitures - the component of net position that reflects the unused portions of forfeited crime proceeds that must be spent on law enforcement.

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for 911 Phone Surcharge - the component of net position that reflects the unused portions of telephone surcharges that must be spent on the emergency telephone system.

Restricted for Stop - DWI Program - the component of net position that represents State revenues that are limited by State directive to be used in accordance with the parameters of the Driving while Intoxicated Program.

Restricted for V&T Admin Fees - the component of net position to reflect the unused portions of probation fees that must be spent on probation programs.

Restricted for Traffic Safety Board - the component of net position to reflect the funds restricted to be spent on promoting traffic safety.

Restricted for Opioid Settlement - the component of net position that is restricted pursuant to the New York State Attorney General's settlement with opioid manufacturers and distributors.

Restricted for Debt Service - the component of net position that reports the difference between certain assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Telecommunications Fund - the component of net position that reflects the funds restricted under the USDA Intermediary Relending Program Loan Fund.

Restricted for Foundation - the component of net position that reflects the funds restricted to be spent on the Ulster County Community College Foundation, Inc. for the benefit of the UCCC, its students and graduates.

Restricted for Debt Repayment - the component of net position that reports the amounts restricted for the payment of debt principal and interest with constraints placed on their use by Local Finance Law.

Restricted for Landfill Post Closure - the component of net position that reflects funds restricted for maintenance and monitoring of the landfill closure.

Restricted for Soil and Water Conservation - the component of net position that reflects the funds restricted for the conservation of the soil and water within the County.

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	General Fund	Debt Service	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Prepaid expenditures	\$ 5,336,990	\$ -	\$ -	\$ -	\$ 5,336,990
Inventory	80,670	-	-	-	80,670
Advances	4,000,000	-	-	-	4,000,000
Total Nonspendable	9,417,660	-	-	-	9,417,660
Restricted:					
911 phone surcharge	1,672,356	-	-	-	1,672,356
Debt service	-	2,712,900	-	-	2,712,900
Opioid settlement	1,297,279	-	-	-	1,297,279
V&T admin fees	854,511	-	-	-	854,511
Risk retention	131,294	-	-	-	131,294
Sheriff forfeitures	52,261	-	-	-	52,261
Stop - DWI Program	209,322	-	-	-	209,322
Tax stabilization	5,999,888	-	-	-	5,999,888
Traffic safety board	3,598	-	-	-	3,598
Total Restricted	10,220,509	2,712,900	-	-	12,933,409
Assigned:					
Purchases on order:					
General government support	1,761,010	-	-	-	1,761,010
Public safety	227,335	-	-	-	227,335
Health	622,000	-	-	-	622,000
Transportation	8,800	-	-	16,903	25,703
Economic opportunity and development	527,347	-	-	-	527,347
Home and community services	294,896	-	-	-	294,896
	3,441,388	-	-	16,903	3,458,291
Jail commissions	311,980	-	-	-	311,980
Tourism and convention	323,233	-	-	-	323,233
For subsequent year's expenditures	5,577,697	-	-	-	5,577,697
Non-Major funds:					
Special Grants Fund	-	-	-	282,533	282,533
County Road Fund	-	-	-	3,821,340	3,821,340
Road Machinery Fund	-	-	-	438,135	438,135
Total Assigned	9,654,298	-	-	4,558,911	14,213,209
Unassigned	111,287,641	-	(30,661,002)	-	80,626,639
Total Fund Balances (Deficits)	\$ 140,580,108	\$ 2,712,900	\$ (30,661,002)	\$ 4,558,911	\$ 117,190,917

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for employee retirement and other payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Inventories have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in form of commodities and the County anticipates utilizing them in the normal course of operations.

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Purchases on order are assigned and represent the County's intention to honor contracts in process at year end. The subsequent year's appropriation will be amended to provide authority to complete the transaction.

Jail commissions has been established to reflect the unused portions of jail telephone commissions that will be spent on inmate programs.

Tourism and convention has been established to promote tourism in Ulster County.

Subsequent year's expenditures represent that at December 31, 2022, the County Legislature/ Executive has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balance in the Capital Projects represents the deficit balances in these funds.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The County is exposed to various risks of loss related to unemployment, general liability, and workers' compensation. At this time, the outcome of cases are not known. Management has reviewed the outstanding lawsuits and has determined that all claims have been reviewed by the various claims administrators and actuaries and has indicated that the appropriate reserve has been established within the claims payable. The County uses the General Fund to account for and finance, in the case of general liability, its uninsured risks of loss. The County is also exposed to risk of loss for deductibles of varying amounts under several liability insurance policies.

B. Risk Management

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.

C. 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 \$28,837,193 in construction commitments with contractors. These commitments are being financed by serial bonds, state and federal aid, donations, and current appropriations.

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

D. Contingencies

The County has received grants in excess of \$89.8 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.

E. Federal Grant-Revolving Loan Fund

During 2022, the County participated with RUPCO as a sub-recipient in implementing two 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 \$1,190,000.

Ulster County was awarded a \$600,000 grant focused on assisting low to moderate income Ulster County residents rehabilitate owner-occupied housing. A rental assistance component was incorporated because of the COVID-19 pandemic with rehabilitation monies allocated to fund it. Direct assistance for the *2019 Ulster County Housing Rehabilitation Program* continued in 2021 with \$233,456 in total monies received for 2022.

Ulster County was awarded a \$590,000 grant for a program that assists households with home buyer activities. Direct assistance for the *2019 Ulster County Homeownership Program* began in 2020 with \$120,100 in total monies received for 2022.

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, reported in the Special Revenue Fund in the County's financial statements.

F. 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 2022 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 \$249,548 for each of the remaining 6 years. The liability at December 31, 2022 was \$1,497,288.

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

G. 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.

H. 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 \$371,121 during 2022 in payments in lieu of taxes ("PILOT"); these collections were made in lieu of \$780,525 in property taxes.

Start Date	Agreement	Taxable Assessed Value	County Tax Rate	Tax Value	PILOT Received	County Tax Abated
2013	EA Flatbush (Stavo)	\$ 2,033,000	4.321005	\$ 8,785	\$ 5,749	\$ 3,036
2004	ARHC (LaSalle-Benedictine)	2,600,000	4.321005	11,235	4,601	6,634
2013	JBT Holdings (Wolftec)	3,303,000	4.321005	14,272	6,781	7,491
2019	Landmark Gov Clinton & Yosman	16,768,000	4.321005	72,455	32,702	39,753
2019	HVKD 41 Pearl Street	1,200,000	4.321005	5,185	2,843	2,342
2019	HVKD 301 Wall Street	1,620,000	4.321005	7,000	2,225	4,775
2019	HVKD 24 John Street	334,000	4.321005	1,443	1,443	(0)
2019	HVKD 270 Fair Street	900,000	4.321005	3,889	1,443	2,446
2018	UPAC	3,410,000	4.321005	14,735	-	14,735
2020	Star Estate Development	1,100,000	4.242100	4,666	4,666	(0)
2017	2007 Route 9W LLC	1,090,400	3.740834	4,079	1,590	2,489
2020	Marlboro Dist. Rte. 9 LLC	3,745,800	4.075511	15,266	9,532	5,734
2020	HAM Realty III, LLC (Brooklyn Bot)	5,151,700	4.075511	20,996	12,525	8,471
1999	Institute Family Health (LaSalle-NP)	4,750,000	4.071080	19,338	-	19,338
2008	Woodland Ponds	35,561,500	4.071080	144,774	87,193	57,581
2020	Inness NY LLC	2,708,000	3.501986	9,483	4,745	4,738
2013	Central Hudson	8,830,335	3.531794	31,187	45,435	(14,248)
2012	Partition Street	4,280,500	3.531794	15,118	8,514	6,604
2018	Saugerties NY Hospitality	4,250,000	3.531794	15,010	1,589	13,421
2018	Creative Environments LLC	34,100	15.149207	517	489	28
2018	Creative Environments LLC	50,000	15.149207	757	644	113
2018	Creative Environments LLC	432,000	15.149207	6,544	3,954	2,590
2018	Creative Environments LLC	134,000	15.149207	2,030	1,022	1,008
2018	Greenhouses Hotel LLC	388,000	19.649834	7,624	481	7,143
2016	Darienlake Kingston LLC	4,810,125	5.515677	26,531	14,920	11,611
1998	300 Grant Avenue (Head Trauma)	23,082,300	5.515677	127,315	94,683	32,632
2014	DOC-1561 Ulster Ave MOB (MHMG)	34,500,000	5.515677	190,291	21,352	168,939
		<u>\$ 167,066,760</u>		<u>\$ 780,525</u>	<u>\$ 371,121</u>	<u>\$ 409,401</u>

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

I. TechCity East

In July 2021, the County initiated in rem foreclosure proceedings on eighteen parcels located on the east side of the former IBM campus ("TechCity East") in the Town of Ulster. Those proceedings were halted when the owner contested the foreclosure, forcing the County to delay taking the property while it argued its case in Ulster County Court.

On December 1, 2021, Ulster County Court judge Bryan Rounds signed a settlement order that provided a roadmap for the former owner to cede the properties to the County. Once implemented, the settlement would result in the sale of the remaining TechCity East parcels to National Resources, a real estate company that specializes in turning around complicated former industrial sites, such as the former IBM campus in East Fishkill.

On December 2, 2021, the Ulster County Legislature set a public hearing on the transfer of the TechCity East parcels to UCEDA.

On December 21, 2021, the Ulster County Legislature authorized the County to transfer the TechCity East parcels to UCEDA, so that UCEDA could in turn sell the properties to National Resources/iPark87, LLC. The agreement indicates that any proceeds from the future sale of the TechCity East properties are to be remitted to Ulster County.

Because of the relationship between Ulster County and UCEDA, this transfer of property was accounted for at the County's net book value of approximately \$5 million as an asset available for sale, and an associated liability due to the County, until closing of the sale was completed. The underlying property is subject to certain environmental cleanup. The obligation to satisfy this cleanup was transferred to the purchaser of the property and such cost was contemplated in the sales price.

On December 21, 2021, the Board of Directors of UCEDA authorized the execution of a Purchase and Sale Agreement ("East PSA") to sell the TechCity East properties to National Resources/iPark 87, LLC ("Purchaser") for a negotiated price of \$12,000,000, payable by application of a \$7,000,000 advance credit for costs to remediate asbestos-contamination in Building 1 and in piles of rubble on the former site of Building 25 (subject to a "true-up" to verify actual costs) and with the remaining balance to be paid by application of a \$100,000 deposit held in escrow until closing and a Purchase Money Mortgage Note for annual installment payments equal to \$1,000,000 plus 4% interest on the principal balance, commencing January 1, 2023. Interest accrues on the note beginning June 8, 2022. As of December 31, 2022, accrued interest of \$112,156 is recorded and included in the "loan receivable – TechCity East property, current portion" on the statement of net position.

UCEDA subsequently issued notice to the New York State Authorities Budget Office as required by law, providing that office with a 90-day opportunity to comment on the transaction. No comments were received by UCEDA.

On February 17, 2022, a final appraisal report for the subject East properties was completed by Hilco Real Estate Appraisal, LLC.

The East PSA included the following provisions:

County of Ulster, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

- The creation of a Purchaser-funded imprest account, to be paid by Purchaser to UCEDA upon execution of the East PSA, in the amount of \$250,000, to be used by UCEDA to reimburse eligible transaction costs related to the sale;
- The payment of an annual Administrative Fee of \$50,000, commencing January 1, 2023 and continuing until the earlier of “substantial completion” or the satisfaction of the Purchase Money Mortgage, at an annual escalation of 3% per year, to compensate UCEDA for monitoring and administration of the East PSA and associated Purchase Money Mortgage;
- The payment of a deposit of \$100,000 due upon execution of the PSA, to be held in escrow and released upon closing, which amount shall be credited toward the purchase price; and
- The payment of the remaining balance of the purchase price in five (5) equal annual installments, carrying an interest rate of 4% per year, to be subject to a Purchase Money Mortgage and Note, commencing January 1, 2023.

On February 3, 2022, the Purchaser deposited \$227,234 to UCEDA’s accounts. This amount included \$177,234 for the required imprest account and \$50,000 for the 2023 Administrative Fee. In addition, the Purchaser made a direct payment to UCEDA’s legal counsel (Harris Beach) in the amount of \$72,766. These combined payments (\$300,000 in total) were deemed to satisfy the Purchaser’s pre-closing financial contributions to UCEDA. Reimbursable costs primarily related to legal fees incurred by UCEDA for the year ended December 31, 2022 were \$53,892. As of December 31, 2022, UCEDA has an imprest liability balance of \$131,865.

During the year ended December 31, 2022, Ulster County paid on UCEDA’s behalf \$633,591 of school and property taxes associated with the TechCity East properties. During the year ended December 31, 2022, a contribution from Ulster County of \$633,591 was recorded as a result.

The final transaction to transfer title from the Authority to National Resources/iPark 87, LLC was completed on June 8, 2022.

On January 19, 2023, UCEDA received a payment from the Purchaser in the amount of \$1,167,600, which represented payment of the required \$100,000 deposit, plus a \$1,000,000 payment of principal and \$67,600 in interest payments. This full amount was subsequently remitted to Ulster County via check on February 27, 2023.

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 96, “*Subscription-Based Information Technology Arrangements*” provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (“SBITAs”) for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

County of Ulster, New York

Notes to Financial Statements (Concluded)
December 31, 2022

Note 5 - Recently Issued GASB Pronouncements (Continued)

GASB Statement No. 101, "*Compensated Absences*" provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the County believes will most impact its financial statements. The County will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Note 6 - Subsequent Events

The County, in November 2023, issued public improvement serial bonds for various purposes in the amount of \$16,970,620 with interest rates ranging from 4.0% to 4.125% that will mature in November 2038.

The County, in November 2023, issued bond anticipation notes for various purposes in the amount of \$37,308,822 with an interest rate of 5.25% that will mature in November 2024.

County of Ulster, New York

 Required Supplementary Information - Schedule of Changes in the
 County's Total OPEB Liability and Related Ratios
 Last Ten Fiscal Years (1)(2)

	Governmental Activities				
	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	\$ 8,856,300	\$ 5,339,268	\$ 4,040,865	\$ 5,564,559	\$ 5,271,940
Interest	4,580,038	4,583,681	5,622,380	6,156,773	6,278,693
Changes of benefit terms	26,461,994	37,511,686	(4,157,148)	-	-
Differences between expected and actual experience	-	(2,250,149)	-	(35,295,340)	-
Changes of assumptions or other inputs	12,054,323	5,357,053	28,297,613	(11,662,152)	6,218,737
Benefit payments	(5,547,782)	(5,065,637)	(4,825,851)	(5,343,888)	(5,034,144)
Net Change in Total OPEB Liability	46,404,873	45,475,902	28,977,859	(40,580,048)	12,735,226
Total OPEB Liability – Beginning of Year	209,957,052	164,481,150	135,503,291	176,083,339	163,348,113 (3)
Total OPEB Liability – End of Year	\$ 256,361,925	\$ 209,957,052	\$ 164,481,150	\$ 135,503,291	\$ 176,083,339
Covered-employee payroll	\$ 70,106,802	\$ 86,815,072	\$ 84,204,231	\$ 84,261,882	\$ 81,540,519
Total OPEB liability as a percentage of covered-employee payroll	365.67%	241.84%	195.34%	160.81%	215.95%
Discount Rate	2.06%	2.12%	2.74%	4.10%	3.44%
	Component Unit (College) (4)				
	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	\$ 1,409,022	\$ 1,379,502	\$ 1,044,536	\$ 1,014,703	\$ 1,030,867
Interest	469,202	441,955	575,929	546,692	782,789
Changes of benefit terms	-	-	-	-	311,228
Differences between expected and actual experience	-	(2,391,118)	-	(10,432,596)	-
Changes of assumptions or other inputs	-	2,392,147	-	4,470,870	-
Benefit payments	(554,056)	(542,448)	(575,149)	(558,723)	-
Net Change in Total OPEB Liability	1,324,168	1,280,038	1,045,316	(4,959,054)	2,124,884
Total OPEB Liability – Beginning of Year	22,202,338	20,922,300	19,876,984	24,836,038	22,711,154 (3)
Total OPEB Liability – End of Year	\$ 23,526,506	\$ 22,202,338	\$ 20,922,300	\$ 19,876,984	\$ 24,836,038
Covered-employee payroll	\$ 11,165,236	\$ 10,946,310	\$ 10,591,633	\$ 10,383,954	\$ 9,832,256
Total OPEB liability as a percentage of covered-employee payroll	210.71%	202.83%	197.54%	191.42%	252.60%
Discount Rate	2.14%	2.14%	2.94%	2.94%	3.51%

Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) The amounts presented are for the College's fiscal year ending August 31st.

County of Ulster, New York

Required Supplementary Information - Schedule of the
County's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	Governmental Activities			
	2022 (4)	2021 (4)	2020 (3)	2019
Proportion of the net pension liability (asset)	0.3028844%	0.3039539%	0.3076276%	0.2991162%
Proportionate share of the net pension liability (asset)	\$ (24,759,546)	\$ 302,437	\$ 81,461,562	\$ 21,193,291
Covered payroll	\$ 76,573,175	\$ 80,301,230	\$ 79,648,416	\$ 78,323,881
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	-32.33%	0.38%	102.28%	27.06%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%
Discount Rate	5.90%	5.90%	6.80%	7.00%
	Component Unit (College)			
	2022 (4)	2021 (4)	2020 (3)	2019
Proportion of the net pension liability (asset)	0.0159749%	0.0152919%	0.0154767%	0.0140617%
Proportionate share of the net pension liability (asset)	\$ (1,305,878)	\$ 15,449	\$ 4,098,318	\$ 996,313
Covered payroll	\$ 4,936,717	\$ 4,555,711	\$ 4,599,053	\$ 3,896,979
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	-26.45%	0.34%	89.11%	25.57%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%
Discount Rate	5.90%	5.90%	6.80%	7.00%
	Component Unit (UCRRA)			
	2022 (4)	2021 (4)	2020 (3)	2019
Proportion of the net pension liability (asset)	0.0073023%	0.0071229%	0.0069885%	0.0072483%
Proportionate share of the net pension liability (asset)	\$ (596,933)	\$ 7,093	\$ 1,850,597	\$ 513,562
Covered payroll	\$ 1,983,871	\$ 1,857,709	\$ 1,814,628	\$ 1,710,627
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	-30.09%	0.38%	101.98%	30.02%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%
Discount Rate	5.90%	5.90%	6.80%	7.00%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions."

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) Increase in the County's proportionate share of the net pension liability (asset) mainly attributable to increase in plan fiduciary net position due to investment losses.

(4) Decrease in the County's proportionate share of the net pension liability (asset) mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

2018	2017	2016	2015
0.3044966%	0.3097205%	0.3109345%	0.3104617%
\$ 9,827,462	\$ 29,102,033	\$ 49,905,861	\$ 10,488,153
\$ 75,275,672	\$ 73,335,162	\$ 72,745,070	\$ 71,149,473
13.06%	39.68%	68.60%	14.74%
98.24%	94.70%	90.70%	97.90%
7.00%	7.00%	7.00%	7.50%

2018	2017	2016	2015
0.0139479%	0.0151725%	0.0154374%	0.0161338%
\$ 450,160	\$ 1,425,642	\$ 2,477,745	\$ 545,040
\$ 4,018,654	\$ 4,055,915	\$ 3,926,685	\$ 4,029,055
11.20%	35.15%	63.10%	13.53%
98.24%	94.70%	90.70%	97.90%
7.00%	7.00%	7.00%	7.50%

2018	2017	2016	2015
0.0072122%	0.0074789%	0.0080119%	0.0079561%
\$ 232,770	\$ 702,730	\$ 1,285,934	\$ 268,777
\$ 1,656,723	\$ 1,530,091	\$ 1,553,441	\$ 1,512,837
14.05%	45.93%	82.78%	17.77%
98.24%	94.70%	90.70%	97.90%
7.00%	7.00%	7.00%	7.50%

County of Ulster, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	Governmental Activities			
	2022	2021	2020	2019
Contractually required contribution	\$ 13,909,740	\$ 13,886,648	\$ 12,730,183	\$ 12,551,263
Contributions in relation to the contractually required contribution	(13,909,740)	(13,886,648)	(12,730,183)	(12,551,263)
Contribution excess	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 81,178,386	\$ 82,259,361	\$ 79,662,829	\$ 80,364,903
Contributions as a percentage of covered payroll	17.13%	16.88%	15.98%	15.62%
	Component Unit (College)			
	2022	2021	2020	2019
Contractually required contribution	\$ 680,602	\$ 616,753	\$ 560,304	\$ 540,785
Contributions in relation to the contractually required contribution	(680,602)	(616,753)	(560,304)	(540,785)
Contribution excess	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,936,717	\$ 4,555,711	\$ 4,599,053	\$ 3,896,979
Contributions as a percentage of covered payroll	13.79%	13.54%	12.18%	13.88%
	Component Unit (UCRRA)			
	2022	2021	2020	2019
Contractually required contribution	\$ 211,089	\$ 294,617	\$ 265,272	\$ 249,347
Contributions in relation to the contractually required contribution	(211,089)	(294,617)	(265,272)	(249,347)
Contribution excess	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,284,885	\$ 2,165,766	\$ 1,979,456	\$ 1,797,803
Contributions as a percentage of covered payroll	9.24%	13.60%	13.40%	13.87%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions."

See independent auditors' report.

2018	2017	2016	2015
\$ 12,304,270	\$ 12,534,454	\$ 12,866,091	\$ 13,733,997
(12,304,270)	(12,534,454)	(12,866,091)	(13,733,997)
\$ -	\$ -	\$ -	\$ -
\$ 77,521,865	\$ 74,489,680	\$ 73,079,553	\$ 72,531,205
15.87%	16.83%	17.61%	18.94%

2018	2017	2016	2015
\$ 587,186	\$ 600,941	\$ 695,269	\$ 765,058
(587,186)	(600,941)	(695,269)	(765,058)
\$ -	\$ -	\$ -	\$ -
\$ 4,018,654	\$ 4,055,915	\$ 3,926,685	\$ 4,029,055
14.61%	14.82%	17.71%	18.99%

2018	2017	2016	2015
\$ 245,094	\$ 238,269	\$ 242,378	\$ 288,993
(245,094)	(238,269)	(242,378)	(288,993)
\$ -	\$ -	\$ -	\$ -
\$ 1,690,027	\$ 1,631,674	\$ 1,548,826	\$ 1,609,956
14.50%	14.60%	15.65%	17.95%

County of Ulster, New York

Required Supplementary Information - Schedule of Contributions
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) (2)								
	2022 (4)	2021 (3)	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.011074%	0.011706%	0.011474%	0.012873%	0.013287%	0.012931%	0.012119%	0.011501%
Proportionate share of the net pension liability (asset)	\$ (1,918,960)	\$ 323,454	\$ (298,108)	\$ (232,778)	\$ (100,998)	\$ 138,493	\$ (1,258,757)	\$ (1,281,129)
Covered payroll	\$ 1,952,954	\$ 1,879,556	\$ 1,986,791	\$ 1,915,276	\$ 2,096,871	\$ 2,105,776	\$ 1,995,340	\$ 1,820,408
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	-98.26%	17.21%	-15.00%	-12.15%	-4.82%	6.58%	-63.08%	-70.38%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%
Discount Rate	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%
Schedule of Contributions								
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 191,389	\$ 179,121	\$ 176,030	\$ 203,402	\$ 205,493	\$ 246,797	\$ 264,582	\$ 319,118
Contributions in relation to the contractually required contribution	(191,389)	(179,121)	(176,030)	(203,402)	(205,493)	(246,797)	(264,582)	(319,118)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,952,954	\$ 1,879,556	\$ 1,986,791	\$ 1,915,276	\$ 2,096,871	\$ 2,105,776	\$ 1,995,340	\$ 1,820,408
Contributions as a percentage of covered payroll	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

Note - The amounts presented in this table are for the Ulster County Community College (component unit).

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(3) Increase in the College's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the College's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

County of Ulster, New York

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2022

	Special Grants	County Road	Road Machinery	Totals
ASSETS				
Cash and equivalents	\$ 332,359	\$ 4,014,083	\$ 539,509	\$ 4,885,951
Receivables				
Accounts	111,310	21,712	-	133,022
Due from other governments	-	27,440	-	27,440
	111,310	49,152	-	160,462
Total Assets	\$ 443,669	\$ 4,063,235	\$ 539,509	\$ 5,046,413
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 161,136	\$ 228,952	\$ 97,414	\$ 487,502
Fund balances				
Assigned	282,533	3,834,283	442,095	4,558,911
Total Liabilities and Fund Balances	\$ 443,669	\$ 4,063,235	\$ 539,509	\$ 5,046,413

See independent auditors' report.

County of Ulster, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year Ended December 31, 2022

	Special Grants	County Road	Road Machinery	Totals
REVENUES				
Real property taxes	\$ -	\$ 13,319,474	\$ 3,793,994	\$ 17,113,468
Intergovernmental charges	-	56,904	1,070	57,974
Use of money and property	2,437	18,966	3,692	25,095
Sale of property and compensation for loss	-	108,047	157,057	265,104
State aid	346,260	5,529,687	-	5,875,947
Federal aid	2,581,853	-	-	2,581,853
Miscellaneous	-	215,632	-	215,632
Total Revenues	<u>2,930,550</u>	<u>19,248,710</u>	<u>3,955,813</u>	<u>26,135,073</u>
EXPENDITURES				
Current				
Transportation	-	17,754,069	3,823,473	21,577,542
Economic opportunity and development	1,576,179	-	-	1,576,179
Home and community services	1,335,613	-	-	1,335,613
Debt service				
Principal	-	98,919	260,047	358,966
Interest	-	1,881	21,929	23,810
Total Expenditures	<u>2,911,792</u>	<u>17,854,869</u>	<u>4,105,449</u>	<u>24,872,110</u>
Excess (Deficiency) of Revenues Over Expenditures	18,758	1,393,841	(149,636)	1,262,963
FUND BALANCES				
Beginning of Year	<u>263,775</u>	<u>2,440,442</u>	<u>591,731</u>	<u>3,295,948</u>
End of Year	<u>\$ 282,533</u>	<u>\$ 3,834,283</u>	<u>\$ 442,095</u>	<u>\$ 4,558,911</u>

See independent auditors' report.

County of Ulster, New York

Special Grants
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Use of money and property	\$ 750	\$ 750	\$ 2,437	\$ 1,687
State aid	358,150	358,150	346,260	(11,890)
Federal aid	2,887,545	3,687,545	2,581,853	(1,105,692)
Total Revenues	3,246,445	4,046,445	2,930,550	(1,115,895)
EXPENDITURES				
Current				
Economic opportunity and development	2,046,445	2,046,445	1,576,179	470,266
Home and community services	1,200,000	2,000,000	1,335,613	664,387
Total Expenditures	3,246,445	4,046,445	2,911,792	1,134,653
Excess of Revenues Over Expenditures	-	-	18,758	18,758
FUND BALANCE				
Beginning of Year	-	-	263,775	263,775
End of Year	\$ -	\$ -	\$ 282,533	\$ 282,533

See independent auditors' report.

County of Ulster, New York

County Road Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 13,319,474	\$ 13,319,474	\$ 13,319,474	\$ -
Intergovernmental charges	160,000	160,000	56,904	(103,096)
Use of money and property	6,000	6,000	18,966	12,966
Sale of property and compensation for loss	30,000	30,000	108,047	78,047
State aid	3,686,418	6,608,982	5,529,687	(1,079,295)
Miscellaneous	15,000	15,000	215,632	200,632
Total Revenues	17,216,892	20,139,456	19,248,710	(890,746)
EXPENDITURES				
Current				
Transportation	17,203,477	20,096,726	17,754,069	2,342,657
Debt Service				
Principal	98,919	98,919	98,919	-
Interest	1,881	1,881	1,881	-
Total Expenditures	17,304,277	20,197,526	17,854,869	2,342,657
Excess (Deficiency) of Revenues Over Expenditures	(87,385)	(58,070)	1,393,841	1,451,911
FUND BALANCE				
Beginning of Year	87,385	58,070	2,440,442	2,382,372
End of Year	\$ -	\$ -	\$ 3,834,283	\$ 3,834,283

See independent auditors' report.

County of Ulster, New York

Road Machinery Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 3,793,994	\$ 3,793,994	\$ 3,793,994	\$ -
Intergovernmental charges	-	-	1,070	1,070
Use of money and property	5,000	5,000	3,692	(1,308)
Sale of property and compensation for loss	28,500	28,500	157,057	128,557
Total Revenues	3,827,494	3,827,494	3,955,813	128,319
EXPENDITURES				
Current				
Transportation	3,753,297	4,221,458	3,823,473	397,985
Debt Service				
Principal	260,047	260,047	260,047	-
Interest	21,929	21,929	21,929	-
Total Expenditures	4,035,273	4,503,434	4,105,449	397,985
Deficiency of Revenues Over Expenditures	(207,779)	(675,940)	(149,636)	526,304
FUND BALANCE				
Beginning of Year	207,779	675,940	591,731	(84,209)
End of Year	\$ -	\$ -	\$ 442,095	\$ 442,095

See independent auditors' report.

County of Ulster, New York

Internal Service Funds
Combining Statement of Net Position
December 31, 2022

	Workers' Compensation Pool	Self- Insurance	Totals
ASSETS			
Current assets			
Cash and equivalents	\$ 38,849,153	\$ 8,654,513	\$ 47,503,666
Accounts receivable	-	127,105	127,105
Total Current Assets	38,849,153	8,781,618	47,630,771
Noncurrent assets			
Deposits with third party administrator	1,200,000	-	1,200,000
Total Assets	40,049,153	8,781,618	48,830,771
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	709,673	127,105	836,778
Claims payable	25,776,611	154,910	25,931,521
Total Current Liabilities	26,486,284	282,015	26,768,299
Noncurrent liabilities			
Unearned revenue	1,101,713	-	1,101,713
Claims payable, less current portion	9,266,389	1,394,181	10,660,570
Total Noncurrent Liabilities	10,368,102	1,394,181	11,762,283
Total Liabilities	36,854,386	1,676,196	38,530,582
NET POSITION			
Unrestricted	\$ 3,194,767	\$ 7,105,422	\$ 10,300,189

See independent auditors' report.

County of Ulster, New York

Internal Service Funds
Combining Statement of Revenues, Expenses and
Changes in Net Position
Year Ended December 31, 2022

	Workers' Compensation Benefits	Self- Insurance	Totals
OPERATING REVENUES			
Charges for services - Internal	\$ 2,909,564	\$ 28,621,141	\$ 31,530,705
Charges for services - External	6,121,626	-	6,121,626
Miscellaneous	184,974	-	184,974
Total Operating Revenues	9,216,164	28,621,141	37,837,305
OPERATING EXPENSES			
Administrative services	2,301,931	26,672,790	28,974,721
Claimants	4,114,893	1,549,091	5,663,984
Total Operating Expenses	6,416,824	28,221,881	34,638,705
Income from Operations	2,799,340	399,260	3,198,600
NON-OPERATING REVENUES			
Interest income	395,427	-	395,427
Change in Net Position	3,194,767	399,260	3,594,027
NET POSITION			
Beginning of Year, as Reported	-	-	-
Prior Period Adjustment	-	6,706,162	6,706,162
Beginning of Year, as Restated	-	6,706,162	6,706,162
End of Year	\$ 3,194,767	\$ 7,105,422	\$ 10,300,189

See independent auditors' report.

County of Ulster, New York

Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2022

	Workers' Compensation Benefits	Self- Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from charges for services	\$ 9,278,146	\$ 28,494,036	\$ 37,772,182
Cash payments for claims and related services	(8,473,802)	(28,177,202)	(36,651,004)
Net Cash from Operating Activities	804,344	316,834	1,121,178
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	395,427	-	395,427
Net Change in Cash and Equivalents	1,199,771	316,834	1,516,605
CASH AND EQUIVALENTS			
Beginning of Year, as restated	37,649,382	8,337,679	45,987,061
End of Year	<u>\$ 38,849,153</u>	<u>\$ 8,654,513</u>	<u>\$ 47,503,666</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES			
Income from operations	\$ 2,799,340	\$ 399,260	\$ 3,198,600
Adjustments to reconcile income from operations to net cash from operating activities			
Changes in assets and liabilities			
Accounts receivable	61,982	(127,105)	(65,123)
Accounts payable and accrued liabilities	(425,978)	127,105	(298,873)
Claims payable	(1,631,000)	(82,426)	(1,713,426)
Net Cash from Operating Activities	<u>\$ 804,344</u>	<u>\$ 316,834</u>	<u>\$ 1,121,178</u>

See independent auditors' report.

COUNTY OF ULSTER, NEW YORK
Net Position by Component
Last Ten Fiscal Years

	2013	2014	2015	2016*	2017**	2018	2019	2020	2021	2022
Governmental Activities:										
Net investment in capital assets	\$ 67,892,165	\$ 82,086,962	\$ 53,684,436	\$ 41,545,997	\$ 48,855,391	\$ 57,245,671	\$ 61,694,964	\$ 46,508,507	\$ 54,220,768	\$ 107,411,784
Restricted	6,978,332	6,397,859	11,163,006	11,870,195	11,004,588	9,955,686	14,439,836	8,634,441	11,159,109	15,804,130
Unrestricted	(64,672,740)	(94,196,105)	(75,226,163)	(66,678,251)	(121,674,287)	(122,522,786)	(132,222,943)	(132,840,393)	(134,966,672)	(120,714,179)
Total governmental activities net position	\$ 10,197,757	\$ (5,711,284)	\$ (10,378,721)	\$ (13,262,059)	\$ (61,814,308)	\$ (55,321,429)	\$ (56,088,143)	\$ (77,697,445)	\$ (69,586,795)	\$ 2,501,735
Business-type Activities:										
Restricted	\$ -	\$ -	\$ -	\$ 198,969	\$ 199,656	\$ 198,915	\$ 199,015	\$ 199,127	\$ 199,127	\$ 199,570
Unrestricted	-	-	-	1,447,634	2,292,751	2,184,928	2,126,860	2,042,881	1,966,003	(33,703,972)
Total business-type activities net position	\$ -	\$ -	\$ -	\$ 1,646,603	\$ 2,492,407	\$ 2,383,843	\$ 2,325,875	\$ 2,242,008	\$ 2,165,130	\$ (33,504,402)
Total Primary Government:										
Net investment in capital assets	\$ 67,892,165	\$ 82,086,962	\$ 53,684,436	\$ 41,545,997	\$ 48,855,391	\$ 57,245,671	\$ 61,694,964	\$ 46,508,507	\$ 54,220,768	\$ 107,411,784
Restricted	6,978,332	6,397,859	11,163,006	12,069,164	11,204,244	10,154,601	14,638,851	8,833,568	11,358,236	16,003,700
Unrestricted	(64,672,740)	(94,196,105)	(75,226,163)	(65,230,617)	(119,381,536)	(120,337,858)	(130,096,083)	(130,797,512)	(133,000,669)	(154,418,151)
Total primary government net position	\$ 10,197,757	\$ (5,711,284)	\$ (10,378,721)	\$ (11,615,456)	\$ (59,321,901)	\$ (52,937,586)	\$ (53,762,268)	\$ (75,455,437)	\$ (67,421,665)	\$ (31,002,667)

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.

COUNTY OF ULSTER, NEW YORK

Changes in Net Position
Last Eight Fiscal Years

	2015	2016	2017*	2018	2019	2020	2021	2022
Expenses								
Governmental activities:								
General government	\$ 58,892,138	\$ 66,427,340	\$ 65,270,653	\$ 64,380,838	\$ 66,849,198	\$ 83,850,450	\$ 92,792,881	\$ 101,792,564
Education	9,823,272	10,082,920	11,376,376	10,774,993	10,960,983	22,973,213	9,708,425	9,839,732
Public safety	49,239,187	52,982,354	53,384,200	49,661,770	52,573,630	56,977,993	62,808,834	76,917,534
Public health	18,967,235	19,705,379	19,555,576	18,773,270	18,916,390	19,631,532	22,078,358	23,788,149
Transportation	28,915,480	28,852,350	29,398,429	26,465,766	29,633,901	29,108,928	31,775,650	37,003,808
Economic assistance	124,925,171	130,053,823	126,979,436	124,214,173	128,946,802	115,185,382	113,669,841	130,342,869
Culture and recreation	1,271,955	1,362,615	1,324,144	2,973,672	1,538,563	3,526,663	1,413,743	1,510,648
Home and community	3,096,083	3,474,579	4,013,375	2,976,740	3,073,357	4,386,062	3,032,103	6,110,195
Interest on long-term debt	6,236,915	6,635,851	4,872,295	4,720,161	5,410,595	5,161,718	2,588,967	4,147,840
Total governmental activities expenses	301,367,436	319,577,211	316,174,484	304,941,383	317,903,419	340,801,941	339,868,802	391,453,339
Business-type activities:								
Workers' Compensation Pool	9,603,353	10,058,153	10,007,661	10,219,727	8,979,899	8,665,636	10,572,708	-
Blended Component Units (UCEDA, UCCRC, GHLDC)	-	-	309,057	495,078	289,391	402,614	337,574	4,136,012
Total business-type activities expenses	9,603,353	10,058,153	10,316,718	10,714,805	9,269,290	9,068,250	10,910,282	4,136,012
Total primary government expenses	310,970,789	329,635,364	326,491,202	315,656,188	327,172,709	349,870,191	350,779,084	395,589,351
Program Revenues								
Governmental activities:								
Charges for services:								
General government	6,034,364	7,969,859	6,390,684	6,451,107	6,651,151	7,865,532	7,170,047	16,517,475
Education	180,326	217,740	70,898	81,518	81,595	81,273	68,384	61,360
Public safety	2,440,549	1,751,699	1,783,591	2,707,737	1,669,701	1,607,095	1,869,726	14,410,463
Public health	481,024	476,736	509,169	572,909	550,120	921,240	1,155,283	3,051,395
Transportation	820,054	750,115	834,542	1,032,547	1,022,653	942,312	903,752	5,255,927
Economic assistance	4,694,142	5,873,659	6,357,893	5,274,861	5,139,346	5,194,598	4,845,151	11,629,282
Culture and recreation	118,588	170,686	628,620	190,153	197,002	221,075	319,372	623,287
Home and community	169,734	137,571	201,960	137,457	195,668	227,870	87,269	678,946
Interest on long-term debt	-	-	-	-	-	-	-	301,905
Operating grants and contributions	76,303,293	84,679,415	77,044,272	78,071,951	76,183,157	83,350,397	86,342,870	93,552,020
Capital grants and contributions	9,640,072	13,118,913	9,777,416	14,453,570	15,813,682	8,710,620	5,682,704	9,620,339
Total governmental activities program revenues	100,882,146	115,146,393	103,599,045	108,973,810	107,504,075	109,122,012	108,444,558	155,702,399
Business-type activities:								
Charges for services:								
Workers' Compensation Pool	8,917,057	9,306,239	9,344,917	9,621,224	8,070,573	8,129,590	6,574,266	-
Blended Component Units (UCEDA, UCCRC, GHLDC)	-	-	1,151,782	380,147	224,079	313,809	259,346	1,094,835
Operating grants and contributions	646,916	707,260	567,380	335,960	567,532	352,619	3,952,935	947,457
Total business-type activities program revenues	9,563,973	10,013,499	11,064,079	10,337,331	8,862,184	8,796,018	10,786,547	2,042,292
Total primary government program revenues	110,446,119	125,159,892	114,663,124	119,311,141	116,366,259	117,918,030	119,231,105	157,744,691
Net revenues (expenses)								
Governmental activities	(200,485,290)	(204,430,818)	(212,575,439)	(195,967,573)	(210,399,344)	(231,679,929)	(231,424,244)	(235,750,940)
Business-type activities	(39,380)	(44,654)	747,361	(377,474)	(407,106)	(272,232)	(123,735)	(2,093,720)
Total net revenues (expenses)	(200,524,670)	(204,475,472)	(211,828,078)	(196,345,047)	(210,806,450)	(231,952,161)	(231,547,979)	(237,844,660)
General revenues and other changes in net position								
Governmental activities:								
Real property taxes and tax items	79,898,277	83,532,726	81,509,742	74,232,712	74,803,408	75,557,055	77,707,423	75,978,573
Other tax items	-	-	-	-	-	-	-	8,198,511
Sales tax	107,996,028	112,184,274	115,339,913	120,322,069	127,215,937	127,306,183	154,916,412	165,528,731
Other nonproperty tax items	3,220,565	3,319,055	3,489,031	3,669,232	3,999,647	3,630,883	5,423,891	5,737,733
Use of money and property	272,410	324,541	372,598	1,189,899	1,721,597	845,644	917,342	3,511,799
Tobacco settlement proceeds	4,113,420	2,329,361	1,970,014	2,157,027	1,872,941	2,730,862	2,763,142	-
Premium on sale of obligations	317,153	490,683	378,192	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	414,140
Miscellaneous	-	-	-	-	-	-	-	4,383,338
Gain (loss) on dispositions of assets	-	-	(380,992)	-	-	-	-	-
Transfers	-	-	-	889,513	19,100	-	-	(633,591)
Exchange fee	-	53,955	-	-	-	-	-	-
Liquidity reserve termination payment	-	950,000	-	-	-	-	-	-
Total governmental activities general revenues	195,817,853	203,184,595	202,678,498	202,460,452	209,632,630	210,070,627	241,728,210	263,119,234
Business-type activities:								
Interest and earnings	14,041	18,100	77,436	236,710	349,138	188,365	46,857	40,724
Tobacco settlement proceeds	-	-	-	-	-	-	-	2,658,593
Sale of property	-	-	-	889,513	19,100	-	-	-
Transfers	-	-	-	(889,513)	(19,100)	-	-	633,591
County contribution	25,339	26,554	21,007	32,200	-	-	-	-
Residual equity transfer	-	-	-	-	-	-	-	-
Total business-type activities general revenues	39,380	44,654	98,443	268,910	349,138	188,365	46,857	3,332,908
Total primary government general revenues	195,857,233	203,229,249	202,776,941	202,729,362	209,981,768	210,258,992	241,775,067	266,452,142
Change in Net Position								
Governmental activities	(4,667,437)	(1,246,223)	(9,896,941)	6,492,879	(766,714)	(21,609,302)	10,303,966	27,368,294
Business-type activities	-	-	845,804	(108,564)	(57,968)	(83,867)	(76,878)	1,239,188
Total primary government change in net position	\$ (4,667,437)	\$ (1,246,223)	\$ (9,051,137)	\$ 6,384,315	\$ (824,682)	\$ (21,693,169)	\$ 10,227,088	\$ 28,607,482

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

See independent auditors' report.

Table 3

COUNTY OF ULSTER, NEW YORK
Fund Balances of Governmental Funds
Last Five Fiscal Years

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund					
Nonspendable	\$ 5,910,604	\$ 6,051,109	\$ 5,960,979	\$ 6,323,500	\$ 9,417,660
Restricted	7,558,995	7,638,388	6,274,068	6,380,660	10,220,509
Assigned	10,066,374	12,819,744	10,291,186	9,984,524	9,654,298
Unassigned	<u>34,454,035</u>	<u>24,053,917</u>	<u>39,168,114</u>	<u>84,835,763</u>	<u>111,287,641</u>
Total General Fund	<u>\$ 57,990,008</u>	<u>\$ 50,563,158</u>	<u>\$ 61,694,347</u>	<u>\$ 107,524,447</u>	<u>\$ 140,580,108</u>
All Other Governmental Funds					
Nonspendable	\$ 114,696	\$ 2,443,581	\$ 1,905,997	\$ 2,455,779	\$ -
Restricted	6,864,652	6,801,448	5,448,518	4,778,449	2,712,900
Assigned	6,525,365	6,809,301	8,592,676	3,295,948	4,558,911
Unassigned	<u>(28,809,107)</u>	<u>(20,129,118)</u>	<u>(19,038,056)</u>	<u>(33,146,158)</u>	<u>(30,661,002)</u>
Total all Other Governmental Funds	<u>\$ (15,304,394)</u>	<u>\$ (4,074,788)</u>	<u>\$ (3,090,865)</u>	<u>\$ (22,615,982)</u>	<u>\$ (23,389,191)</u>
Total Fund Balances	<u>\$ 42,685,614</u>	<u>\$ 46,488,370</u>	<u>\$ 58,603,482</u>	<u>\$ 84,908,465</u>	<u>\$ 117,190,917</u>

Note: The County has opted to present only five years of data for this supplementary schedule.

Source: Ulster County Annual Financial Reports

Table 4

COUNTY OF ULSTER, NEW YORK
Changes in Fund Balances of Governmental Funds
Last Eight Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:								
Real property taxes	\$ 76,834,769	\$ 75,151,112	\$ 74,977,057	\$ 75,082,199	\$ 72,067,714	\$ 72,026,254	\$ 77,224,271	\$ 77,902,298
Real property tax items	5,877,276	6,048,264	5,282,724	5,624,634	5,078,862	4,957,180	5,585,357	8,198,511
Non-property taxes	111,216,593	115,503,329	118,828,944	123,991,301	131,215,584	130,937,066	160,340,303	171,266,464
State aid	44,183,793	57,016,650	46,228,956	53,772,166	53,028,515	55,520,902	57,627,936	61,245,307
Federal aid	41,717,649	40,776,057	40,395,780	37,286,906	34,412,179	36,405,304	32,214,743	41,273,430
Departmental income	9,347,446	10,386,132	10,038,653	9,688,696	9,240,832	10,030,575	10,049,583	8,598,736
Intergovernmental revenue	2,666,666	1,944,375	2,003,130	3,926,621	6,325,756	2,269,312	3,323,806	1,063,908
Use of money and property	853,208	1,063,901	1,073,943	1,542,283	1,793,343	1,260,410	917,343	3,116,372
Licenses and permits	122,283	460,267	464,984	463,119	470,167	504,052	550,267	514,223
Fines and forfeitures	502,427	471,617	418,646	469,645	403,147	337,007	284,787	456,784
Sale of property and compensation for loss	1,148,569	2,934,634	2,142,670	2,083,384	2,093,219	2,964,525	1,802,718	6,744,326
Tobacco settlement proceeds	2,267,912	4,580,857	2,005,770	2,172,027	2,057,941	2,360,862	2,553,142	-
Miscellaneous local sources	612,515	711,401	1,514,070	762,745	1,402,733	811,144	969,642	3,068,116
Interfund revenues	7,271,741	5,936,246	1,525,191	1,471,659	1,825,075	1,560,824	1,621,075	1,827,021
Total revenues	304,622,847	322,984,842	306,900,518	318,337,385	321,415,067	321,945,417	355,064,973	385,275,496
Expenditures:								
Current:								
General government	57,867,723	59,771,958	60,713,941	62,737,612	64,621,124	65,563,573	70,678,708	79,461,718
Education	9,485,726	9,556,194	9,942,883	10,116,863	10,194,615	10,136,550	9,708,425	9,839,732
Public safety	41,663,640	42,525,224	42,769,080	44,280,976	46,782,728	46,893,209	50,360,658	51,761,129
Public health	17,714,972	17,841,740	17,836,415	18,151,961	18,388,896	18,232,031	19,749,320	20,129,822
Transportation	28,912,405	29,039,645	25,020,587	23,610,117	24,460,097	22,271,527	26,724,387	27,999,476
Economic assistance	121,141,435	121,335,216	118,542,971	121,840,980	126,979,552	110,394,054	105,521,577	117,039,132
Culture and recreation	873,728	973,225	971,737	1,105,000	1,040,629	918,594	1,066,230	1,211,376
Home and community	2,910,671	3,155,312	3,671,222	2,910,415	2,936,612	4,052,593	2,993,792	4,337,763
Employee benefits	8,905,861	9,647,270	9,512,926	7,831,406	7,617,517	7,648,771	6,720,839	5,693,490
Debt service:								
Principal	6,491,300	8,758,290	8,398,750	7,686,552	13,984,000	11,578,235	39,968,654	10,969,398
Interest and fiscal charges	4,953,537	5,349,984	5,239,916	5,077,335	5,807,397	5,569,372	5,517,592	3,279,966
Capital outlay	20,425,980	20,343,360	17,862,861	33,123,575	23,700,979	17,164,882	23,148,969	27,000,923
Total expenditures	321,346,978	328,297,418	320,483,289	338,472,792	346,514,146	320,423,391	362,159,151	358,723,925
Excess (deficiency) of revenues over expenditures	(16,724,131)	(5,312,576)	(13,582,771)	(20,135,407)	(25,099,079)	1,522,026	(7,094,178)	26,551,571
Other financing sources (uses):								
Transfers in	311,300	1,178,000	2,110,045	4,405,359	1,002,656	1,047,068	536,400	11,278,648
Transfers out	(311,300)	(1,178,000)	(2,110,045)	(3,515,846)	(983,556)	(1,047,068)	(536,400)	(11,912,239)
Payments to refunded bond escrow agent	(6,260,627)	(32,384,291)	-	-	-	-	-	-
Issuance of obligations	11,053,290	43,813,750	7,861,552	6,994,000	28,253,235	10,323,654	29,495,080	11,881,000
Premium on obligations	868,120	1,495,444	-	-	629,500	269,432	3,904,081	180,584
Leases issued	-	-	-	-	-	-	-	2,616,302
Exchange fee	-	53,955	-	-	-	-	-	-
Liquidity reserve termination payment	-	950,000	-	-	-	-	-	-
Total other financing sources (uses)	5,660,783	13,928,858	7,861,552	7,883,513	28,901,835	10,593,086	33,399,161	14,044,295
Net change in fund balance	\$ (11,063,348)	\$ 8,616,282	\$ (5,721,219)	\$ (12,251,894)	\$ 3,802,756	\$ 12,115,112	\$ 26,304,983	\$ 40,595,866
Debt Service as a percentage of noncapital expenditures								
	3.80%	4.58%	4.51%	4.18%	6.13%	5.65%	13.42%	4.30%

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
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
2020	65,563,573	10,136,550	46,893,209	18,232,031	22,271,527	110,394,054	918,594
2021	70,678,708	9,708,425	50,360,658	19,749,320	26,724,387	105,521,577	1,066,230
2022	79,461,718	9,839,732	51,761,129	20,129,822	27,999,476	117,039,132	1,211,376

(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
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
2020	72,026,254	4,957,180	130,937,066	55,520,902	36,405,304	10,030,575	2,269,312
2021	77,224,271	5,585,357	160,340,303	57,627,936	32,214,744	10,049,583	3,323,806
2022	77,902,298	8,198,511	171,266,464	61,245,307	41,273,430	8,598,736	1,063,908

(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
\$	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
	4,052,593	7,648,771	17,147,607	17,164,882	320,423,391
	2,993,792	6,720,839	45,486,246	23,148,969	362,159,151
	4,337,763	5,693,490	14,249,364	27,000,923	358,723,925

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
\$	1,985,925	\$ 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
	1,260,410	504,052	337,007	2,964,525	2,360,862	811,144	1,560,824	321,945,417
	917,342	550,267	284,787	1,802,718	2,553,142	969,642	1,621,075	355,064,973
	3,116,372	514,223	456,784	6,744,326	-	3,068,116	1,827,021	385,275,496

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)
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%
2020	212,532,053	-	105,201	212,637,254	205,360,839	7,171,214	96.63%
2021	213,657,230	-	97,212	213,754,442	207,854,545	5,802,685	97.28%
2022	216,893,471	-	129,546	217,023,017	211,697,363	5,196,108	97.60%
Note: Taxes on Roll includes relieved school taxes.							100
Source: (1) Ulster County Annual Update Document Supplemental Section							2.78
(2) Ulster County Real Property Tax Service Agency Tax Warrant Calculation							97.22

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
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%
2020	17,067,767,240	19,476,128,883	87.63%
2021	17,306,065,458	20,690,583,865	83.64%
2022	17,746,780,079	22,005,855,207	80.65%

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
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
2020	6.58	8.51	32.74	47.83
2021	6.41	8.59	32.47	47.47
2022	6.23	8.71	32.02	46.96

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, 2022

Taxpayer	Type of Business	Equalized Taxable Value	Percentage of Total Equalized Taxable Value
City of New York	Water Supply Facilities	\$ 1,300,389,477	5.9%
Central Hudson Gas & Electric	Public Utility	500,564,341	2.3%
New York State	State Properties	384,273,362	1.7%
Hudson Valley 2019, LLC	Retail	60,972,846	0.3%
Verizon	Public Utility	36,715,406	0.2%
Tech City	Business Park	35,737,877	0.2%
Smiley Brothers, Inc.	Hotel Resort Complex	33,505,826	0.2%
CSX Transportation, Inc.	Railroad	28,592,341	0.1%
Kingston Village	Apartment Complex	22,185,185	0.1%
Kingston Mall, LLC	Shopping Mall	22,127,869	0.1%
		<u>\$ 2,425,064,530</u>	<u>11.0%</u>

Equalized 2022 Full Valuation = \$ 22,005,855,207

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
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
2020	181,851	19,476,128,883	115,999,054	0.5956%	637.88
2021	181,851	20,690,583,865	123,504,005	0.5969%	679.15
2022	181,851	22,005,855,207	120,146,300	0.5460%	660.69

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, 2022

Year	Equalized Value of Real Property
2018	18,187,934,573
2019	18,686,763,166
2020	19,476,128,883
2021	20,690,583,865
2022	22,005,855,207
Total	<u><u>\$ 99,047,265,694</u></u>

Average equalized value of taxable real property \$ 19,809,453,139

Debt Limit - 7% thereof \$ 1,386,661,720

Net Bonded Debt \$ 120,146,300

Percentage of debt - contracting power exhausted 8.66%

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, 2022

Jurisdiction	Outstanding Indebtedness	Exclusions (1)	Net Indebtedness
Direct:			
County of Ulster	\$ 153,505,095	\$ 33,358,795	\$ 120,146,300
Overlapping:			
Towns	58,097,488	26,748,147	31,349,341
Villages	10,293,891	8,793,891	1,500,000
City	55,679,828	24,717,142	30,962,686
School Districts	296,329,928	209,891,906	86,438,022
Fire Districts	8,344,370	77,335	8,267,035
Total Overlapping	428,745,505	270,228,421	158,517,084
Total	\$ 582,250,600	\$ 303,587,216	\$ 278,663,384

(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 11/15/23)
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
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%
2020	17,147,607	320,423,391	5.35%
2021	45,486,246	362,159,151	12.56%
2022	14,249,364	358,723,925	3.97%

*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)
2013	182,493	\$ 39,623	24,332	7.3%
2014	182,493	40,113	23,878	5.7%
2015	182,493	41,554	23,372	4.8%
2016	182,493	43,154	22,871	4.5%
2017	182,493	44,987	22,577	4.5%
2018	182,493	50,378	22,363	3.9%
2019	182,493	52,554	22,129	3.6%
2020	181,581	56,071	21,948	7.7%
2021	181,851	60,557	20,869	4.7%
2022	181,851	N/A	21,001	3.2%

Source:

- (1) US Census Bureau - 2020 Decennial US Census
- (2) U.S. Bureau of Economic Analysis, "CAINC4 Personal income and employment by major component" (accessed Monday, September 25, 2023).
- (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)
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
2020	17,067,767,240	243,237,508	17,311,004,748	265	263,136	69,731,000
2021	17,306,065,458	239,468,844	17,545,534,302	342	287,307	98,259,000
2022	17,746,780,079	232,497,037	17,979,277,116	446	277,942	123,962,000

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, 2022

Date Founded	November 1, 1683
Form of Government	Charter
Area in Square Miles	1,161
Miles of County Roads	425
Taxable Parcels of Property	85,266

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

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Honorable Legislature
of the County of Ulster, New York**

We have audited, in accordance with the 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 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 ("County") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 25, 2024. Our report includes a reference to other auditors who audited the financial statements of the blended component unit, Ulster County Economic Development Alliance, and the following discretely presented component units: Ulster County Community College, Ulster County Resource Recovery Agency and Ulster County Soil and Water Conservation District. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Ulster County Soil and Water Conservation District was not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Ulster County Soil and Water Conservation District or that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
January 25, 2024



**Report on Compliance for Each Major Federal Program and Report on
Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditors' Report

**The Honorable Legislature
of the County of Ulster, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Ulster, New York's ("County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Emphasis of Matter

As discussed in Note 2, the County's basic financial statements include the operations of the Ulster County Economic Development Alliance, Inc. ("UCEDA") as part of the blended component units, which expended \$947,057 in federal awards which is not included in the Schedule of Expenditures of Federal Awards for the year ended December 31, 2022. Our audit described below, did not include the operations of this fund because their compliance audit is being issued under a separate cover by UCEDA. Our opinion is not modified with respect to this matter.

PKF O'CONNOR DAVIES, LLP
500 Mamaroneck Avenue, Harrison, NY 10528 I Tel: 914.381.8900 I Fax: 914.381.8910 I www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

January 25, 2024

County of Ulster, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub- Recipients	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>				
Indirect Program - Passed through New York State Department of Health -				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	DOH01-C30447GG-345000 DOH01-C30567GG-345000	\$ -	\$ 608,307
Indirect Program - Passed through New York State Office of Temporary and Disability Assistance -				
<i>SNAP Cluster</i> State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	-	1,703,015
Total U.S. Department of Agriculture			-	2,311,322
<u>U.S. Department of Housing and Urban Development</u>				
Indirect Program - Passed through New York State Community Planning and Development -				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDBG #1160HO3116-19	-	120,100
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDBG #1160HO3115-20	-	233,456
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDBG #1160CVSB7-21	-	982,057
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDBG #1160SB966-21	-	71,669
Total U.S. Department of Housing and Urban Development			-	1,407,282
<u>U.S. Department of Justice</u>				
Indirect Program - Passed through New York State Office for the Prevention of Domestic Violence -				
Sexual Assault Services Formula Program	16.017	2022-00000511	-	4,689
Indirect Program - Passed through New York State Crime Victims Board -				
Crime Victim Assistance	16.575	C-11095GG C-10835GG-1080200	-	955,300
Indirect Program - Passed through New York State Division of Criminal Justice Services -				
Edward Byrne Memorial Justice Assistance Grant	16.838	N/A	-	253,121
Equitable Sharing Program	16.922	N/A	-	224,142
Total U.S. Department of Justice			-	1,437,252
<u>U.S. Department of Labor</u>				
Indirect Programs - Passed through New York State Department of Labor:				
Trade Adjustment Assistance	17.245	N/A	-	9,327
<i>WIOA/WIA Cluster:</i>				
WIA Adult Program	17.258	N/A	-	415,808
WIA Youth Activities	17.259	N/A	-	402,706
WIA Dislocated Workers Formula Grants	17.278	N/A	-	330,936
Subtotal WIA Cluster			-	1,149,450
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	N/A	-	24,999
Total U.S. Department of Labor			-	1,183,776

(Continued)

County of Ulster, New York

Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub- Recipients	Total Federal Expenditures
<u>U.S. Department of Transportation</u>				
Indirect Programs - Passed through New York State Department of Transportation:				
<i>Highway Planning and Construction Cluster:</i>				
Highway Planning and Construction	20.205	D035898	\$ -	\$ 594,251
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	C033465	-	401,683
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	NY-2018-073/NY-2019-038 NY-2017-015 NY-2019-034/NY-2018-009	-	123,452
Indirect Programs - Passed Through New York State Governor's Traffic Safety Committee -				
<i>Highway Safety Cluster:</i>				
National Priority Safety Programs	20.616	CPS 2021-00197-056	-	590
National Priority Safety Programs	20.616	C002567/HIS-2022-NYS STOP-DWI	-	3,825
National Priority Safety Programs	20.616	C002644/HIS-2023-NYS STOP-DWI	-	5,293
Total U.S. Department of Transportation			-	1,129,094
<u>U.S. Department of Treasury</u>				
Direct Program - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	4,610,903
<u>U.S. Election Assistance Commission</u>				
Direct Program - Help America Vote Act	90.401	N/A	-	47,883
<u>U.S. Department of Health and Human Services</u>				
Indirect Programs - Passed through New York State Office for the Aging:				
<i>Aging Cluster:</i>				
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	N/A	-	147,278
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	N/A	-	867,283
Nutrition Services Incentive Program	93.053	N/A	-	8,989
Subtotal Aging Cluster			-	1,023,550
Special Programs for the Aging - Title III, Part D Disease Prevention and Health Promotion Services	93.043	N/A	-	17,510
National Family Caregiver Support, Title III, Part E	93.052	N/A	-	117,080
<i>Medicaid Cluster:</i>				
Medical Assistance Program	93.778	N/A	-	3,016,957
Centers for Medicare and Medicaid Services - Research, Demonstrations and Evaluations	93.779	N/A	-	37,314

(Continued)

County of Ulster, New York

Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub- Recipients	Total Federal Expenditures
<u>U.S. Department of Health and Human Services (Continued)</u>				
Indirect Programs - Passed through New York State Office of Temporary and Disability Assistance:				
<i>477 Cluster</i>				
Temporary Assistance for Needy Families	93.558	N/A	\$ -	\$ 10,933,012
<i>Child Care and Development Fund Cluster</i>				
Child Care and Development Block Grant	93.575	N/A	-	34,947
Child Support Enforcement	93.563	N/A	-	1,502,395
Low-Income Home Energy Assistance	93.568	N/A	-	566,266
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	-	172,924
Elder Abuse Prevention Interventions Program	93.747	N/A	-	34,970
Indirect Programs - Passed through New York State Department of Health:				
Public Health Emergency Preparedness	93.069	1627-13/1627-14/15	-	81,591
Medicare Enrollment Assistance Program	93.071	N/A	-	14,666
Injury Prevention and Control Research and State and Community Based Programs	93.136	6170-02/6170-03	-	64,966
Immunization Cooperative Agreements	93.268	DOH01-C32551GG-345000	-	36,214
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	N/A	-	1,408,417
Maternal and Child Health Services Block Grant to the States	93.994	DOH01-C35750GG-3450000	-	290,529
Indirect Programs - Passed through National Association of County and City Health Officials:				
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	CDC 5NU380T000306-033-00	-	380,182
Indirect Programs - Passed through Administration for Children and Families:				
Family Violence Prevention and Services/Sexual Assault/Rape Crisis Services and Supports	93.497	N/A	-	96,446
Indirect Programs - Passed through New York State Office of Children and Family Services:				
Foster Care Title IV-E	93.658	N/A	-	3,657,913
Adoption Assistance	93.659	N/A	-	1,126,283
Social Services Block Grant	93.667	N/A	-	1,728,603
Independent Living Services	93.674	N/A	-	45,199
Indirect Programs - Passed through New York State Office of Mental Health:				
<i>Medicaid Cluster</i>				
Medical Assistance Program	93.778	N/A	-	70,412
Total U.S. Department of Health and Human Services			-	26,458,346
<u>U.S. Social Security Administration</u>				
Direct Program -				
Social Security - Work Incentives Planning and Assistance Program	96.008	N/A	-	4,739

(Continued)

County of Ulster, New York

Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub- Recipients	Total Federal Expenditures
<u>U.S. Department of Homeland Security</u>				
Indirect Programs - Passed through New York State Office of Homeland Security and Emergency Services:				
Emergency Management Performance Grants	97.042	C835395 EM19-1019-D00	\$ -	\$ 953,204
Port Security Grant Program	97.056	EMW-2019-PU-00158-S01	-	24,314
Homeland Security Grant Program	97.067	C974180 SH17-1038D00 C974100 SH20-1023-D00	-	259,266
Total U.S. Department of Homeland Security			-	1,236,784
Total Expenditures of Federal Awards			\$ -	\$ 39,827,381

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

County of Ulster, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes the federal award activity of the County of Ulster, New York ("County") under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

The financial statements include \$947,057 of federal award activity that is attributable to the Ulster County Economic Development Alliance, Inc. (a blended component unit of the County of Ulster, New York). The audit of compliance in accordance with the Uniform Guidance will be issued separately by UCEDA.

Note 3 - Indirect Cost Rate

The County has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

County of Ulster, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I - Summary of Auditors' Results Financial Statements

Type of report the auditors issued on whether
the financial statements audited were
prepared in accordance with GAAP

Unmodified

Internal control over financial reporting

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

☒ Yes ☐ No
☐ Yes ☒ None reported

Noncompliance material to financial statements
noted?

☐ Yes ☒ No

Federal Awards

Internal control over major federal programs

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

☐ Yes ☒ No
☐ Yes ☒ None reported

Type of auditors' report issued on compliance
for major federal programs

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major federal programs

Assistance

Listing Number(s)

Name of Federal Program or Cluster

10.561

SNAP Cluster:
Supplemental Nutrition Assistance Program

14.228

Community Development Block Grants/State's Program and
Non-Entitlement Grants in Hawaii

21.027

Coronavirus State and Local Fiscal Recovery Funds

93.558

Temporary Assistance for Needy Families

Dollar threshold used to distinguish
between Type A and Type B programs
Auditee qualified as low-risk auditee?

\$ 1,194,821
☒ Yes ☐ No

County of Ulster, New York

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

Section II - Financial Statement Findings

2022-001: Reconciliation of Reimbursable Expenditures (*Material Weakness*)

Criteria: The County must have appropriate internal control over financial reporting to ensure that the amounts reported are reliable and that management and employees, in the normal course of performing their assigned duties, can prevent, or detect and correct, misstatements on a timely basis.

Condition: Our audit revealed that there was no reconciliation performed between the drawdowns or reimbursement requests for the County's Department of Social Services.

Cause: The County does not have formalized year-end procedures in place to reconcile the reimbursable expenditures incurred to the amount of reimbursements received.

Effect or Potential Effect: A prior period adjustment was made after the reconciliation was completed to reflect the appropriate balance due from the State.

Recommendation: The County should institute processes and procedures to ensure that all accounts are reconciled regularly throughout the year, especially those accounts that record reimbursable expenditures.

Management's Response: See corrective action plan.

Section III - Federal Award Findings and Questioned Costs

None