ULSTER COUNTY COMPTROLLER'S OFFICE

Elliott Auerbach, Comptroller

Revenues and Expenditures

4th Quarter 2015

January 29, 2016

(Amended February 16, 2016)

The mission of the Ulster County Comptroller's Office is to serve as an independent agency of the people and to protect the public interest by monitoring County government and to assess and report on the degree to which its operation is economical, efficient and its financial condition sound.

Comptroller's Quarterly Reports and Objectives

§ C-57(I) of the Ulster County Charter charges the Office of the Ulster County Comptroller ("Office") with the task of submitting reports on at least a quarterly basis to the Legislature and Executive regarding the financial condition, efficiency, and management of the County of Ulster's ("County") finances, as well as posting these reports on the County website. In furtherance of this responsibility, our Office regularly produces reports and audits that reflect upon the County's financial status and its managerial performance, with the dual goals of (1) empowering County administrators and lawmakers and (2) informing Ulster taxpayers as to the issues impacting the expenditure of their tax dollars. All of our Office's reports and audits are also made available on our website (www.youreyesonulster.com).

Notwithstanding the regularity of such reports throughout the year, it is our Office's practice to produce Quarterly Reports highlighting particular financial issues on timely topics impacting taxpayers. Our 2015 3rd Quarter Report focused on fund balance and the resulting consequences of utilizing it in the budgeting process. This report specifically focuses on revenues and expenditures in relation to budgeting.[1]

The goals of this report are as follows:

- to compare the actual revenues and expenditures of Ulster County to its budgeted amounts over a five-year period in order to evaluate how accurately the County has planned ahead for these figures;
- to look at the stability of actual revenues compared to budgeting changes from year to year as we use this information to recommend a Non-Recurring Revenue Policy; and
- to analyze the amount of fund balance appropriated to "balance" the budget compared to the amounts actually utilized, which will give an indication as to how much fund balance is used as cushioning for conservative budgeting practices.

A Structurally Balanced Budget and Budgeting Revenues

Many local governments, including Ulster County, are subject to state laws and regulations (e.g. the property tax cap) requiring a "balanced budget" where sources of funds (i.e. revenues) are equal to the uses of funds (i.e. expenditures). Budgets are required to balance revenues and expenditures to ensure that a governmental entity will have the ability to deliver necessary services through the use of available resources. Generally, governments should support recurring expenditures with recurring revenues to ensure that there is a proper harmony between the sources and uses of funds. However, if non-recurring sources, such as asset sales (e.g. Golden Hill Healthcare Center or "GHHC") or utilizing fund balance, are used to finance recurring expenditures on a regular basis then the budget is not truly balanced – as the government will eventually run out of non-recurring funding sources and be left with a deficit. Thus, for a budget to be structurally balanced, recurring expenditures must be supported by recurring revenues, not by fund balance.

Examples of recurring revenues may include: property taxes, sales taxes, state aid, and other taxes and fees. While recurring revenues are subject to variation, they are generally collected regularly and continue from year to year. Therefore, it is essential for the County to implement (1) a policy to maintain **true structural balance** within the budget in order to ensure equilibrium is reached

[1] The data presented herein relies upon the accuracy of Ulster County and national data available at the time of its preparation. This report is intended to inform taxpayers and local officials of general trends and Ulster's positioning in the midst of those trends. Future reports will continue to identify fiscal and performance issues relevant to the effective operation of government, with a constant goal of encouraging educated public discourse and decision making by voters and policy makers in Ulster County.

between revenues and expenditures and (2) a practice of **multi-year budgeting** as to best account for long-term fiscal impacts.

Each year, the annual budget is proposed by the County Executive to the Legislature for its approval. The enacted budget estimates the annual revenues and expenditures by source, and it should be structurally balanced as previously mentioned. Budget amendments and transfers may be made at certain points throughout the year to account for variances in actual revenues and expenditures.

There are many reasons actual results will vary from budgeted amounts. Unforeseen events during the period may cause material budget differences, yet these variances between the projection and reality should not be commonplace. Consistent and material differences over a period of years may indicate a fundamental flaw in budgeting techniques or analysis.

Table 1 shows the variances between the actual revenues and the budgeted revenues of the governmental funds.

Table 1: Actual Net Operating Revenues Compared to Budgeted Net Operating Revenues

Description	Governmental Funds - Fiscal Year Data				
	2010	2011	2012	2013	2014
Actual Net Operating Revenues	$ 295,183,020	$ 298,421,866	$ 319,910,581	$ 312,941,518	$ 294,835,646
Budgeted Net Operating Revenues	300,535,975	301,330,015	311,212,356	305,663,073	305,907,871
Revenue (Shortfalls) or Surpluses	$ (5,352,955)	$ (2,908,149)	$ 8,698,225	$ 7,278,445	$ (11,072,225)
Revenue (Shortfalls) or Surpluses as a Percentage of Actual Net Operating Revenues	-1.81%	-0.97%	2.72%	2.33%	-3.76%

*Table includes all Governmental Funds, excluding the Capital Projects Fund, Ulster Tobacco Asset Securitization Corporation (UTASC), Ulster County Economic Development Alliance (UCEDA), and "Other Financing Sources (Uses)" as these funds/items are not budgeted.

Whether ending in surplus or deficit, the County's annual budgets during this five-year span demonstrate the fluctuation in original budgetary expectations to the actual results.

Revenue Analysis

Revenue analysis provides valuable insight into a municipality's ability to project future earnings as part of the budget process. Some key factors to consider when evaluating revenues of a government include growth, liquidity, stability, diversity, and the overall efficacy of administration. These aspects outline how well a government is able to deal with its financial standing by using available funds, increasing its operating capacity, adjusting to changes in the economic landscape that affect revenues and expenditures, supporting the constituency it governs, and holding to a manageable budget.

By analyzing changes in the revenue structure over the past five years, we are able to determine the following: (1) whether the growth rates of certain revenue sources have been comparable to, faster or slower than others and (2) whether the revenue sources have shifted from one sector to another.

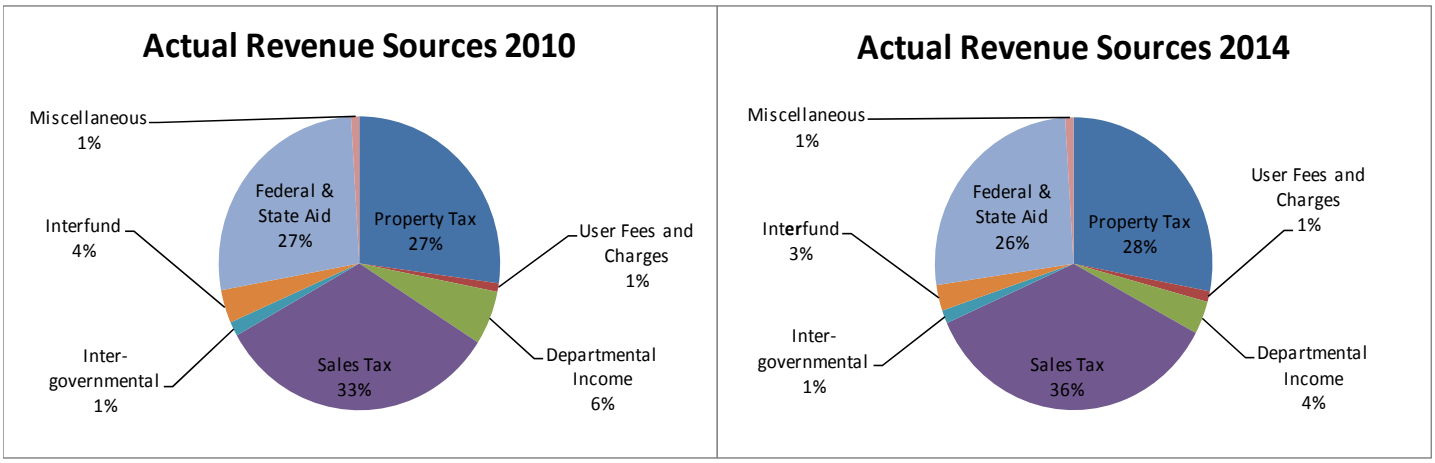
Table 2: Actual Revenue Sources Over a 5-Year Period (Governmental Funds)

Revenue Source	2010	2011	2012	2013	2014
Property Tax	$ 80,210,518	$ 78,848,343	$ 84,757,051	$ 82,016,732	$ 82,658,744
Sales Tax	96,799,073	100,922,906	103,582,388	102,010,008	104,667,661
Federal & State Aid	79,644,361	78,203,524	85,450,235	75,927,191	77,727,994
User Fees and Charges	2,754,393	2,779,509	2,881,007	3,389,574	3,451,270
Departmental Income	17,527,001	17,685,371	17,169,138	14,738,028	10,749,619
Intergovernmental	4,617,934	4,744,119	8,294,111	5,784,772	4,280,472
Interfund	10,808,054	12,569,586	14,465,749	15,018,861	8,399,911
Miscellaneous	2,821,686	2,668,508	3,310,902	14,056,352	2,899,975
Total Revenues	$ 295,183,020	$ 298,421,866	$ 319,910,581	$ 312,941,518	$ 294,835,646

*Table includes all Governmental Funds, excluding the Capital Projects Fund, UTASC, UCEDA, and "Other Financing Sources (Uses)" as these funds/items are not budgeted.

Table 2 shows moderately consistent revenue sources over the five-year timespan from 2010 to 2014. We see that several of the function components have experienced changes over the five-year period: (1) *property taxes* saw decreases due to management decisions in a few of the years, (2) s*ales taxes* show general improvement over time, (3) *federal and state aid* had its ups and downs, (4) *user fees and charges* have trended upward, (4) *departmental income* decreased over the last two years displayed, (5) *intergovernmental charges* and *interfund revenue* fluctuated, and (6) *miscellaneous revenue* was relatively consistent besides the spike in 2013 due to $11,250,000 gained from the sale of GHHC.

The charts shown below demonstrate that the percentage structure of revenue in 2010 was very comparable to 2014.



The most noteworthy changes in actual revenue sources from the two pie charts are the increase of *sales tax* by approximately 3% and the decrease in *departmental income* by approximately 2% of the revenue structure. The consistency of actual revenues should facilitate the budgeting process by establishing a strong baseline to predict future revenues. Accordingly, the less variable the actual revenues, the easier they should be to predict.

Intergovernmental revenue, which consists of monies obtained from other governments, is another indicator of revenue stability. A municipality that highly depends upon intergovernmental revenue will be more at risk of a negative financial impact during a large scale recession. The higher the percentage of intergovernmental revenue, the less control the municipality has over its own financial condition. Governmental funding can fluctuate from year to year based on a number of factors that are not controlled by the receiving municipality. Fortunately, the County maintains a small percentage of such revenues as demonstrated by Table 3.

Table 3: Percentage of Gross Operating Revenues Over a 5-Year Period (Intergovernmental Operating Revenues)

Description	2010	2011	2012	2013	2014
Intergovernmental Operating Revenues	$ 4,617,934	$ 4,744,119	$ 8,294,111	$ 5,784,772	$ 4,280,472
Gross Operating Revenues	$295,183,020	$298,421,866	$319,910,581	$312,941,518	$294,835,646
Percentage	1.56%	1.59%	2.59%	1.85%	1.45%

*Table includes all Governmental Funds, excluding the Capital Projects Fund, UTASC, UCEDA, and "Other Financing Sources (Uses)" as these funds/items are not budgeted.

Property taxes and *sales taxes* (highlighted by Table 4) have the largest impact on County revenue stability, as they represent more than half of the County budget. Although the state cap on property taxes has reduced the total amount levied in recent years, tax revenue as a percentage of total revenues has remained relatively consistent. Sales taxes have shown growth every year with the exception of 2012 to 2013.

Table 4: Percentage of Gross Operating Revenues Over a 5-Year Period (Property and Sales Tax Revenues)

Description	2010	2011	2012	2013	2014
Property Tax Revenues	$ 80,210,518	$ 78,848,343	$ 84,757,051	$ 82,016,732	$ 82,658,744
Sales Tax Revenues	96,799,073	100,922,906	103,582,388	102,010,008	104,667,661
Total Property and Sales Tax Revenues	$177,009,591	$179,771,249	$188,339,439	$184,026,740	$187,326,405
Gross Operating Revenues	$295,183,020	$298,421,866	$319,910,581	$312,941,518	$294,835,646
Percentage of Property Tax Revenues of Gross Operating Revenues	27.17%	26.42%	26.49%	26.21%	28.04%
Percentage of Sales Tax Revenues of Gross Operating Revenues	32.79%	33.82%	32.38%	32.60%	35.50%
Percentage of Total Property and Sales Tax Revenues of Gross Operating Revenues	59.97%	60.24%	58.87%	58.81%	63.54%

*The sales tax rate for December 2013 and January 2014 was 3% as opposed to the 4% rate granted for the remainder of the 5-year period.
*Table includes all Governmental Funds, excluding the Capital Projects Fund, UTASC, UCEDA, and "Other Financing Sources (Uses)" as these funds/items are not budgeted.

Sales tax revenue represents a percentage of taxable retail goods and services sold within the County. Due to the fact that this type of revenue is directly tied to the relative spending power of resident consumers and visitors alike, as well as the overall state of our national and local economies, sales tax revenue is more difficult to predict because the County itself has very little control in actually generating these dollars. There is a limited direct power to adjust the budgeted sales tax revenue for the year. The County could attempt to increase the sales tax percentage beyond the 4% rate that it currently enjoys, which would require state approval and likely meet widespread public opposition. Additionally, the County could propose to change the distribution rates to the towns and City of Kingston. According to the Office of the New York State Comptroller, the overwhelming majority of New York's counties "share some portion of the proceeds from their sales tax with cities, towns, villages, or school districts [. . .] in accordance with statute or sharing agreements approved by a county and the cities within the county."[2] Ulster County's current agreement is set to expire in 2016,

[2] *See* "Local Government Sales Taxes in New York State: 2015 Update" by New York State Office of the State Comptroller. March 2015. p.11.

and any renewed or modified tax sharing agreement will face approval by the State Comptroller's Office.

Property taxes, unlike sales taxes, are determined at the local level. Each year, the County determines the tax levy, which is the difference between expenditures and revenue sources. Property tax is the revenue line item that County management has the most discretion over to balance the budget, other than by using the fund balance. However, with the imposition of the state's property tax cap at such a reduced level, the ability of the County to simply increase its tax levy has been greatly diminished.

Expenditure Analysis

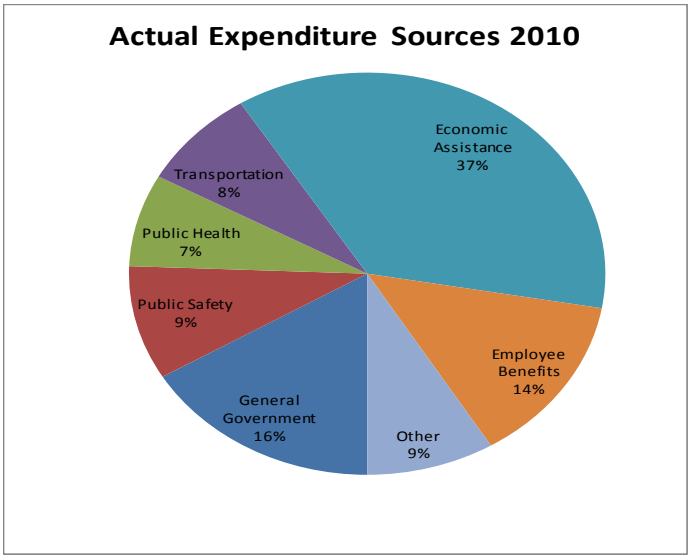
Expenditures can be evaluated based on fund, function, or organizational unit. Analyzing trends in a municipality's expenditures can assist in the budget process and help identify if a problem exists. The expenditure profile over the past five years can indicate if excessive growth in overall expenditures has occurred, if there is an onset of undesirable increases in fixed costs, if the current budgetary controls are effective, and if programmatic issues may create future liabilities. The change in the expenditure structure over the past five years indicates which expenditures are declining, consistent, or growing in certain areas as seen in Table 5.

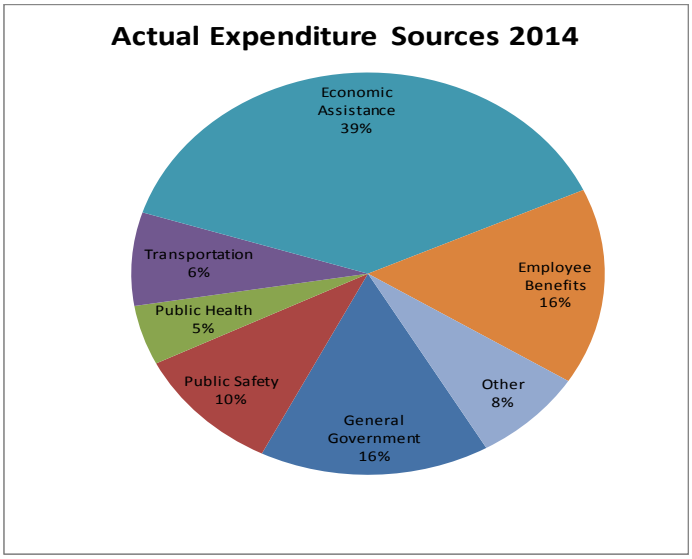
Table 5: Actual Expenditures Over a 5-Year Period (Governmental Funds)

	2010		2011		2012		2013		2014		% Change
Expenditures	$	%	$	%	$	%	$	%	$	%	2014-2010
General Government	$ 48,288,715	16.44%	$ 49,108,657	16.71%	$ 50,968,979	16.33%	$ 46,668,790	15.09%	$ 47,392,213	15.73%	**-2%**
Public Safety	26,930,573	9.17%	27,420,300	9.33%	27,712,159	8.88%	29,127,814	9.42%	30,859,624	10.24%	**15%**
Public Health	21,796,446	7.42%	19,923,701	6.78%	18,217,111	5.83%	14,744,280	4.77%	14,430,587	4.79%	**-34%**
Transportation	23,704,699	8.07%	22,358,390	7.61%	22,499,919	7.21%	21,656,690	7.00%	22,600,448	7.50%	**-5%**
Economic Assistance	107,704,316	36.66%	109,343,898	37.20%	119,435,033	38.25%	125,254,103	40.51%	115,174,274	38.23%	**7%**
Employee Benefits	39,806,712	13.55%	40,102,026	13.64%	45,749,685	14.65%	49,251,747	15.93%	47,572,681	15.79%	**20%**
Other	25,559,695	8.70%	25,690,218	8.74%	27,629,783	8.85%	22,483,655	7.27%	23,205,661	7.70%	**-9%**
Total Gov't Funds	**$ 293,791,156**	**100.00%**	**$ 293,947,190**	**100.00%**	**$ 312,212,669**	**100.00%**	**$ 309,187,079**	**100.00%**	**$301,235,488**	**100.00%**	**3%**

*Table is derived by using the CAFR balances and utilizing the 2014 AUD to extract the employee benefit portions from other areas for that year.
*Table includes all Governmental Funds, excluding the Capital Projects Fund, UTASC, UCEDA, and "Other Financing Sources (Uses)" as these funds/items are not budgeted.

The table above shows how volatile the expenditure structure can be from year to year. Total governmental fund expenditures were steady from 2010 to 2011 then experienced an increase of nearly 6% from 2011 to 2012. A decrease of nearly 1% from 2012 to 2013 was then followed by a decrease of about 5% from 2013 to 2014, making 2014 actual expenditures slightly less than they were in 2010.





As can be seen in the pie charts above, the structure of the expenditures remains relatively fixed. However, several of the function components have experienced changes. Public safety has slightly increased over the five years while public health and transportation have decreased. Employee benefits have experienced changes as well, showing a 2% increase in the expenditure structure from 2010 to 2014.

Salaries and *fringe benefits* represent a significant portion of County expenditures. Salaries are distributed throughout the categories listed in Table 5. Combined, these costs represent approximately 40% of annual expenditures. These figures are generally fixed, with slight increases in costs expected as salaries are generally negotiated by labor unions or at least subject to determinable changes such as longevity increases, health insurance costs rise, and other economic factors come into play. However, state retirement contributions are also included in this category, which is subject to fluctuation based on the state retirement contribution percentage that was reduced recently. This reduction should help offset increases experienced in other categories. Table 6 displays the major fringe benefit categories and their actual costs over a five-year period.

Table 6: Employee Benefits Over a 5-Year Period

Expenditure Category	2010	2011	2012	2013	2014	5-Year Trend (%)
State Retirement	$ 10,254,823	$ 13,494,253	$ 16,940,613	$ 17,149,338	$ 14,721,617	***44%***
Social Security	7,123,819	6,843,388	6,707,436	6,163,625	5,593,659	***-21%***
Unemployment Insurance	267,551	163,140	189,102	852,982	191,961	***-28%***
Disability Insurance	188,494	208,792	203,954	118,653	99,800	***-47%***
Hospital and Medical Insurance	22,317,267	19,626,120	21,774,470	21,381,870	22,923,622	***3%***
Other Employee Benefits	1,840,137	1,934,392	1,971,907	1,998,705	4,042,022	***120%***
Total Employee Benefits	**$ 41,992,091**	**$ 42,270,085**	**$ 47,787,482**	**$ 47,665,173**	**$ 47,572,681**	***13%***

*Table includes all Governmental Funds, excluding the Capital Projects Fund, UTASC, UCEDA, and "Other Financing Sources (Uses)" as these funds/items are not budgeted.

While fringe benefits are generally expected to increase due to some of the factors mentioned above, the total workforce of the County decreased between 2012 and 2014 due to the sale of GHHC. The Golden Hill Healthcare Center was in operation for approximately half of 2013 and had no operational expenses in 2014. This translated into a reduction of its workforce (approximately 350 employees) that reduced total gross wages for both 2013 and 2014. An area that saw an increase between 2013 and 2014 was *hospital and medical insurance* as costs have increased at such a high rate

that the workforce reduction could not counter the growth in costs. Fringe benefit costs have also generally increased (in the market) because of the reduction in the County workforce; it is difficult to see the increasing cost of benefits by looking at the total costs. If we look at the cost of fringe benefits as a percentage of salaries instead then the increase is much more apparent, as seen in Table 7 below, where fringe benefits as a percentage of salary have increased year over year from approximately 45% in 2010 to nearly 64% in 2014.

Table 7: Percentage of Salaries and Wages Over a 5-Year Period (Employee Benefits)

Description	Fiscal year data				
	2010	2011	2012	2013	2014
Expenditures for Fringe Benefits	$ 41,992,091	$ 42,270,085	$ 47,787,482	$ 47,665,173	$ 47,572,681
Salaries and Wages	$ 94,008,977	$ 90,999,884	$ 89,720,807	$ 81,713,310	$ 74,717,951
Fringe Benefit Expenditures as a Percentage of Salaries and Wages	44.67%	46.45%	53.26%	58.33%	63.67%

*Table includes all Governmental Funds, excluding the Capital Projects Fund, UTASC, UCEDA, and "Other Financing Sources (Uses)" as these funds/items are not budgeted.

*Note: The total expenditures for *Employee Benefits* for each year in the table above do not match the total expenditures for employee benefits per the CAFR (see Table 5) because different accounting methods were used. The total employee benefit expenses were recorded in the General Fund, an additional expense was recorded when allocating employee benefit expenditures to other funds, and revenue was recorded in the general fund.

Budgeting Expenditures

The County has been conservative in budgeting expenditures over the past five years in the Governmental Funds. From 2010 to 2014, the County has over budgeted expenditures by an average of $15 million each year. Table 8 shows the annual amount of expenditures compared to the amount budgeted over a five-year period.

Table 8: Actual Net Operating Expenditures Compared to Budgeted Net Operating Expenditures

Description	Governmental Funds - Fiscal Year Data				
	2010	2011	2012	2013	2014
Actual Net Operating Expenditures	$ 293,791,156	$ 293,947,190	$ 312,212,669	$ 309,187,079	$ 301,235,488
Budgeted Net Operating Expenditures	310,706,376	313,699,265	322,712,356	318,163,073	322,617,871
Expenditures (Under Budget)	$ (16,915,220)	$ (19,752,075)	$ (10,499,687)	$ (8,975,994)	$ (21,382,383)
Expenditures (Under Budget) as a Percentage of Actual Net Operating Expenditures	-5.76%	-6.72%	-3.36%	-2.90%	-7.10%

*Table includes all Governmental Funds, excluding the Capital Projects Fund, UTASC, UCEDA, and "Other Financing Sources (Uses)" as these funds/items are not budgeted.

Deficit Budgeting & Fund Balance

The budgetary process provides an avenue to set priorities by allocating resources to those activities considered most important to the taxpayers. The amount of recurring revenues should dictate the amount of expenditures a municipality should budget for the year to maintain a structurally balanced budget. The County has displayed a strong tendency to supplement expenditures with fund balance, allowing it to budget for expenditures without actually having the matching revenue to account for the monies spent.

The difference between revenues and expenditures at the close of the year creates either a shortfall or surplus. A shortfall represents a shortage in revenues needed to cover expenditures, while a

surplus represents an excess of revenues needed to cover expenditures for the year. Budgeting for a shortfall, which is accomplished by utilizing fund balance, is also known as deficit budgeting. If a county budgets for *and* experiences a deficit for multiple years (requiring the use of fund balance) then it can be an indication that the governmental unit is not fiscally healthy and is unable to support expenditures with recurring revenues. Because the County is conservative in its budgeting practices, it has frequently budgeted for a deficit but has actually experienced a surplus. However, in 2014, the County experienced a deficit in actual results of operation, resulting in a reduction of fund balance by $6.4 million.

While it is important from a budgetary perspective to look at the variation in budgeting of revenues and expenditures separately, it does not paint the full picture of the results of operations for the year. In order to see the overall impact, we must combine the amounts over or under budgeted in total to determine the overall budget variance. The following table displays the actual net operating change compared to the budgeted net operating change in fund balance.

Table 9: Actual Operating Changes in Fund Balance Compared to Budgeted Operating Change in Fund Balance

Description	Governmental Funds - Fiscal Year Data				
	2010	2011	2012	2013	2014
Actual Operating (Decrease) Increase in Fund Balance	$ 1,391,864	$ 4,474,676	$ 7,697,912	$ 3,754,439	$ (6,399,842)
Budgeted Operating (Decrease) in Fund Balance	(10,170,401)	(12,369,250)	(11,500,000)	(13,250,000)	(16,710,000)
Over Budgeted	$ 11,562,265	$ 16,843,926	$ 19,197,912	$ 17,004,439	$ 10,310,158

*Table includes all Governmental Funds, excluding the Capital Projects Fund, UTASC, UCEDA, and "Other Financing Sources (Uses)" as these funds/items are not budgeted.
*Please note there were other non-operating changes to fund balance over the five years displayed that have been extracted as they were not budgeted.
*See our 2015 3rd Quarter report on fund balance to view the overall effect of including those amounts in total fund balance.

Table 9 shows that although deficit budgeting was utilized in 4 out of the 5 years examined, it actually resulted in an operating surplus. The combination of either under budgeting revenues, over budgeting expenditures, or both resulted in an over budget in the change in fund balance by an average of $15 million over the five year span. The difference in actual revenues to budgeted revenues seems to "cancel out" on the average because they have been above and below the mark (averaging out to 0). This leaves the average expenditure over budgeted amount of $15 million.

Conclusion

Ulster County should strive to pass a structurally balanced, multi-year budget as it would provide the Legislature and Executive with the information necessary to determine if current and projected tax levies are at an acceptable amount. Further, a multi-year budget would afford the County Legislature an extended view of the projected fund balance, protect the County from significant tax increases, and help those involved in the budget process to see future areas of concern in maintaining a structurally balanced budget.

The independent accounting firm (O'Connor Davies), which published the *Analysis and Review of the Proposed 2015 Budget* for Ulster County, recommended the preparation of a multi-year budget plan because the "budget relies on the application of fund balance to eliminate the need for a substantial tax increase." In the *Analysis and Review of the Proposed 2016 Budget,* which was also prepared by O'Connor Davies, they mention that the 2016 budget has "less reliance" upon the use of fund balance, yet fund balance remains an "integral component of the County budget plan." A structurally balanced budget has no reliance on fund balance, as the budget is actually balanced.

Ulster County has budgeted to appropriate fund balance in all of the previous five years while also relying on recurring revenues. In order to prevent a future imbalance, the County should reduce the amount of fund balance utilized in the budgeting process each year until a structurally balanced budget is achieved. The current practice might indicate that the County is not able to fund its expenses with the revenues received each year, if it is required to dip into fund balance to cover budgeted deficits.

The amount representing the sale of GHHC is an example of non-recurring revenue and should be maintained in fund balance for non-recurring expenditures.[3] One way to protect non-recurring revenues from being used to supplement the budget would be to create a Non-Recurring Revenue Policy, which would restrict the use of such revenues in the budget unless they are utilized for non-recurring expenditures. This policy would commit the County to using non-recurring revenues for non-recurring expenditures in order to avoid creating structural imbalance in the budget. The addition of this policy is considered a best practice by the GFOA, as mentioned in the October 2015 issue of Government Finance Review in the article *Integrating Forecasts into Decision-Making* by Shayne Kavanagh.

The Commissioner of Finance (who also serves as the Budget Director) was provided with a summary of the charts and tables relied upon in this report. Recommendations made by the Department of Finance were taken into consideration in our final draft.

[3] For more information regarding the example of the sale of GHHC and the ensuing effects upon fund balance, please see our 2014 4th Quarter Report available at http://ulstercountyny.gov/comptroller/2014-4th-quarter-annual-report.