



PATTISON, KOSKEY, HOWE & BUCCI

Richard P. Koskey, CPA  
Ned Howe, CPA  
A. Michael Bucci, CPA  
Bradley Cummings, CPA, CVA  
Suzanne E. Muldoon, CPA  
Nancy K. Patzwahl, CPA  
Matthew H. VanDerbeck, CPA  
Gary F. Newkirk, CPA  
N. Thérèse Wolfe, CPA  
Mary A. Kimball, CPA

[www.pkhbcpa.com](http://www.pkhbcpa.com)

Reginald H. Pattison, CPA (1910-2002)  
Jon Rath, CPA (Retired)

Jean Howe Lossi, EA  
Carol LaMont Howe, EA  
Dennis A. O'Brien, CPA

March 28, 2018

To the Audit Committee of the  
Ulster County Capital Resource Corporation

We have audited the financial statements of Ulster County Capital Resource Corporation as of and for the year ended December 31, 2017, and have issued our report thereon dated March 28, 2018. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated January 15, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Ulster County Capital Resource Corporation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

502 Union Street  
Hudson, NY 12534  
Tel: 518-828-1565  
Fax: 518-828-2672

45 Five Mile Woods Rd., Ste 1  
Catskill, NY 12414  
Tel: 518-943-4502  
Fax: 518-943-6532

2880 Route 9, Ste 2  
Valatie, NY 12184  
Tel: 518-758-6776  
Fax: 518-758-6779

340 Main Street  
Saugerties, NY 12477  
Tel: 845-246-3803  
Fax: 845-246-1035

465 Washington Ave.  
Kingston, NY 12401  
Tel: 845-331-5030  
Fax: 845-331-0242

418 Broadway  
Albany, NY 12207  
Tel: 518-669-4161  
Fax: 518-758-6779

## **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team and others in our firm, as appropriate, have complied with all relevant ethical requirements regarding independence.

Non-attest services we performed included: 1) preparation of the Corporation's financial statements, 2) proposing audit adjustments, if any, and 3) review of the Corporation's annual PARIS report. CJ Rioux, CPA was the management representative responsible for overseeing our non-attest services.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Ulster County Capital Resource Corporation is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. No misstatements were identified during the course of the audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were none.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Ulster County Capital Resource Corporation's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in a separate letter dated March 28, 2018.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Ulster County Capital Resource Corporation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Ulster County Capital Resource Corporation's auditors.

This report is intended solely for the information and use of the audit committee, board of directors, and management of Ulster County Capital Resource Corporation and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, reading "M. S. VanDusen, CPA".

PATTISON, KOSKEY, HOWE AND BUCCI, CPAs, P.C.