

**STATEMENT**  
**OF**  
**ANNUAL FINANCIAL AND OPERATING INFORMATION**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

**TOWN OF ULSTER**  
**ULSTER COUNTY, NEW YORK**

**DATED: JUNE 15, 2018**

**TOWN OF ULSTER  
ULSTER COUNTY, NEW YORK**

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**TOWN BOARD**

James E. Quigley 3rd, Supervisor

Joel B. Brink  
John Morrow  
Eric Kitchen  
Rocco Secreto

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Suzanne L. Reavy, Town Clerk  
Jason J. Kovacs, Esq., Town Attorney

\* \* \*

**MUNICIPAL ADVISOR**

MUNISTAT SERVICES, INC.

Municipal Finance Advisory Service

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**STATEMENT OF ANNUAL FINANCIAL  
AND OPERATING INFORMATION**

**TOWN OF ULSTER  
ULSTER COUNTY, NEW YORK**

The material set forth herein, including the cover page, has been prepared by the Town of Ulster, Ulster County, New York (the "Town", the "County", and the "State", respectively) in connection with its obligation to prepare and submit such material in accordance with its Continuing Disclosure Undertakings and the Official Statements having been prepared in connection with the sale and issuance of the following outstanding bond issues:

\$ 4,745,000 Public Improvement Refunding (Serial) Bonds - 2015

**THE TOWN**

There follows in this Statement a brief description of the Town, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures and general and specific funds.

**Description**

The Town, with a land area of 28.4 square miles and a population of 12,275 according to the 2016 U.S. Census, is located on the western bank of the Hudson River about 90 miles north of New York City and about 50 miles south of Albany. The Town entirely surrounds the City of Kingston, the county seat of Ulster County and the industrial, commercial and shipping center for the surrounding region.

Commercial, industrial, suburban residential and agricultural valuations combine to give Ulster a varied economic base. Agricultural operations concentrate on the production of fruits and vegetables. Commercial enterprises are centered in several large shopping centers which serve shoppers from surrounding towns as well as residents of Kingston and Ulster. Residential development consists mainly of single-family homes and there are also several large garden apartment complexes situated in the Town.

International Business Machines Corporation ("IBM"), the areas largest employer and taxpayer for several decades sold its Town of Ulster holdings to real estate developer Alan Ginsberg in February of 1998 who formed several limited liability corporations. A.G. Properties of Kingston, LLC, Ulster Business Complex, LLC and TechCity 22, 23 & 24, LLC hold the title to the 2.5 million square foot site. Demolition permits were issued in 2015 covering approximately 1 million square feet of vacant space.

Residents find employment at the commercial, industrial, financial and governmental operations in the Town, in Kingston and in the Poughkeepsie region, access to which is provided by the Kingston-Rhinecliff Bridge, located in the Town.

Water transport on the Hudson River and CSX supplement a road and highway network which includes the New York State Thruway (Toll Booth No. 19 is located in the Town) and N.Y. State Routes 9W, 199, 209, 28 and 32.

## **Governmental Organization**

The Town was established in 1879 pursuant to enactment of the New York State Legislature. The Town is located in the County of Ulster, New York, which County is divided for local government purposes into twenty towns and the City of Kingston. In turn, some of such Towns contain incorporated villages established for purposes of providing certain municipal services and facilities to their residents. The Town is a political subdivision of the State having its own elected legislative body, the Town Board, pursuant to Constitutional provision.

The Town Board consists of five members, the presiding officer of which is the Town Supervisor elected for a four-year term. The four additional members of the Town Board are elected for four-year staggered terms every two years. The Town Supervisor and the board members are elected at large.

The Supervisor is the chief executive officer of the Town. Additional Town officers are the Town Clerk, and the Superintendent of Highways who are elected at large for four-year terms, The Assessor, the Superintendents of the Water and Sewer Departments are appointed by the Town Board.

The Town provides the bulk of municipal services furnished to the residents thereof and for such purpose furnishes water and sewer facilities, builds and maintains Town highways and provides public safety through a police department. Fire protection is provided through separate entities, the various fire districts and voluntary fire organizations in the Town. Planning and the financing of Town courts are provided by the Town. Regulation of building construction along with the usual municipal services of recreational facilities and street lighting are all Town functions. Social services and health services, to the extent provided on a public basis, are essentially County responsibilities.

### **Employees**

The Town provides services through 81 full-time employees, 29 part-time employees and an additional 10 full-time and 31 part-time seasonal employees. The majority of non-seasonal full-time employees are covered under labor contracts either with the Patrolmen's Benevolent Association (Police – 31 members) or Laborer's Local #17 (General Town Employees, Highway, Water and Sewer – 40 members). The Police Contract expired on December 31, 2016. The Laborer's Local #17 expired on December 31, 2017.

## **DEMOGRAPHIC AND STATISTICAL INFORMATION**

The following tables present certain comparative demographic and statistical information regarding the Town, the County and the State.

### **Population**

<u>Year</u>	<u>Town of Ulster</u>	<u>Ulster County</u>	<u>New York State</u>
1990	12,329	165,304	17,990,455
2000	12,544	177,749	18,976,457
2010	12,327	182,493	19,378,102
2016	12,275	180,505	19,697,457

Source: U.S. Bureau of the Census

### Building Permits

	<u>Residential</u>		<u>Commercial</u>		<u>Industrial</u>		<u>Total Value</u>
	<u>New</u>	<u>Other</u>	<u>New</u>	<u>Other</u>	<u>New</u>	<u>Other</u>	
2013	5	131	15	50	-	-	\$41,987,194
2014	6	155	11	51	-	-	20,851,530
2015	3	219	9	40	-	-	36,748,296
2016	13	192	5	52	-	-	16,607,973
2017	6	188	6	54	-	-	27,414,082

### Selected Wealth and Income Indicators

	<u>Per Capita Money Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2016<sup>a</sup></u>
Town of Ulster	\$16,657	\$22,069	\$29,689	\$30,935
County of Ulster	14,921	20,842	28,532	31,760
State of New York	16,501	23,389	30,948	34,212

	<u>Median Household Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2016<sup>a</sup></u>
Town of Ulster	\$37,534	\$42,108	\$53,183	\$49,858
County of Ulster	34,033	42,551	56,434	60,393
State of New York	39,741	51,691	67,405	60,741

a. Based on American Community Survey 5-Year Estimates (2012-2016)  
 Source: United States Bureau of the Census

### Unemployment Rate Statistics

Unemployment statistics are not available for the Town as such. The smallest area for which such statistics are available (which includes the Town) is the County of Ulster. The information set forth below with respect to such County is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the Town is necessarily representative of the County or vice versa.

<u>Annual Averages:</u>	<u>Ulster County (%)</u>	<u>New York State (%)</u>
2013	7.8	7.7
2014	6.3	6.4
2015	4.9	5.3
2016	4.3	4.9
2017	4.6	4.7
2018 (4 Month Average)	5.0	4.9

Source: Department of Labor, State of New York

### Selected Listing of Sizeable Employers

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
Hudson Valley Mall	Shopping Mall	500
Ulster County Government	County Government	450
Northeast Center for Special Care	Head Trauma Center	415
NYMED	Nursing Home	350
Walmart	Department Store	347
Shop-Rite Market	Supermarket	235
Hannaford	Supermarket	180
Sam's Club	Warehouse Store	148
Lowe's	Home Improvement Store	125
Home Depot	Home Improvement Store	120
Marshalls	Department Store	65

**Computation of Debt Limit and Net Debt Contracting Margin**  
(As of June 15, 2018)

<u>Fiscal Year Ending December 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate (%)</u>	<u>Full Valuation</u>
2014	\$1,017,675,041	81.50	\$1,248,681,032
2015	1,025,030,533	84.00	1,220,274,444
2016	1,018,264,436	83.00	1,226,824,622
2017	1,026,921,381	81.50	1,260,026,234
2018	975,239,496	81.10	<u>1,202,514,792</u>
Total Five Year Full Valuation			\$6,158,321,124
Average Five Year Full Valuation			1,231,664,225
Debt Limit - 7% of Average Full Valuation			86,216,496
Inclusions:			
Outstanding Bonds:			
	General Purposes		456,900
	Sewer Purposes		576,000
	Water Purposes		<u>3,609,000</u>
	Sub-Total		4,641,900
	Bond Anticipation Notes		<u>0</u>
Total Inclusions			<u>4,641,900</u>
Exclusions <sup>a</sup> :			
	Sewer Debt		150,000
	Water Debt		3,609,000
	Appropriations		<u>0</u>
Total Exclusions			3,759,000
Total Net Indebtedness			<u>882,900</u>
Net Debt Contracting Margin			<u><u>\$85,333,596</u></u>
Percent of Debt Limit Exhausted			1.02%

a. Excluded pursuant to a certificate issued by the Comptroller of the State of New York in accordance with Section 124.10 of the Local Finance Law.

**Details of Short-Term Indebtedness Outstanding**

As of the date of this Statement the Town has no short-term obligations outstanding.

**Authorized but Unissued Items**

As of the date of this Statement the Town has no authorized but unissued debt.

**Anticipated Future Borrowings**

The Town has no formal capital program. Improvements are authorized to be funded from time to time as the Town Board deems necessary.

**Debt Service Requirements - Outstanding Bonds**

Fiscal Year Ending <u>December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$265,000	\$126,297	\$391,297
2019	346,150	124,816	470,966
2020	346,150	116,991	463,141
2021	266,150	110,444	376,594
2022	271,150	105,089	376,239
2023	271,150	99,438	370,588
2024	276,150	93,480	369,630
2025	195,000	87,278	282,278
2026	200,000	81,219	281,219
2027	140,000	74,919	214,919
2028	145,000	69,219	214,219
2029	150,000	63,319	213,319
2030	160,000	57,119	217,119
2031	165,000	51,341	216,341
2032	170,000	46,106	216,106
2033	170,000	41,325	211,325
2034	180,000	36,950	216,950
2035	185,000	32,388	217,388
2036	185,000	27,763	212,763
2037	195,000	23,013	218,013
2038	135,000	18,888	153,888
2039	140,000	15,450	155,450
2040	135,000	12,013	147,013
2041	140,000	8,575	148,575
2042	145,000	5,013	150,013
2043	40,000	2,400	42,400
2044	40,000	800	40,800
Totals:	<u>\$5,056,900</u>	<u>\$1,531,649</u>	<u>\$6,588,549</u>

Note: Rounded to nearest dollar. Does not include payments made to date.



### Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Ulster	10/30/2017	9.35	\$8,933,196	\$8,074,823
Kingston CSD	05/16/2018	34.17	31,202,336	31,202,336
Saugerties CSD	06/30/2017	3.18	359,106	359,106
Fire Districts (Est.)	12/31/2016	100.00	<u>124,000</u>	<u>124,000</u>
Totals			<u>\$40,618,638</u>	<u>\$39,760,264</u>

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with and published by the Office of the State Comptroller, or more recently published Statements.

### Trend of Outstanding Indebtedness

	Fiscal Year Ending December 31:				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Outstanding Debt:					
Subject to Debt Limit:					
Bonds	\$1,125,000	\$1,001,000	\$1,014,000	\$609,199	\$456,900
Bond Anticipation Notes	-	-	-	-	-
Other Notes	1,511,230	799,199	704,199	-	-
Sub-Total:	<u>\$2,636,230</u>	<u>\$1,800,199</u>	<u>\$1,718,199</u>	<u>\$609,199</u>	<u>\$456,900</u>
Not Subject to Debt Limit:					
Bonds	\$4,333,000	\$4,105,500	\$4,096,000	\$4,860,000	\$4,600,000
Bond Anticipation Notes	-	-	-	-	-
Sub-Total:	<u>\$4,333,000</u>	<u>\$4,105,500</u>	<u>\$4,096,000</u>	<u>\$4,860,000</u>	<u>\$4,600,000</u>
Total Debt Outstanding	<u>\$6,969,230</u>	<u>\$5,905,699</u>	<u>\$5,814,199</u>	<u>\$5,469,199</u>	<u>\$5,056,900</u>

### Debt Ratios (As of June 15, 2018)

	<u>Amount</u>	<u>Per Capita<sup>a</sup></u>	<u>Percentage of Full Value (%)<sup>b</sup></u>
Total Direct Debt	\$4,641,900	\$378	0.39
Net Direct Debt	882,900	72	0.07
Total Direct & Applicable Total Overlapping Debt	45,260,538	3,687	3.76
Net Direct & Applicable Net Overlapping Debt	40,643,164	3,311	3.38

a. The current estimated population of the Town is 12,275.

b. The full valuation of taxable real property in the Town for 2017-18 is \$1,202,514,792.

## **FINANCES OF THE TOWN**

### **Financial Statements and Accounting Procedures**

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The financial records of the Town are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2016. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes. In addition the Town also prepares an Unaudited Financial Report Update Document which is attached as Appendix B for fiscal year ending December 31, 2017.

The Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balances presented in Appendix A of this Statement are based on the audited Annual Financial Reports of the Town for the 2013-2016 fiscal years and the unaudited Annual Financial Report Update Document for 2017.

#### *Fund Structure and Accounts*

The Town utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and, (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Town presently maintains the following governmental funds: General Fund, Highway Fund, Water Funds, Sewer Funds and the Capital Projects Fund. Fiduciary funds consist of a Trust and Agency Fund. There are no proprietary funds. Account groups are maintained for fixed assets and long-term debt.

#### *Basis of Accounting*

The Town's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues which are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting that is when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems which are recorded in the General Long-Term Debt Account Group and recognized as an expenditure when due, and, (2) unmatured interest on general long-term debt which is recognized when due.

### **Investment Policy**

Pursuant to the statutes of the State of New York, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government-sponsored corporation; (2) obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty; (3) obligations issued or fully insured or guaranteed by a municipal corporation, school district or district corporation of this State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys; or (4) obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the Town, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in the custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law. The Town is not presently investing in repurchase agreements.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations issued or fully insured by the State of New York, and obligations of counties, cities and other government entities of another State.

### **Budgetary Procedures**

The Town Board prepares a preliminary budget in the Fall of each year and holds a public hearing thereon. Subsequent to the budget hearing, revisions, if any, are made and the budget is then adopted by the Town Board as its final budget for the coming calendar year. The budget is not subject to voter approval.

### **Financial Operations**

The Supervisor functions as the chief fiscal officer as provided in Section 2 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities. In addition, the Supervisor is also the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. Pursuant to Section 30 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

Town finances are operated primarily through the General and Highway Funds. The General Fund receives revenue from County sales tax and State aid. Real property taxes and a significant portion of the other Town revenues are credited to the General and Highway Funds. Current operating expenditures are paid from these funds subject to available appropriations. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

### **The State Comptroller's Fiscal Stress Monitoring System**

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation". (Fiscal Score: 0.0%).

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

In addition, the Office of the State Comptroller helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released in January 6, 2017. The purpose of such audit was to review the Town's property tax exemption process for the period January 1, 2015 through August 25, 2016. The complete report may be found on the State Comptroller's official website. Reference to this website implies no warranty of accuracy of information therein.

## Revenues

The Town receives most of its revenues from real property taxes and assessments. A summary of such revenues and other financings sources for the five most recently completed fiscal years may be found in Appendix A hereto.

### *Real Property Taxes*

See "Real Property Tax Information", herein.

## State Aid

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

Based on the unaudited Financial Report of the Town, the Town received approximately 3.69% of its total General Fund operating revenue from State Aid in 2017. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

Although the Town cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years or whether there will be additional Federal Stimulus Act monies made available to pay State aid in future years, the Town may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues appropriating other available funds on hand, and/or by any combination of the foregoing.

The following table sets forth the percentage of the Town's General Fund revenue comprised of State Aid for each of the fiscal years 2013 through 2016, unaudited for 2017 and as budgeted for 2018.

Fiscal Year Ended <u>December 31:</u>	<u>Total Revenue</u>	<u>State Aid</u>	<u>State Aid to Revenues (%)</u>
2013	\$7,874,618	\$381,937	4.85
2014	8,148,229	943,023	11.57
2015	8,150,720	342,172	4.20
2016	8,334,699	392,607	4.71
2017 (Unaudited)	8,112,293	299,177	3.69
2018 (Budgeted)	8,276,329	293,814	3.55

## Expenditures

The major categories of expenditure for the Town are General Government Support, Public Safety, Transportation, Culture and Recreation, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years and the estimated expenditures for the current fiscal year may be found in Appendix A - Financial Statements.

## Pension Systems

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System (the "Retirement System" or "ERS"). The Retirement System is a cost-sharing multiple public employee retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, then Governor Paterson signed into law the creation of a new Tier 5, which is effective for new ERS and TRS employees hired after January 1, 2010. New ERS employees in Tier 5 will now contribute 3% of their salaries and new TRS employees in Tier 5 will contribute 3.5% of their salaries. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

As a result of significant capital market declines in the recent past, in certain years the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State's Retirement System in future years may be higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, it will require higher than normal contributions in later years.

### Payments to the Pension Systems

Fiscal Year Ending <u>December 31:</u>	Total Amount of <u>Contribution</u>
2012	\$883,254
2013	988,056
2014	1,089,507
2015	837,795
2016	898,684
2017	859,055

### Other Post Employment Benefits

The Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. Accounting rules now require governmental entities, such as the Town, to account for post-retirement health care benefits as its accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") described below requires such accounting.

**GASB 45 and OPEB.** OPEB refers to "other post-employment benefits," meaning benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 45 requires municipalities to account for OPEB liabilities in the same manner as they already account for pension liabilities. It requires them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities have not set aside any funds against this liability. Unlike GASB Statement No. 27, which covers accounting for pensions, GASB 45 does not require municipalities to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") is determined for each municipality. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

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

The following table shows the components of the Town's annual OPEB cost for the fiscal year ending in 2017, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

<u>Annual OPEB and Net OPEB Obligation</u>	<u>Amount</u>
Annual Required Contribution	\$29,075,221
Interest on Net OPEB Obligation	1,080,145
Adjustment to Annual Required Contribution	<u>(28,083,632)</u>
Annual OPEB Cost	2,071,734
Contributions Made	<u>(731,734)</u>
Increase in Net OPEB Obligation	1,340,000
Net OPEB Obligation - Beginning of Year	<u>27,003,631</u>
Net OPEB Obligation - End of Year	<u><u>28,343,631</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2017 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed (%)</u>	<u>Net OPEB Obligation End of Year</u>
12/31/2017	\$2,071,734	35.32	\$28,343,631
12/31/2016	1,995,374	33.51	27,003,631
12/31/2015	1,160,167	52.90	25,676,850

## **REAL PROPERTY TAX INFORMATION**

### **Real Property Taxes**

The Town derives a significant portion of its annual revenue through a direct real property tax.

Tables presenting the tax levy, by purpose, collection performance and tax rates can be found in Appendix A.

The following table presents the total tax levy, by purpose, with adjustments and collection performance for each of the last five fiscal years.

**Tax Rates**  
**(Per \$1,000 Assessed Valuation)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
County	\$ 5.44	\$ 5.25	\$ 5.25	\$ 5.30	\$ 5.27
Town	5.30	5.46	5.53	5.63	5.81
Highway	2.53	2.60	2.61	2.64	2.73
Ulster Fire No. 5	1.81	1.76	1.90	1.94	2.03
Ulster Fire No. 5, Bond	0.15	0.12	0.00	0.00	0.00
Ruby Fire	2.27	2.27	2.28	2.28	2.28
East Kingston Fire Prot.	2.18	2.24	1.97	1.97	2.02
Bloomington Fire District				3.04	3.14
Ulster Fire No.1	1.43	1.65	1.75	1.80	1.83
East Kingston Light	1.12	1.22	1.30	1.28	1.26
Albany Ave. Light	0.13	0.13	0.15	0.15	0.21
Whittier Light	0.34	0.37	0.40	0.40	0.40
Krauss Light	0.82	0.86	0.93	0.93	0.93
Elmen Heights Light	0.32	0.32	0.35	0.35	0.35
Spring Lake Light	0.38	0.39	0.42	0.42	0.42
Ulster Sewer	1.82	1.62	1.52	1.51	1.51
Whittier Sewer	4.92	4.87	4.82	4.81	4.80
Washington Avenue Sewer	24.74	12.49	12.21	12.96	12.74
Ulster Water	1.20	1.11	1.09	1.10	1.10
Halcyon Park Water	314.13	311.14	327.04	327.04	329.06
Spring Lake Water	2.88	2.49	2.39	2.38	2.23
Cherry Hill Water	4.04	3.40	3.34	3.40	3.37
Bright Acres Water	4.75	4.56	4.21	4.24	4.21
Glenerie Water	5.73	5.82	5.68	5.67	5.54
East Kingston Water District	10.75	9.69	9.37	9.32	9.16

### Tax Levy and Collection Record

	Fiscal Year Ending December 31:				
	2013	2014	2015	2016	2017
General Town Taxes	\$5,497,338	\$5,402,786	\$5,616,057	\$5,668,665	\$5,731,043
Highway Taxes	2,564,555	2,578,276	2,672,387	2,672,387	2,684,694
Special District Taxes	4,912,587	4,932,532	4,966,896	4,935,964	4,940,806
County Taxes	5,539,977	5,486,109	5,338,708	5,324,269	5,345,852
Returned Taxes	1,195,047	1,489,012	1,212,323	274,369	275,958
Relevied Items & Misc.	6,538	5,092	7,953	5,237	5,073
<b>Total Tax Levy</b>	<b>\$19,716,042</b>	<b>\$19,893,807</b>	<b>\$19,814,324</b>	<b>\$18,880,891</b>	<b>\$18,983,428</b>
Collected Prior to Return	18,520,995	18,404,795	18,602,001	17,398,868	17,508,535
Returned to County:					
Amount	\$1,195,047	\$1,489,012	\$1,212,323	\$1,482,023	\$1,474,240
Percent	6.06%	7.48%	6.12%	7.84%	7.77%
Amount Due Town at End of Year Levy	None	None	None	None	None

The following table sets forth the percentage of the Town's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2013 through 2017 inclusive and budgeted for the fiscal year 2018.

Fiscal Year Ended <u>December 31:</u>	<u>Total Revenue</u>	Real Property <u>Taxes</u>	Real Property Taxes to <u>Revenues (%)</u>
2013	\$7,874,618	\$5,478,489	69.57
2014	8,148,229	5,402,786	66.31
2015	8,150,720	5,619,595	68.95
2016	8,334,699	5,616,057	67.38
2017 (Unaudited)	8,112,293	5,733,809	70.68
2018 (Budgeted)	8,276,329	5,632,009	68.05



## **Tax Collection Procedure**

Taxes are due and payable January 1, payable without penalty to and including January 31. Penalties thereafter are imposed at an annual rate determined by the New York State Commissioner of Taxation and Finance. In June, unpaid taxes are returned to the County Treasurer at which time an additional penalty is added and the total amount, plus additional fees is then payable to the County Treasurer.

The Town retains the total amount of Town, Highway and Special District levies from the total collections and returns the balance plus uncollected items to the County, which assumes responsibility.

As far as the Town is concerned there are no uncollected taxes. The full amount of the Town items is also guaranteed by the County.

## **Tax Levy Limitation Law**

Prior to the enactment of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Town for any fiscal year commencing after May 31, 2012, continuing through May 31, 2020 as extended, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations, according to the formulas set forth in Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of the Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town 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 20 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 for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Tax Levy Limit Law also provides for adjustments to be made to the Town's tax levy based upon changes in the assessed value of the taxable real property in the Town. Additionally, the Town will be permitted to carry forward a certain portion of its unused tax levy capacity from the prior year. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision described above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Town or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

**Selected Listing of Large Taxable Properties**  
2018 Assessment Roll<sup>a</sup>

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Walmart Plaza (Includes SAM's Club and LOWE'S)	Department Store	42,370,540
Central Hudson Gas & Electric	Utility & Franchise	41,147,342
AG Properties of Kingston, LLC.	Office/ Manufacturing	35,793,000
MHMG - KM Kingston	Medical Office	34,500,000
Northeast Center for Special Care	Head Trauma Center	22,470,000
Ulster Crossings	Strip Mall - Mult- Tenant	9,850,000
Shop Rite / Red Lobster / Sonic	Grocery Store/ Restaurants	9,500,000
Ulster Acquisitions I, LLC	Office Building	9,251,378
Mall - King - Ulster Associates	Shopping Center	9,242,600
NYMED, Inc.	Nursing Home	8,025,000
Target Store	Department/ Grocery Store	7,100,000
Home Depot	Home Improvement Center	6,905,000
GBR, Ltd.	Shopping Center	6,863,900
Morgan Sunset - Sunset Gardens	Apartment Complex	6,166,300
Hannaford	Grocery Store	5,750,000
Katrine Apartments Associates	Apartment Complex	4,810,000
Verizon	Utility	3,583,560
Total <sup>b</sup>		\$263,328,620

- a. Assessment Roll established in 2017 for levy and collection of taxes in 2018.  
b. Represents 27.00% of the 2017 Taxable Assessed Valuation of the Town.

**LITIGATION**

In September 2017, a Stipulation and Order of Settlement was entered into between Hull Property Group, the successor owner to P.C.K. Development Co., in an Article 7 proceeding in NYS Supreme Court. The Order required the Town to reduce the assessed value of the Hudson Valley Mall, formally the Town's largest taxable property, from \$66,000,000 to \$47,852,760 for the 2017 fiscal year and to \$6,569,100 for the 2018 fiscal year forward. The reduction in assessed value for the 2017 fiscal year resulted in a negotiated refund in the amount of \$336,522 for all Town Districts. The refund was paid in 2017 and has since been accounted for in the Statement of Operations for 2017.

AG Properties of Kingston, LLC (and affiliated entities), the Town's third largest Taxable Property continues to pursue an Article 7 Action in NYS Supreme Court – Ulster County for a reduction in the Assessed Value of the former IBM Campus purchased by AG Properties of Kingston, LLC et al in 1998. The parties are currently in litigation with no trial date set. AG Properties is delinquent on the payment of certain Real Estate Taxes to Ulster County and the County has commenced In Rem foreclosure proceedings. The County has taken title to three parcels and is pursuing title on four additional parcels. Collectively, upon the completion of the transfer of title, these seven parcels will be removed from the Assessment Roll in 2019 if Ulster County still owns them.

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

## RATINGS

Standard & Poor's currently rates the outstanding long-term debt of the Town an "AA-". This rating reflects only the view of the rating agency furnishing the same, and an explanation of the significance of this rating may be obtained only from the rating agency. There is no assurance such rating will continue for any given period of time, or that such rating will not be revised or withdrawn by such rating agency, if in its judgment, circumstances so warrant.

## MUNICIPAL ADVISOR

Munistat Services, Inc. has acted as the municipal advisor to the Town in connection with the preparation of this Statement.

## OTHER MATTERS

The Town is in compliance with the procedure for the validation of the Notes provided in Title 6 of Article 2 of the Local Finance Law.

There is no bond or note principal or interest past due.

The fiscal year of the Town is January 1 to December 31.

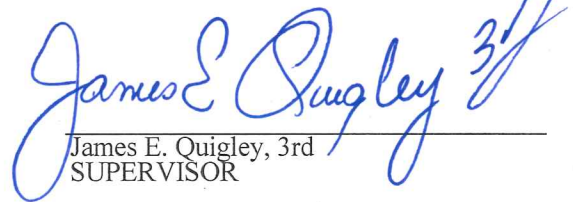
This Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the Town, except as expressed in the "Calculation of Estimated Overlapping and Underlying Indebtedness."

## ADDITIONAL INFORMATION

Additional information may be obtained from the Office of the Supervisor of the Town of Ulster, Town Hall, 1 Town Hall Drive, Lake Katrine, New York, 12449, telephone number 845/382-2765, Email: [ulstersupervisor@townofulster.org](mailto:ulstersupervisor@townofulster.org) and the Town's website [www.townofulster.org](http://www.townofulster.org) or from Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888.

Any statements in this Statement involving matters of opinion or estimates, whether or not expressly so stated are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

This Statement is submitted only in connection with the Town's "Undertaking to Provide Continuing Disclosure" pursuant to Rule 15c2-12 as promulgated by the Securities and Exchange Commission and may not be reproduced or used in whole or in part for any other purpose.

  
James E. Quigley, 3rd  
SUPERVISOR

June 15, 2018

**APPENDIX A**

**FINANCIAL INFORMATION**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**General Fund**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>					
Real Property Taxes	\$ 5,478,489	\$ 5,402,786	\$ 5,619,595	\$ 5,616,057	\$ 5,733,809
Non Property Tax Items	488,452	515,255	530,173	469,116	493,975
Other Tax Items	31,403	111,902	183,560	223,191	260,108
Departmental Income	638,490	726,809	526,166	643,664	533,462
Use of Money & Property	17,548	5,952	3,002	5,880	11,177
Licenses & Permits	166,494	247,636	186,814	228,932	194,997
Fines & Forfeitures	616,845	579,536	693,062	616,605	527,107
Sale of Property/Insurance Recoveries	24,280	231,894	56,759	71,435	39,808
Miscellaneous & Local Sources	17,883	79,291	9,417	65,990	8,546
State Aid	381,937	243,023	342,172	392,607	299,177
Federal Aid	12,797	4,145		1,222	10,128
<b>Total Revenues</b>	<b><u>7,874,618</u></b>	<b><u>8,148,229</u></b>	<b><u>8,150,720</u></b>	<b><u>8,334,699</u></b>	<b><u>8,112,293</u></b>
<b>Expenditures</b>					
General Government Support	1,539,521	1,480,497	1,546,322	1,888,317	1,839,128
Education		2,938		40	1,740
Health			5,180	8,270	9,570
Public Safety	2,558,254	2,853,790	2,855,165	2,773,640	2,861,005
Transportation	165,725	187,496	170,860	165,613	169,679
Economic Opportunity & Development	290,653	139,789	6,875	7,548	5,872
Culture & Recreation	178,504	128,997	190,111	148,820	178,332
Home & Community Services	243,549	271,466	461,382	240,320	258,530
Employee Benefits	2,408,248	2,254,482	2,124,695	2,150,491	2,232,155
Debt Service	105,374	621,865			
<b>Total Expenditures</b>	<b><u>7,489,828</u></b>	<b><u>7,941,320</u></b>	<b><u>7,360,590</u></b>	<b><u>7,383,059</u></b>	<b><u>7,556,010</u></b>
Excess of Revenues Over (Under)					
Expenditures	384,790	206,909	790,130	951,640	556,283
Other Financing Sources (Uses)					
Operating Transfers Out					(25,327)
<b>Total Financing Sources</b>					<b>(25,327)</b>
Balance, Beginning of Year	2,167,194	2,551,984	3,242,403	4,032,533	4,984,174
Prior Period Adjustments (Net)		483,510			
(Restated)	<u>2,167,194</u>	<u>3,035,494</u>	<u>3,242,403</u>	<u>4,032,533</u>	<u>4,984,174</u>
<b>Balance, End of Year</b>	<b><u>\$ 2,551,984</u></b>	<b><u>\$ 3,242,403</u></b>	<b><u>\$ 4,032,533</u></b>	<b><u>\$ 4,984,173</u></b>	<b><u>\$ 5,515,130</u></b>

Source: Audited Financial Statements of the Town (2013 - 2016) & Annual Financial Report Update Document (2017)

Note: This Schedule NOT audited

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Highway Fund**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>					
Real Property Taxes	\$ 2,565,607	\$ 2,578,276	\$ 2,672,387	\$ 2,672,387	\$ 2,684,694
Other Tax Items	12,784	38,027	54,660	50,785	52,146
Departmental Income	135,918	120,839	126,024	109,990	103,116
Use of Money & Property	3,611	1,998	714	1,089	11,264
Licenses & Permits	275		150	2,750	
Sale of Prop & Comp for Loss	8,572	56,342	61,078	28,871	17,069
Miscellaneous Sources				6,243	5,421
State Aid	153,721	168,938	170,530	183,964	211,134
Fed Aid	105,468		10,257		
<b>Total Revenues</b>	<u>2,985,956</u>	<u>2,964,420</u>	<u>3,095,800</u>	<u>3,056,079</u>	<u>3,084,843</u>
<b>Expenditures</b>					
General Government Support	11,039			172,395	1,507
Transportation	2,141,186	2,257,997	2,304,763	2,194,382	1,967,526
Employee Benefits	807,291	756,181	674,383	694,890	696,308
Debt Service	210,002	205,805	102,412	711,924	168,224
<b>Total Expenditures</b>	<u>3,169,518</u>	<u>3,219,983</u>	<u>3,081,558</u>	<u>3,773,591</u>	<u>2,833,564</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds of Debt Insurance				609,199	
Transfer In	189,550				
<b>Total Financing Sources</b>	<u>189,550</u>			<u>609,199</u>	
<b>Net Changes in Fund Balance</b>	<u>5,988</u>	<u>(255,563)</u>	<u>14,242</u>	<u>(108,313)</u>	<u>251,279</u>
Balance, Beginning of Year	763,077	769,065	725,177	739,419	631,113
Prior Period Adjustments (Net)		211,675			(7)
Balance, Beginning of Year (Restated)	<u>763,077</u>	<u>980,740</u>	<u>725,177</u>	<u>739,419</u>	<u>631,106</u>
<b>Balance, End of Year</b>	<u>\$ 769,065</u>	<u>\$ 725,177</u>	<u>\$ 739,419</u>	<u>\$ 631,113</u>	<u>\$ 882,385</u>

Source: Audited Financial Statements of the Town (2013 - 2016) & Annual Financial Report Update Document (2017)

Note: This Schedule NOT audited

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Sewer Fund**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>					
Real Property Taxes	\$ 1,311,638	\$ 1,307,420	\$ 1,269,515	\$ 1,222,815	\$ 1,210,717
Other Tax Items	42,010		12,797		
Departmental Income	376,391	470,925	500,140	528,077	578,951
Use of Money & Property	4,290	2,695	4,466	6,687	23,964
Sale of Prop & Comp for Loss	202,161			9,588	
Miscellaneous Sources	2,113	26,073	14,750	9,683	6,880
Federal Aid	156,106	3,092			
<b>Total Revenues</b>	<u>2,094,709</u>	<u>1,810,205</u>	<u>1,801,668</u>	<u>1,776,850</u>	<u>1,820,512</u>
<b>Expenditures</b>					
General Government Support	62,624	44,112	66,948	172,698	77,868
Home & Community Service	921,865	852,727	1,002,898	866,078	847,124
Employee Benefits	334,075	291,396	241,494	244,092	292,895
Debt Service	165,099	162,226	155,182	158,335	173,351
<b>Total Expenditures</b>	<u>1,483,663</u>	<u>1,350,461</u>	<u>1,466,522</u>	<u>1,441,203</u>	<u>1,391,237</u>
<b>Other Financing Sources (Uses)</b>					
Transfer In	27,815				1,354
Transfer Out	(347,844)		(253,454)	(418,220)	(10,490)
<b>Total Financing Sources</b>	<u>(320,029)</u>	<u>0</u>	<u>(253,454)</u>	<u>(418,220)</u>	<u>(9,136)</u>
<b>Net Changes in Fund Balances</b>	<u>291,017</u>	<u>459,744</u>	<u>81,692</u>	<u>(82,573)</u>	<u>420,139</u>
Balance, Beginning of Year	1,793,508	2,084,525	2,689,403	2,771,095	2,688,525
Prior Period Adjustments (Net)		145,134			5
Balance, Beginning of Year (Restated)	<u>1,793,508</u>	<u>2,229,659</u>	<u>2,689,403</u>	<u>2,771,095</u>	<u>2,688,530</u>
<b>Balance, End of Year</b>	<u>\$ 2,084,525</u>	<u>\$ 2,689,403</u>	<u>\$ 2,771,095</u>	<u>\$ 2,688,525</u>	<u>\$ 3,108,668</u>

Source: Audited Financial Statements of the Town (2013 - 2016) & Annual Financial Report Update Document (2017)

Note: This Schedule NOT audited

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Water Fund**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>					
Real Property Taxes	\$ 1,206,771	\$ 1,197,922	\$ 1,189,046	\$ 1,179,978	\$ 1,179,778
Other Tax Items	27,778				
Departmental Income	897,023	1,000,262	1,071,823	1,207,944	1,325,216
Use of Money & Property	2,207	1,289	1,697	3,379	4,194
Sale of Prop & Comp for Loss	2,186	6,599	5,060	3,182	27,110
Miscellaneous Sources	2,821		5,906	15,315	
State Aid					
<b>Total Revenues</b>	<u>2,138,786</u>	<u>2,206,072</u>	<u>2,273,532</u>	<u>2,409,798</u>	<u>2,536,297</u>
<b>Expenditures</b>					
General Government Support	51,021	44,581	60,273	138,250	61,855
Home & Community Service	1,548,712	1,603,620	1,593,075	1,644,821	1,723,239
Employee Benefits	254,438	227,781	245,272	260,012	263,275
Debt Service	390,999	297,760	284,759	223,306	219,251
<b>Total Expenditures</b>	<u>2,245,170</u>	<u>2,173,742</u>	<u>2,183,379</u>	<u>2,266,389</u>	<u>2,267,621</u>
<b>Other Financing Sources (Uses)</b>					
Transfer In					
Transfer Out	(72,886)				
Proceeds From Debt					
<b>Total Financing Sources</b>	<u>(72,886)</u>				
<b>Net Changes in Fund Balances</b>	<u>(179,270)</u>	<u>32,330</u>	<u>90,153</u>	<u>143,409</u>	<u>268,676</u>
Balance, Beginning of Year	777,253	597,983	759,727	849,880	993,295
Prior Period Adjustments (Net)		129,414			6
Balance, Beginning of Year (Restated)	<u>777,253</u>	<u>727,397</u>	<u>759,727</u>	<u>849,880</u>	<u>993,301</u>
<b>Balance, End of Year</b>	<u>\$ 597,983</u>	<u>\$ 759,727</u>	<u>\$ 849,880</u>	<u>\$ 993,295</u>	<u>\$ 1,261,976</u>

Source: Audited Financial Statements of the Town (2013 - 2016) & Annual Financial Report Update Document (2017)

Note: This Schedule NOT audited



**Balance Sheets**

**Fiscal Year Ending December 31, 2017**

	<u>General</u> <u>Fund</u>	<u>Highway</u> <u>Fund</u>	<u>Sewer</u> <u>Fund</u>	<u>Water</u> <u>Fund</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,142,282	\$ 747,260	\$ 955,442	\$ 1,025,251
Accounts Receivable	197,435	18,864	175,008	396,982
State & Federal Aid Recievables (net)				
Prepaid Expenses	152,323	32,024	11,444	14,236
Due From Other Funds	123,211		13,908	
Due From Other Governments	125,354			330
Cash - Restricted	<u>3,231,978</u>	<u>226,990</u>	<u>2,126,946</u>	<u>152,731</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,972,583</u></b>	<b><u>\$ 1,025,138</u></b>	<b><u>\$ 3,282,748</u></b>	<b><u>\$ 1,589,530</u></b>
<b>LIABILITES AND FUND EQUITY</b>				
Accounts Payable	\$ 300,438	\$ 59,189	\$ 55,987	\$ 251,243
Accrued Liabilities				
Due to Other Funds		9,424	69,996	43,610
Due to Other Governments	<u>157,015</u>	<u>74,140</u>	<u>48,107</u>	<u>32,712</u>
<b>Total Liabilities</b>	<b><u>457,453</u></b>	<b><u>142,753</u></b>	<b><u>174,090</u></b>	<b><u>327,565</u></b>
<b>Fund Balances:</b>				
Nonspendable	152,323	32,024	13,908	14,236
Restricted	3,135,288	207,488	2,105,209	150,342
Assigned	350,000	642,873	1,034,283	1,098,655
Unassigned	<u>1,877,519</u>	<u>                    </u>	<u>(44,741)</u>	<u>(1,268)</u>
<b>Total Fund Equity</b>	<b><u>5,515,130</u></b>	<b><u>882,385</u></b>	<b><u>3,108,659</u></b>	<b><u>1,261,965</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 5,972,583</u></b>	<b><u>\$ 1,025,138</u></b>	<b><u>\$ 3,282,748</u></b>	<b><u>\$ 1,589,530</u></b>

Source: Annual Financial Report Update Document of the Town (2017)

**Summary of Budget By Funds: 2018**

	<u>Appropriations</u>	Less: Est Revenues and Appropriated Surplus	<u>Amount of Property Tax</u>
General Fund	\$ 8,276,329	\$ 2,644,320	\$ 5,632,009
Highway Fund	2,984,231	345,712	2,638,519
Ulster Water	1,797,450	1,122,000	675,450
Halcyon Park Water	91,350	38,042	53,308
Spring Lake Water	101,840	63,700	38,140
Bright Acres Water	88,694	24,194	64,500
Cherry Hill Water	159,897	60,027	99,870
Glenerie Water	174,084	32,900	141,184
East Kingston Water	88,328	16,028	72,300
Whitter Sewer	162,057	9,557	152,500
Ulster Sewer	1,534,933	638,500	896,433
Washington Avenue Sewer	138,967	33,250	105,717
Special District Library	304,200	0	304,200
Fire Protection and Fire Districts	2,199,641	0	2,199,641
Lighting Districts	<u>65,495</u>	<u>0</u>	<u>65,495</u>
<b>TOTAL</b>	<b><u>\$ 18,167,496</u></b>	<b><u>\$ 5,028,230</u></b>	<b><u>\$ 13,139,266</u></b>

Source: Adopted 2018 Budget

**Summary of Budget By Funds: 2017**

	<u>Appropriations</u>	Less: Est Revenues and Appropriated Surplus	<u>Amount of Property Tax</u>
General Fund	\$ 8,313,639	\$ 2,579,830	\$ 5,733,809
Highway Fund	2,969,840	285,146	2,684,694
Ulster Water	1,787,676	1,082,226	705,450
Halcyon Park Water	86,956	33,648	53,308
Spring Lake Water	107,665	68,759	38,906
Bright Acres Water	85,815	20,743	65,072
Cherry Hill Water	157,579	56,100	101,479
Glenerie Water	174,535	31,535	143,000
East Kingston Water	90,928	18,365	72,563
Whitter Sewer	156,654	400	156,254
Ulster Sewer	1,472,454	526,498	945,956
Washington Avenue Sewer	141,331	32,824	108,507
Library District	304,200	0	304,200
Fire Protection and Fire Districts	2,180,616	0	2,180,616
Lighting Districts	<u>65,495</u>	<u>0</u>	<u>65,495</u>
<b>TOTAL</b>	<b>\$ <u>18,095,383</u></b>	<b>\$ <u>4,736,074</u></b>	<b>\$ <u>13,359,309</u></b>

Source: Adopted 2017 Budget

**TOWN OF ULSTER**

**APPENDIX B**

**UNAUDITED ANNUAL FINANCIAL REPORT UPDATE DOCUMENT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS HAS NOT BEEN REQUESTED OR OBTAINED.