

# COUNTY OF ULSTER, NEW YORK



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended  
December 31, 2014

Michael P. Hein  
County Executive



Burton Gulnick, Jr.  
Commissioner of Finance

Cover photo by Tania Barricklo for the Daily Freeman

# COUNTY OF ULSTER, NEW YORK

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended  
December 31, 2014



*PREPARED BY:*

**THE DEPARTMENT OF FINANCE  
Burton Gulnick, Jr., Commissioner**

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**County of Ulster, New York  
Comprehensive Annual Financial Report  
For the Year Ended December 31, 2014**

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**Introductory Section (Unaudited)**

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# ULSTER COUNTY DEPARTMENT OF FINANCE

P.O. Box 1800, 244 Fair Street, Kingston, New York 12402

Telephone (845) 340-3460 Fax (845) 340-3430

**Burton Gulnick Jr.**  
*Commissioner of Finance*



**C. J. Rioux, CPA**  
*Deputy Commissioner of Finance*

**Susan B. Ronga**  
*Deputy Commissioner of Finance*

**Thomas Jackson**  
*Deputy Commissioner of Finance /  
Director of Real Property Tax Service*

**Lisa Cutten, CPA**  
*Director of ACE*  
*Accountability, Compliance and Efficiency*

September 30, 2015

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the County of Ulster, New York (County) for the fiscal year ended December 31, 2014. The CAFR is presented in accordance with generally accepted accounting principles (GAAP).

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's net position from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and the overall entity, and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activities have been included.

The County's basic financial statements have been audited by independent auditors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended December 31, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a federally mandated "Single Audit" designed to meet the special needs of federal and New York State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis, as required supplementary information, to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all funds of the County, its component units and its financial transactions. The CAFR is organized into three sections: introductory, financial, and statistical.

- The *Introductory Section*, which includes this letter of transmittal, is intended to familiarize the reader with the organizational structure of the County, the nature and scope of the services it provides, and the specifics of its legal operating environment.
- The *Financial Section* includes the audited basic financial statements, required supplementary information, supporting statements and schedules necessary to fairly present the financial position and the results of operations of the County in conformity with GAAP, and the independent auditors' report on the basic financial statements.
- The *Statistical Section* contains comprehensive statistical data on the County's financial, physical, economic, social and political characteristics.

## **Profile of the County**

Ulster County is located in the east central portion of the State on the west side of the Hudson River between New York City and Albany. Founded on November 1, 1683, it is one of New York State's original twelve counties. The County currently occupies 1,127 square miles that make up a large part of the Catskill and Shawangunk mountains and serves a population of 182,493. The County is empowered to levy a real property tax on properties within its boundaries.

The communities of the County reflect its variety: Kingston, which was the first capital of New York State, is the County seat and service center, and is located on the Hudson River; Woodstock is an art colony and a cultural center in a deeply wooded area 10 miles northwest of Kingston; New Paltz is the location of a State University of New York liberal arts college and is situated on the Wallkill River 12 miles south of Kingston. The seventeenth century homes and churches along Huguenot Street in New Paltz comprise a national historic site; Saugerties, a Hudson River town, is 8 miles north of Kingston. Originally famous for its brickyards and quarries, it has also become a residential center for people engaged in local industries. In the October, 2009 issue of Budget Travel Magazine, Saugerties was cited as one of the 10 coolest small towns in America. Saugerties now is the summer home of Horse Shows in the Sun (HITS). HITS-On-The-Hudson converted a former 200 acre golf course into a world class facility designed to meet the highest standards of equestrian competition. The facility has 14 permanent barns, over 1,100 horse stalls, a permanent food service facility with a dining courtyard and RV sites with full hook up. Located 20 miles southwest in the Rondout Valley, Ellenville is a vacation and recreation center with hiking in the Shawangunk Ridge which is listed by the Nature Conservancy as one of the "75 Last Great Places on Earth". Phoenicia is a hunting and fishing center 24 miles northwest of Kingston in the Catskill Mountains and is a year round resort and residential area; Hurley, one of the oldest communities in the County a few miles to the west, is dotted with rugged, seventeenth century stone homes, and is an agricultural and residential center; Highland, 12 miles south on the banks of the Hudson River, provides access to the Walkway Over the Hudson, the longest elevated pedestrian bridge in the world. In its first year of operation, the Walkway received over 780,000 visitors which far exceeded the original estimate for the entire year (267,700) and continues to attract on average over 700,000 visitors per year. Highland is the center of the Hudson Valley wine industry and home to many apple, peach, and grape orchards. The Solar Energy Consortium (TSEC), located in Ulster County since June 2007, is an industry-led not-for-profit organization whose mission is to double the efficiency of photovoltaic systems, to decrease the cost of solar energy systems, to simplify the installation of solar energy systems, and to develop unique photovoltaic forms for use in urban environments.

The County provides a full range of services including law enforcement; educational assistance; construction and maintenance of highways; public health; public transportation; environmental protection; recreational facilities and programs; economic assistance; economic opportunity and development; and community development. The County also is financially accountable for several separate entities or component units. They include the Ulster Tobacco Asset Securitization Corporation (UTASC) and the Ulster County Economic Development Alliance (UCEDA), both blended component units, which are included in the financial statements as governmental activities, the Ulster County Community College (UCCC), the Ulster County Resource Recovery Agency (UCRRA), the Ulster County Industrial Development Agency (UCIDA), the Ulster County Capital Resource Corporation (UCCRC), and the Golden Hill Local Development Corporation (GHLDC), all of which are reported as discretely presented component units. Additional information on all seven of these legally separate entities can be found in Note 1A in the notes to the financial statements.

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body. Budgets are adopted on a basis consistent with generally accepted accounting principles. Included in the annual budget are the activities of the General, Special Revenue and Debt Service Funds. Project-length financial plans are adopted for the Capital Projects Fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is exercised at the department and object level within individual funds except for capital projects and agency funds. The County also maintains an encumbrance accounting system under which the dollar values of purchase orders are recorded as reservations against budget appropriations. Encumbrance amounts are not considered expenditures; however, they are reappropriated as part of the following year's budget.

## **Factors Affecting Financial Condition**

### Local Economy

The labor force appears to be stabilizing in Ulster County after a period of change. The County's labor force has an average of 88,200 people for 2014. This is still lower than what was seen before in 2009 when the County's labor force began to decrease, but roughly the same for the last few years. The County's 2014 average unemployment rate of 5.8% is 0.3% less than the 2014 State average. Preliminary figures from the New York State Department of Labor (NYSDOL) show the average number of people employed in private sector jobs in Ulster County increased by 1,245 from 2013 to 2014.

The most recent data of per capita personal income for the County shows an increase of 1.09% from 2012 to 2013. The current median family income as estimated by the United States Department of Housing and Urban Development (HUD) for 2014 is \$71,300.

The 2010 Census reports a total population of 182,493, a 2.7% increase from 177,749 as reported in the 2000 Census. The most recent Census estimates for 2014 show a loss of 1.1 % from 2010 with a total population of 180,445.

The most recent figures from the New York State Association of Realtors has the County's 2014 median sale price for residential properties at \$202,500, down from \$207,500 in 2013. The New York State Department of Taxation and Finance has residential median sale price of \$ 209,800 for 2014, down from \$ 212,000 in 2013. Rental housing data collected by the County Planning Department for 2014 has a vacancy rate of 4.37%. In addition, the County Health Department issued 203 new permits for single family housing septic systems for units not on central sewers in 2014, a 1.0% increase from 2013.

### For the Year

To stimulate economic recovery, the County instituted a deficit reduction program featuring expenditure controls and revenue enhancements. Some of these controls and enhancements are as follows:

- 1) Personnel Attrition - During 2014, the County has managed a work-force reduction program, resulting in budgetary savings of \$1,978,161.
- 2) Tax Overlay - The County has provided \$750,000 of accumulated fund balance in the 2014 tax levy for debt reduction and cash flow purposes.
- 3) Real Property Tax Levy - In 2014, the County Executive delivered a County Operating Budget for 2015 with a 1% tax decrease to protect the taxpayer from the skyrocketing cost of government.

### For the Future

In 2015, Ulster County initiated a \$10 million "Building a Better Ulster County" infrastructure improvement program.

### Debt Administration

Of the County's \$135.5 million of outstanding obligations, \$74.1 million of serial bonds and \$12.1 million of bond anticipation notes were issued for general purposes, \$46.4 million was issued for the Ulster Tobacco Asset Securitization Corporation (UTASC), a blended component unit of the County, and \$2.9 million was issued on behalf of the Ulster County Community College (UCCC). Currently, the County has a Standard and Poor's bond rating of AA on general obligation bond issues and a Fitch rating of AA-. Under current statutes, the County's general obligation bonded debt issuance's are subject to a legal limitation based on 7% of the average full valuation of taxable real property. As of December 31, 2014, the County's general obligation bonded debt of \$91.5 million was well below the legal limit of approximately \$1.347 billion.

### Cash Management

The County has a formal investment policy that is in conformance with all applicable federal, state and other legal requirements. The general objectives, as set forth in the policy, are focused to provide for financial security and optimum liquidity of County funds while achieving a reasonable rate of return consistent with prevailing market conditions. State law requires that County funds must be deposited in banks or trust companies located and authorized to do business within New York State. The County is authorized to use demand accounts, savings accounts, and certificates of deposit. Permissible investments include guaranteed obligations of the U.S. Treasury and Federal Agencies, obligations of New York State, or its municipalities.

The County's policy provides that all investments are insured by federal depository insurance or collateralized. All collateral on deposits was held in the County's name by a third party financial institution.

The County is also authorized to contract for the purchases of investments through repurchase agreements. All repurchase agreements entered into are subject to a Master Repurchase Agreement.

Interest income helps to reduce the tax burden to the taxpayers. The County's effective interest rate on investments for 2014 was 0.25%, which led to interest earnings of \$291 thousand.

### Risk Management

The County is exposed to various risks of loss related to unemployment, general liability, and workers' compensation. The County uses the proprietary fund to account for and finance, in the case of workers' compensation, its uninsured risks of loss. The County is also exposed to risk of loss for deductibles of varying amounts under several liability insurance policies.

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

### Retirement and Other Post-employment Benefits

The County participates in the New York State and Local Employees' Retirement System (ERS). The ERS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the ERS. The ERS is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 and have less than ten years credited service, who contribute 3% of their salary for the first ten years of membership, employees who joined on or after January 1, 2010 who contribute 3% of their salary for the entire length of service, and employees who joined on or after April 1, 2012 who generally contribute 3% of their salary for the first year of service, and a percentage of their salary for the remainder of their service. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

In addition to providing pension benefits, the County provides various health insurance benefits for County retirees. The County pays at least 50 percent of the retirees' health insurance premium in accordance with their respective collective bargaining agreement and/or resolution adopted by the Ulster County Legislature. The County also provides a credit for Medicare eligible retirees to subsidize Medicare Part B and Medicare Part D requirements. The total employer costs are appropriated annually and funded by current local government resources. The County provided these benefits to approximately 608 retired persons in 2014.

Additional information on the County's retirement and post-employment benefits can be found in Notes 1L, 1P and 3C of the financial statements.

### **Acknowledgements**

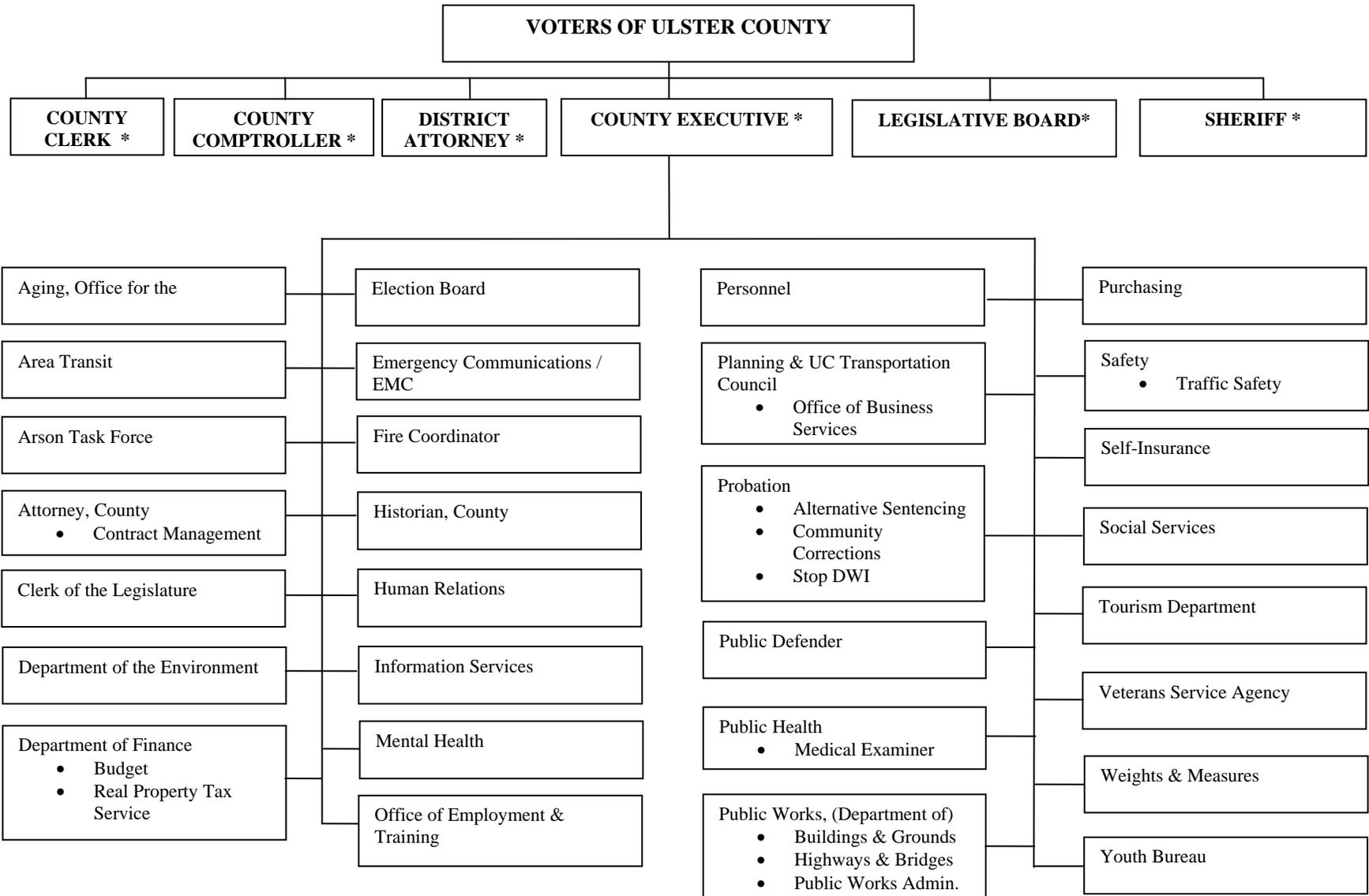
Preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. I would like to express my appreciation to all members of the department and to our independent auditor, Drescher & Malecki LLP, who assisted in its preparation.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "B. Gulnick, Jr.", with a stylized flourish at the end.

Burton Gulnick, Jr.  
Commissioner of Finance



\* Elected official

**COUNTY OF ULSTER, NEW YORK**  
**LIST OF PRINCIPAL OFFICIALS, ULSTER COUNTY LEGISLATURE**

John R. Parete – Chairman

Donald J. Gregorius - Majority Leader  
Kenneth J. Ronk, Jr. - Minority Leader

District No. 1 – Town of Saugerties  
Mary Wawro

District No. 2 – Town of Saugerties, Village of Saugerties  
Chris Allen

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

District No. 4 – Town of Ulster, Town of Kingston  
James F. Maloney

District No. 5 – City of Kingston  
Peter M. Loughran

District No. 6 – City of Kingston  
David B. Donaldson

District No. 7 – City of Kingston  
Jeanette Provenzano

District No. 8 – Town of Esopus  
Carl Belfiglio

District No. 9 – Town of Lloyd, Town of Plattekill  
Herbert Litts, III

District No 10 – Town of Lloyd, Town of Marlborough  
Mary Beth Maio

District No. 11 – Town of Marlborough  
Richard A. Gerentine

District No. 12 – Town of Plattekill  
Kevin A. Roberts

District No. 13 – Town of Shawangunk  
Kenneth J. Ronk, Jr.

District No. 14 – Town of Shawangunk, Town of Wawarsing  
Craig V. Lopez

District No. 15 – Town of Wawarsing,  
Village of Ellenville  
Thomas J. Briggs

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

District No. 17 – Town of Esopus, Town of New Paltz  
Kenneth Wishnick

District No. 18 – Town of Hurley, Town of Marbletown  
Richard A. Parete

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

District No. 20 – Town of New Paltz,  
Village of New Paltz  
Hector S. Rodriguez

District No. 21 – Town of Rochester,  
Town of Wawarsing  
Lynn Archer

District No 22 – Town of Denning, Town of Hardenburgh,  
Town of Olive, Town of Shandaken  
John R. Parete

District No. 23 – Town of Hurley, Town of Woodstock  
Donald J. Gregorius

**COUNTY OF ULSTER, NEW YORK**  
**List of County Departments**

Executive ..... Michael P. Hein  
Aging, Office for the..... Kelly McMullen  
Arson Task Force..... Wayne Freer  
Attorney ..... Beatrice Havranek  
Budget Office ..... Burton Gulnick, Jr.  
Clerk ..... Nina Postupack  
Comptroller..... Elliott Auerbach  
County Court ..... Hon. Donald Williams  
District Attorney ..... D. Holley Carnright  
Election Board ..... Charles V. Work, Thomas F. Turco  
Emergency Management ..... Steven Peterson  
Department of the Environment ..... Amanda LaValle  
Family Court..... Hon. Marianne O. Mizel, Hon. A. McGinty  
Finance..... Burton Gulnick, Jr.  
Fire Coordinator..... Charles Mutz  
Health Department..... Carol Smith, MD, MPH  
Human Relations Commission ..... Evelyn Clarke  
Information Services..... Sylvia Wohlfahrt  
Insurance Department ..... Dorraine Whitney  
Office of Employment and Training..... Lisa Berger  
Legislature (Clerk of the)..... Victoria Fabella  
Mental Health ..... Carol Smith, MD, MPH  
Personnel ..... Sheree Cross  
Planning ..... Dennis Doyle  
Probation..... Melanie Mullins  
Public Defender ..... Andrew Kossover  
Public Works ..... David Sheeley  
Purchasing ..... Marc Rider  
Real Property Tax Service Agency..... Burton Gulnick, Jr.  
Safety ..... Diane Beitel  
Sheriff ..... Paul Van Blarcum  
Social Services..... Michael Iapoco  
Soil and Water Conservation District ..... Leonard Tantillo  
Stop DWI..... Melanie Mullins  
Supreme Court ..... Hon. Karen Peters  
Surrogate's Court ..... Hon. Mary M. Work  
Tourism..... Richard Remsnyder  
Traffic Safety Board ..... Diane Beitel  
Ulster County Community College ..... Donald C. Kaat  
Ulster County Resource Recovery Agency .... Timothy P. Rose  
Ulster County Area Transportation..... Robert DiBella  
Veterans' Service Agency ..... Steven Masee  
Weights and Measures ..... James DeGasperis  
Youth Bureau..... Evelyn Clarke

## **Financial Section**

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*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

Honorable County Executive  
Honorable County Comptroller  
Honorable Members of the County Legislature  
County of Ulster, New York:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ulster, New York (the "County"), as of and for the year ended December 31, 2014 (with the Ulster County Community College for the year ended August 31, 2014), and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ulster County Community College, Ulster County Resource Recovery Agency, Ulster County Industrial Development Agency, Ulster County Capital Resource Corporation, and Golden Hill Local Development Corporation, which are shown as aggregate discretely presented component units, and represent 64.0%, 34.6%, 1.0%, 0.3% and 0.1%, respectively, of the assets and 70.6%, 29.0%, 0.1%, 0.3% and 0.0%, respectively, of the revenues of the aggregate discretely presented component units. We did not audit the financial statements of the Ulster County Economic Development Alliance, which is shown as a nonmajor governmental fund and represents 0.7% and 0.1% of the assets and revenues, respectively, of the governmental activities, and 28.4% and 0.9% of the assets and revenues, respectively, of the total nonmajor governmental funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Introductory Section, Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the Supplementary Information, as listed in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Handwritten signature of Dresher & Malach LLP in cursive script.

September 24, 2015



## County of Ulster, New York Management's Discussion and Analysis December 31, 2014

This section of the County of Ulster, New York's (County) comprehensive annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

### Financial Highlights

- The liabilities and deferred inflows of resources of the County exceeded assets and deferred outflows of resources at the close of the fiscal year by \$7,354,361 (*net position deficit*). An unrestricted net deficit of \$90,445,035 exists.
- The primary government's total net position decreased by \$17,552,118. The County recognized \$12,185,634 of its long-term liability of other postemployment benefits in compliance with Governmental Accounting Standards Board Statement No. 45 (GASB 45), Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB). This represents the seventh year for the recognition of this expense and related liability.
- At year end, the County governmental funds reported combined fund balances of \$64,742,908, a decrease of \$5,889,543 in comparison with the fund balances in the prior year of \$70,632,451.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$27,822,963, or 10.4% of total General Fund expenditures and operating transfers out. An assignment from the fund balance of \$18,965,400 was budgeted for appropriation in the next fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) **government-wide** financial statements; 2) **fund** financial statements and 3) **notes** to the basic financial statements. Required and other Supplementary Information are included in addition to the basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all County assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or in part a portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, education, public safety, public health, transportation, economic assistance, culture and recreation, home and community, and interest on long-term debt. The business-type activities of the County include the Workers' Compensation Pool.

**The government-wide financial statements can be found on pages 14-15 of this report.**

Component units are included in the government-wide financial statements and consist of legally separate entities for which the County is financially accountable or provide services entirely to the County. The aggregate discretely presented component units of the County include the Ulster County Community College (UCCC), the Ulster County Resource Recovery Agency (UCRRA), the Ulster County Industrial Development Agency (UCIDA), the Ulster County Capital Resource Corporation (UCCRC), and the Golden Hill Local Development Corporation (GHLDC). The Ulster Tobacco Asset Securitization Corporation (UTASC) and the Ulster County Economic Development Alliance (UCEDA), although both legally separate, function solely for the benefit of the County, and therefore have been included, or blended, as an integral part of the primary government.

**The combining financial statements of the discretely presented component units can be found on pages 61-62 of this report.**

**County of Ulster, New York**  
**Management's Discussion and Analysis (Continued)**  
**December 31, 2014**

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

**Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund and the Ulster Tobacco Asset Securitization Corporation, which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the Supplementary Information section of this report.

The County adopts an annual appropriated budget for its governmental funds with the exception of the Capital Projects Fund, UTASC and UCEDA. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with the established budgets.

**The governmental fund financial statements can be found on pages 16-18 of this report.**

**Proprietary funds** of the County are enterprise funds. The County uses an enterprise fund to account for the Workers' Compensation Pool.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Workers' Compensation Pool is considered to be a major fund of the County and is presented separately in the proprietary fund financial statements.

**The proprietary fund financial statements can be found on pages 19-21 of this report.**

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**The statement of fiduciary net position can be found on page 22 of this report.**

**Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**The notes can be found on pages 23-51 of this report.**

**County of Ulster, New York**  
**Management's Discussion and Analysis (Continued)**  
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**Required and Other Supplementary Information** is presented in addition to the basic financial statements and accompanying notes. This presentation provides information concerning the County's budgetary comparison schedules, the County's progress in funding its obligation to provide post-employment benefits to its employees, and combining and individual fund statements and schedules to provide information for the nonmajor governmental funds.

**Required supplementary information can be found on pages 52-54 of this report.**

**Other supplementary information can be found on pages 55-62 of this report.**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$7,354,361 at fiscal year-end.

**County of Ulster's Net Position – Primary Government**

|                                | Governmental<br>Activities |                | Business-type<br>Activities |               | Total          |                |
|--------------------------------|----------------------------|----------------|-----------------------------|---------------|----------------|----------------|
|                                | 2014                       | 2013           | 2014                        | 2013          | 2014           | 2013           |
| Current and other assets       | \$ 138,193,991             | \$ 148,245,692 | \$ 42,464,255               | \$ 43,454,997 | \$ 180,658,246 | \$ 191,700,689 |
| Capital assets                 | 156,543,209                | 161,356,224    | -                           | -             | 156,543,209    | 161,356,224    |
| Total assets                   | 294,737,200                | 309,601,916    | 42,464,255                  | 43,454,997    | 337,201,455    | 353,056,913    |
| Deferred outflows of resources | 4,915,370                  | 5,243,039      | -                           | -             | 4,915,370      | 5,243,039      |
| Current and other liabilities  | 74,603,752                 | 79,930,430     | 26,206,442                  | 24,116,585    | 100,810,194    | 104,047,015    |
| Long-term liabilities          | 232,351,179                | 224,716,768    | 16,257,813                  | 19,338,412    | 248,608,992    | 244,055,180    |
| Total liabilities              | 306,954,931                | 304,647,198    | 42,464,255                  | 43,454,997    | 349,419,186    | 348,102,195    |
| Deferred inflows of resources  | 52,000                     | -              | -                           | -             | 52,000         | -              |
| Net position:                  |                            |                |                             |               |                |                |
| Net investment in              |                            |                |                             |               |                |                |
| capital assets                 | 76,692,815                 | 67,892,165     | -                           | -             | 76,692,815     | 67,892,165     |
| Restricted net position        | 6,397,859                  | 6,978,332      | -                           | -             | 6,397,859      | 6,978,332      |
| Unrestricted net position      | (90,445,035)               | (64,672,740)   | -                           | -             | (90,445,035)   | (64,672,740)   |
| Total net position             | (\$ 7,354,361)             | \$ 10,197,757  | \$ -                        | \$ -          | (\$ 7,354,361) | \$ 10,197,757  |

A large portion of the County's net position, in the amount of \$76,692,815, represents its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, in the amount of \$6,397,859, represents resources that are subject to external restrictions on how they may be used. The unrestricted net position is in a deficit position of \$90,445,035.

At the end of the current fiscal year, the County reported positive balances in the net investment in capital assets and restricted categories of net position and a net deficit in the unrestricted category for the primary government as a whole.

**County of Ulster, New York**  
**Management's Discussion and Analysis (Continued)**  
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The County's net position decreased by \$17,552,118 as a result of operations during the current fiscal year.

The following table indicates the changes in net position for governmental and business-type activities:

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

|                                    | Governmental Activities |                    | Business-type Activities |                   | Total              |                    |
|------------------------------------|-------------------------|--------------------|--------------------------|-------------------|--------------------|--------------------|
|                                    | 2014                    | 2013               | 2014                     | 2013              | 2014               | 2013               |
| <b>Revenues:</b>                   |                         |                    |                          |                   |                    |                    |
| <b>Program revenues:</b>           |                         |                    |                          |                   |                    |                    |
| Charges for services               | \$18,491,365            | \$37,781,004       | \$ 8,631,330             | \$17,817,872      | \$27,122,695       | \$55,598,876       |
| Operating grants and contributions | 74,399,760              | 76,283,382         | 655,347                  | 10,506,554        | 75,055,107         | 86,789,936         |
| Capital grants and contributions   | 7,420,320               | 1,450,701          | -                        | -                 | 7,420,320          | 1,450,701          |
| <b>General revenues:</b>           |                         |                    |                          |                   |                    |                    |
| Property taxes                     | 82,839,933              | 83,438,006         | -                        | -                 | 82,839,933         | 83,438,006         |
| Other taxes                        | 104,667,661             | 102,010,008        | -                        | -                 | 104,667,661        | 102,010,008        |
| County contribution                | -                       | (2,954,856)        | 27,554                   | 5,882,075         | 27,554             | 2,927,219          |
| Residual equity transfer           | -                       | 8,187,639          | -                        | (8,187,639)       | -                  | -                  |
| Other                              | 6,487,209               | 5,779,437          | 19,099                   | 36,799            | 6,506,308          | 5,816,236          |
| <b>Total revenues</b>              | <b>294,306,248</b>      | <b>311,975,321</b> | <b>9,333,330</b>         | <b>26,055,661</b> | <b>303,639,578</b> | <b>338,030,982</b> |
| <b>Expenses:</b>                   |                         |                    |                          |                   |                    |                    |
| General government                 | 69,544,611              | 59,697,014         | -                        | -                 | 69,544,611         | 59,697,014         |
| Education                          | 8,533,495               | 10,127,951         | -                        | -                 | 8,533,495          | 10,127,951         |
| Public safety                      | 50,016,317              | 51,988,875         | -                        | -                 | 50,016,317         | 51,988,875         |
| Public health                      | 19,262,838              | 20,982,356         | -                        | -                 | 19,262,838         | 20,982,356         |
| Transportation                     | 25,423,875              | 24,670,675         | -                        | -                 | 25,423,875         | 24,670,675         |
| Economic assistance                | 128,723,809             | 133,857,675        | -                        | -                 | 128,723,809        | 133,857,675        |
| Culture and recreation             | 1,127,564               | 962,783            | -                        | -                 | 1,127,564          | 962,783            |
| Home and community                 | 2,793,990               | 2,878,042          | -                        | -                 | 2,793,990          | 2,878,042          |
| Interest on long-term debt         | 6,431,867               | 6,575,763          | -                        | -                 | 6,431,867          | 6,575,763          |
| Golden Hill Health Care Center     | -                       | -                  | -                        | 13,744,523        | -                  | 13,744,523         |
| Workers' Compensation Pool         | -                       | -                  | 9,333,330                | 9,508,560         | 9,333,330          | 9,508,960          |
| <b>Total expenses</b>              | <b>311,858,366</b>      | <b>311,741,134</b> | <b>9,333,330</b>         | <b>23,253,083</b> | <b>321,191,696</b> | <b>334,994,217</b> |
| Changes in net position            | (17,552,118)            | 234,187            | -                        | 2,802,578         | (17,552,118)       | 3,036,765          |
| Net position – beginning           | 10,197,757              | 9,963,570          | -                        | (2,802,578)       | 10,197,757         | 7,160,992          |
| Net position – ending              | (\$7,354,361)           | \$ 10,197,757      | \$ -                     | \$ -              | (\$7,354,361)      | \$ 10,197,757      |

**County of Ulster, New York**  
**Management's Discussion and Analysis (Continued)**  
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Key elements of the Primary Government's decrease in net position during the year ended December 31, 2014 of \$17,552,118 are as follows:

**Governmental Activities:** Governmental activities decreased the County's net position by \$17,552,118 due to increases in other post-employment benefits and compensated absence liabilities, as well as net depreciation exceeding net capital asset additions in 2014.

**Business-type Activities:** Business-type activities neither increased nor decreased the County's net position.

**Financial Analysis of the County's Funds**

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The general government functions are contained in the General, Special Revenue, Debt Service, Capital Project Funds, and the Ulster Tobacco Asset Securitization Corporation (UTASC). The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$27,822,963, while total fund balance was \$58,367,905. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and operating transfers out. Unassigned fund balance represents 10.4 percent of total fund expenditures and operating transfers out, while total fund balance represents 21.8 percent of that same amount.

**County of Ulster, New York**  
**Management's Discussion and Analysis (Continued)**  
**December 31, 2014**

Revenues for governmental functions totaled \$302,308,918 in the current fiscal year, which represents a decrease of 5.6 percent from the previous fiscal year.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

**Revenues Classified by Source**  
**Governmental Funds**

| Revenues by Source          | FY 2014<br>Amount    | FY 2014<br>% of<br>Total | FY 2013<br>Amount    | FY 2013<br>% of<br>Total | Increase<br>(Decrease)<br>Amount | Increase<br>(Decrease)<br>% Change |
|-----------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------------------|------------------------------------|
| Taxes                       | \$190,296,239        | 62.9%                    | \$186,895,259        | 58.4%                    | \$3,400,980                      | 1.8%                               |
| State and federal aid       | 81,743,766           | 27.0%                    | 77,714,007           | 24.3%                    | 4,029,759                        | 5.2%                               |
| Departmental income         | 10,904,121           | 3.6%                     | 14,818,894           | 4.6%                     | (3,914,773)                      | (26.4)%                            |
| Intergovernmental           | 4,280,472            | 1.4%                     | 7,835,410            | 2.5%                     | (3,554,938)                      | (45.4)%                            |
| Use of money and property   | 1,488,067            | 0.5%                     | 1,985,925            | 0.6%                     | (497,858)                        | (25.1)%                            |
| Tobacco settlement proceeds | 2,650,159            | 0.9%                     | 2,342,517            | 0.7%                     | 307,642                          | 13.1%                              |
| Miscellaneous local sources | 749,856              | 0.3%                     | 928,382              | 0.3%                     | (178,526)                        | (19.2)%                            |
| Interfund revenues          | 8,779,374            | 2.9%                     | 15,018,861           | 4.7%                     | (6,239,487)                      | (41.5)%                            |
| Other                       | 1,416,864            | 0.5%                     | 12,535,845           | 3.9%                     | (11,118,981)                     | (88.7)%                            |
| <b>Total</b>                | <b>\$302,308,918</b> | <b>100%</b>              | <b>\$320,075,100</b> | <b>100%</b>              | <b>(\$17,766,182)</b>            | <b>(5.6)%</b>                      |

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

- Departmental – the significant decrease is primarily due to the privatization of mental health facilities.
- Intergovernmental – the significant decrease is primarily due to the County takeover of Safety Net charges to the Towns and City.
- Interfund Revenues – the significant decrease is primarily due to a change in billing methodology between the County Road and Road Machinery Funds for equipment rentals.
- Other – the significant decrease in other revenues is primarily due to the one time sale of the Golden Hill Health Care Center, which sold in 2013 for a sale price of \$11.25 million.

**County of Ulster, New York**  
**Management's Discussion and Analysis (Continued)**  
**December 31, 2014**

The following table presents expenditures by function compared to prior year amounts.

| Expenditures by<br>Function   | <b>Expenditures by Function</b> |             |                      |                      |                        |               |
|-------------------------------|---------------------------------|-------------|----------------------|----------------------|------------------------|---------------|
|                               | <b>Governmental Funds</b>       |             |                      |                      |                        |               |
|                               | FY 2014                         | FY 2014     | FY 2013              | FY 2013              | Increase               | Increase      |
| Amount                        | % of<br>Total                   | Amount      | % of<br>Total        | (Decrease)<br>Amount | (Decrease)<br>% Change |               |
| General government            | \$57,228,476                    | 18.3%       | \$46,705,234         | 14.6%                | \$10,523,242           | 22.5%         |
| Education                     | 9,795,066                       | 3.1%        | 9,830,905            | 3.1%                 | (35,839)               | (0.4)%        |
| Public safety                 | 41,832,133                      | 13.4%       | 29,127,814           | 9.1%                 | 12,704,319             | 43.6%         |
| Public health                 | 17,551,254                      | 5.6%        | 14,744,280           | 4.6%                 | 2,806,974              | 19.0%         |
| Transportation                | 27,588,082                      | 8.8%        | 21,656,690           | 6.8%                 | 5,931,392              | 27.4%         |
| Economic assistance           | 124,724,630                     | 40.0%       | 125,254,103          | 39.1%                | (529,473)              | (0.4)%        |
| Culture and recreation        | 777,611                         | 0.3%        | 750,097              | 0.2%                 | 27,514                 | 3.7%          |
| Home and community            | 2,851,490                       | 0.9%        | 2,121,429            | 0.7%                 | 730,061                | 34.4%         |
| Employee benefits             | 8,894,445                       | 2.9%        | 49,251,747           | 15.4%                | (40,357,302)           | (81.9)%       |
| Debt (principal and interest) | 12,989,901                      | 4.2%        | 12,525,530           | 3.9%                 | 464,371                | 3.7%          |
| Capital outlay                | 7,894,983                       | 2.5%        | 7,930,651            | 2.5%                 | (35,668)               | (0.4)%        |
| <b>Total</b>                  | <b>\$312,128,071</b>            | <b>100%</b> | <b>\$319,898,480</b> | <b>100%</b>          | <b>( \$7,770,409)</b>  | <b>(2.4)%</b> |

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

- The significant increases of expenditures by function and the significant decrease of employee benefits is primarily due to the allocation of employee benefits to individual departments. Previously, the County did not allocate benefits to departments, rather grouping all benefits together in prior years.

**County of Ulster, New York**  
**Management's Discussion and Analysis (Continued)**  
**December 31, 2014**

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

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

|   | General<br>Fund      | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | UTASC               | Nonmajor<br>Special<br>Revenue<br>Funds | Total                |
|---|----------------------|-------------------------|-----------------------------|---------------------|---|----------------------|
| Revenues  | \$263,170,346        | \$ 9,371,657            | \$4,471,547                 | \$2,800,303         | \$22,495,065                            | \$302,308,918        |
| Expenditures  | 267,537,680          | 10,079,043              | 7,894,983                   | 2,835,215           | 23,781,150                              | 312,128,071          |
| Other financing sources<br>(uses), net  | (20,173)             | -                       | 3,949,783                   | -                   | -                                       | 3,929,610            |
| Excess (deficiency) of revenues<br>and other financing sources<br>over expenditures and<br>other financing uses | (4,387,507)          | (707,386)               | 526,347                     | (34,912)            | (1,286,085)                             | (5,889,543)          |
| Fund balances (deficit) – beginning   | 62,755,412           | 2,432,331               | (4,180,095)                 | 2,823,465           | 6,801,338                               | 70,632,451           |
| Fund balances (deficit) – ending  | <u>\$ 58,367,905</u> | <u>\$ 1,724,945</u>     | <u>\$ (3,653,748)</u>       | <u>\$ 2,788,553</u> | <u>\$ 5,515,253</u>                     | <u>\$ 64,742,908</u> |

The fund balance of the County's General Fund decreased by \$4,387,507 during the fiscal year.

**Proprietary funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Other factors concerning the finances of the County's proprietary funds have already been addressed in the discussion of the County's business-type activities.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget resulted in a \$10.5 million increase in appropriations and a \$5.8 million increase in revenues and can be briefly summarized as follows:

- \$4.2 million to fund increases to public safety programs.
- \$1.7 million to fund increases in public health programs.
- \$2.9 million to fund increases to economic assistance for social service programs such as day care, family assistance, and other programs.
- \$1.1 million to fund increases to planning and conservation studies.
- \$600 thousand in increases required in the normal course of operations.

These increases were to be primarily funded out of additional state and federal grants of \$5.6 million, \$200 thousand from miscellaneous sources, with the remaining \$4.7 million being funded from available fund balance assigned for prior year encumbrances.

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

- State aid and federal aid revenues were less than budgeted due to less social service administrative aid being received in the amount of \$7.0 million, and less aid to child care programs of over \$2.6 million.
- General government expense savings resulted from computer equipment and contractual savings of approximately \$1.8 million, and general savings across all county departments.
- Public safety expense savings resulted from contractual savings on emergency communications of approximately \$1.2 million, Sheriff's road patrol of \$1.1 million, and savings in the Jail of \$1.2 million.
- Public health expense savings resulted from contractual savings on mental health programs of approximately \$2.2 million.
- Economic assistance expense savings resulted from contractual savings on social services administration of nearly \$2.4 million, medicare of \$3.9 million, and child care of approximately \$3.0 million.

**County of Ulster, New York**  
**Management's Discussion and Analysis (Continued)**  
**December 31, 2014**

**Capital Assets and Debt Administration**

**Capital assets.** The County's investment in capital assets for its governmental activities as of fiscal year end, amounts to \$156,543,209 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction in progress. The total decrease in the County's investment in capital assets for the current fiscal year was 3.0 percent. For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

|                            | <u>Governmental Activities</u> |               |
|----------------------------|--------------------------------|---------------|
|                            | 2014                           | 2013          |
| Land and land improvements | \$ 4,285,788                   | \$ 4,431,161  |
| Buildings and improvements | 91,843,895                     | 94,059,948    |
| Machinery and equipment    | 10,444,998                     | 9,157,561     |
| Infrastructure             | 46,427,930                     | 39,768,209    |
| Construction in progress   | 3,540,598                      | 13,939,345    |
| Total                      | \$156,543,209                  | \$161,356,224 |

Additional information on the County's capital assets can be found in Note 2E on pages 36-37 of this report.

**County of Ulster, New York**  
**Management's Discussion and Analysis (Continued)**  
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**Long-term debt.** At the end of the current fiscal year, the primary government of the County had total serial bonded debt outstanding of \$125,956,423, net of unamortized deferred charges and premiums. Of this amount, \$79,446,382 comprises debt backed by full faith and credit of the County and \$46,510,041 is backed by the tobacco settlement revenues per the Master Settlement Agreement.

|                               | <u>Governmental Activities</u> |               | Increase      |
|-------------------------------|--------------------------------|---------------|---------------|
|                               | 2014                           | 2013          | (Decrease)    |
| General obligation bonds      | \$ 79,446,382                  | \$ 82,596,276 | (\$3,149,894) |
| Tobacco asset backed bonds    | 46,510,041                     | 46,120,310    | 389,731       |
| Total outstanding bonded debt | \$125,956,423                  | \$128,716,586 | (\$2,760,163) |

The County maintains a “AA-” rating from Standard & Poor’s, a rating of “AA-” from Fitch and an “Aa3” rating from Moody’s for general obligation debt. State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year average full valuation of taxable real property. The County has utilized 6.79% of its statutory debt limit at fiscal year end.

Additional information on the County’s long-term debt can be found in Note 2H on pages 40-43 of this report.

**Economic Factors and Next Year’s Budget and Rates**

- The property tax levy was reduced by 1% in 2015.
- The County assumed one-third of the election costs previously billed to the towns.
- The County established an infrastructure improvement program and invested \$10 million in critical road and bridge improvements.
- The County established a Tax Stabilization Reserve fund to protect taxpayers now and in the future.

All of these factors were considered in preparing the County’s budget for fiscal year 2015.

During the current fiscal year, fund balance in the General Fund decreased to \$58,367,905. The County elected to appropriate \$18,965,400 of the fund balance in the General Fund for spending in the 2015 fiscal year budget.

**Request for Information**

The financial report is designed to provide a general overview of the County’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Ulster County Department of Finance, 244 Fair Street, Kingston, New York, 12401.

# **Basic Financial Statements**

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**Government-wide**  
**Financial Statements**

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**County of Ulster, New York**  
**Statement of Net Position**  
**December 31, 2014**

|  | Primary Government         |                             |                | Aggregate<br>Discretely<br>Presented<br>Component<br>Units |
|--|----------------------------|-----------------------------|----------------|--|
|  | Governmental<br>Activities | Business-type<br>Activities | Total          |  |
| <b>ASSETS</b>                                    |                            |                             |                |  |
| Cash and cash equivalents                        | \$ 41,816,958              | \$ 20,776,678               | \$ 62,593,636  | \$ 9,419,126   |
| Restricted cash and cash equivalents             | 12,584,623                 | -                           | 12,584,623     | -  |
| Investments                                      | 2,639,486                  | -                           | 2,639,486      | 10,807,203   |
| Receivables                                      | 88,111,221                 | -                           | 88,111,221     | 6,303,487  |
| Internal balances                                | (13,970,220)               | 13,970,220                  | -              | -  |
| Due from component unit/primary government       | 752,610                    | -                           | 752,610        | -  |
| Due from Agency Fund                             | 47,037                     | -                           | 47,037         | -  |
| Inventories                                      | 90,009                     | -                           | 90,009         | -  |
| Prepaid items                                    | 6,122,267                  | -                           | 6,122,267      | 1,937,802  |
| Assessment receivables                           | -                          | 6,517,357                   | 6,517,357      | -  |
| Deposit with third party administrator           | -                          | 1,200,000                   | 1,200,000      | -  |
| Capital assets (net of accumulated depreciation) | 156,543,209                | -                           | 156,543,209    | 23,564,767   |
| Total assets                                     | 294,737,200                | 42,464,255                  | 337,201,455    | 52,032,385   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>            |                            |                             |                |  |
| Deferred charge on refunding                     | 4,915,370                  | -                           | 4,915,370      | 119,583  |
| Total deferred outflows of resources             | 4,915,370                  | -                           | 4,915,370      | 119,583  |
| <b>LIABILITIES</b>                               |                            |                             |                |  |
| Accounts payable and other accrued liabilities   | 12,459,229                 | 1,593,237                   | 14,052,466     | 4,980,490  |
| Accrued interest payable                         | 547,867                    | -                           | 547,867        | -  |
| Intergovernmental payables                       | 39,686,541                 | -                           | 39,686,541     | 289,202  |
| Due to Agency Fund                               | 9,277                      | -                           | 9,277          | -  |
| Other liabilities                                | -                          | -                           | -              | 124,685  |
| Unearned revenue                                 | 344,226                    | 990,378                     | 1,334,604      | 6,050  |
| Bond anticipation notes payable                  | 12,090,740                 | -                           | 12,090,740     | -  |
| Noncurrent liabilities:                          |                            |                             |                |  |
| Due within one year                              | 9,465,872                  | 23,622,827                  | 33,088,699     | 3,548,179  |
| Due in more than one year                        | 232,351,179                | 16,257,813                  | 248,608,992    | 27,042,164   |
| Total liabilities                                | 306,954,931                | 42,464,255                  | 349,419,186    | 35,990,770   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                            |                             |                |  |
| Deferred tuition received                        | -                          | -                           | -              | 6,053,644  |
| Unavailable revenue - loans                      | 52,000                     | -                           | 52,000         | -  |
| Total deferred inflows of resources              | 52,000                     | -                           | 52,000         | 6,053,644  |
| <b>NET POSITION</b>                              |                            |                             |                |  |
| Net investment in capital assets                 | 76,692,815                 | -                           | 76,692,815     | 21,907,968   |
| Restricted for:                                  |                            |                             |                |  |
| Student activities, scholarships, and grants     | -                          | -                           | -              | 4,484,672  |
| Nonexpendable                                    | -                          | -                           | -              | 2,457,763  |
| Debt service                                     | 4,513,498                  | -                           | 4,513,498      | 3,226,614  |
| Landfill closure                                 | -                          | -                           | -              | 96,145   |
| Other purposes                                   | 1,884,361                  | -                           | 1,884,361      | -  |
| Unrestricted                                     | (90,445,035)               | -                           | (90,445,035)   | (22,065,608)   |
| Total net position                               | \$ (7,354,361)             | \$ -                        | \$ (7,354,361) | \$ 10,107,554  |

See accompanying notes to the financial statements.

**County of Ulster, New York**  
**Statement of Activities**  
**For the Year Ended December 31, 2014**

| Functions/Programs                        | Program Revenues      |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                       | Aggregate Discretely Presented Component Units |
|---|-----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|--|
|   | Expenses              | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                                |                          |                       |  |
|   |                       |                      |                                    |                                  | Governmental Activities                           | Business-type Activities | Total                 |  |
| <b>Primary government:</b>                |                       |                      |                                    |                                  |   |                          |                       |  |
| Governmental activities:                  |                       |                      |                                    |                                  |   |                          |                       |  |
| General government                        | \$ 69,544,611         | \$ 5,964,237         | \$ 828,826                         | \$ -                             | \$ (62,751,548)                                   | \$ -                     | \$ (62,751,548)       | \$ -   |
| Education                                 | 8,533,495             | 90,158               | -                                  | -                                | (8,443,337)                                       | -                        | (8,443,337)           | -  |
| Public safety                             | 50,016,317            | 3,306,178            | 2,756,726                          | -                                | (43,953,413)                                      | -                        | (43,953,413)          | -  |
| Public health                             | 19,262,838            | 618,318              | 10,499,817                         | -                                | (8,144,703)                                       | -                        | (8,144,703)           | -  |
| Transportation                            | 25,423,875            | 861,642              | 4,613,705                          | 7,344,008                        | (12,604,520)                                      | -                        | (12,604,520)          | -  |
| Economic assistance                       | 128,723,809           | 7,531,266            | 54,445,065                         | 76,312                           | (66,671,166)                                      | -                        | (66,671,166)          | -  |
| Culture and recreation                    | 1,127,564             | 113,547              | 213,821                            | -                                | (800,196)   | -                        | (800,196)             | -  |
| Home and community                        | 2,793,990             | 6,019                | 1,041,800                          | -                                | (1,746,171)                                       | -                        | (1,746,171)           | -  |
| Interest on long-term debt                | 6,431,867             | -                    | -                                  | -                                | (6,431,867)                                       | -                        | (6,431,867)           | -  |
| Total governmental activities             | <u>311,858,366</u>    | <u>18,491,365</u>    | <u>74,399,760</u>                  | <u>7,420,320</u>                 | <u>(211,546,921)</u>                              | <u>-</u>                 | <u>(211,546,921)</u>  | <u>-</u>                                       |
| Business-type activities:                 |                       |                      |                                    |                                  |   |                          |                       |  |
| Workers' Compensation Pool                | 9,333,330             | 8,631,330            | 655,347                            | -                                | -   | (46,653)                 | (46,653)              | -  |
| Total business-type activities            | <u>9,333,330</u>      | <u>8,631,330</u>     | <u>655,347</u>                     | <u>-</u>                         | <u>-</u>  | <u>(46,653)</u>          | <u>(46,653)</u>       | <u>-</u>                                       |
| Total primary government                  | <u>\$ 321,191,696</u> | <u>\$ 27,122,695</u> | <u>\$ 75,055,107</u>               | <u>\$ 7,420,320</u>              | <u>(211,546,921)</u>                              | <u>(46,653)</u>          | <u>(211,593,574)</u>  | <u>-</u>                                       |
| <b>Component units:</b>                   |                       |                      |                                    |                                  |   |                          |                       |  |
| Community College                         | \$ 34,464,384         | \$ 8,095,322         | \$ 12,864,214                      | \$ -                             |   |                          |                       | (13,504,848)                                   |
| Resource Recovery Agency                  | 11,907,858            | 14,866,446           | 128,939                            | -                                |   |                          |                       | 3,087,527                                      |
| Industrial Development Agency             | 285,157               | 58,771               | -                                  | -                                |   |                          |                       | (226,386)                                      |
| Capital Resource Corporation              | 25,800                | 146,700              | 5,000                              | -                                |   |                          |                       | 125,900  |
| Golden Hill Local Development Corporation | 902                   | -                    | -                                  | -                                |   |                          |                       | (902)  |
| Total component units                     | <u>\$ 46,684,101</u>  | <u>\$ 23,167,239</u> | <u>\$ 12,998,153</u>               | <u>\$ -</u>                      |   |                          |                       | <u>(10,518,709)</u>                            |
| General revenues:                         |                       |                      |                                    |                                  |   |                          |                       |  |
| Real property taxes and tax items         |                       |                      |                                    |                                  | 82,839,933  | -                        | 82,839,933            | -  |
| Sales taxes                               |                       |                      |                                    |                                  | 104,667,661                                       | -                        | 104,667,661           | -  |
| Off-track betting distribution            |                       |                      |                                    |                                  | 106,107   | -                        | 106,107               | -  |
| Hotel room occupancy tax                  |                       |                      |                                    |                                  | 1,197,439   | -                        | 1,197,439             | -  |
| Emergency telephone E-911 surcharge       |                       |                      |                                    |                                  | 633,037   | -                        | 633,037               | -  |
| Automobile use tax                        |                       |                      |                                    |                                  | 1,033,251   | -                        | 1,033,251             | -  |
| Investment earnings                       |                       |                      |                                    |                                  | 271,701   | 19,099                   | 290,800               | 1,222,840                                      |
| Tobacco settlement proceeds               |                       |                      |                                    |                                  | 2,991,903   | -                        | 2,991,903             | -  |
| Premium on sale of obligations            |                       |                      |                                    |                                  | 253,771   | -                        | 253,771               | -  |
| Contribution from other governments       |                       |                      |                                    |                                  | -   | -                        | -                     | 5,624,931                                      |
| County contribution                       |                       |                      |                                    |                                  | -   | 27,554                   | 27,554                | 6,281,765                                      |
| Chargeback revenue                        |                       |                      |                                    |                                  | -   | -                        | -                     | 953,062  |
| (Loss) on disposals                       |                       |                      |                                    |                                  | -   | -                        | -                     | (23,526)                                       |
| Total general revenues                    |                       |                      |                                    |                                  | <u>193,994,803</u>                                | <u>46,653</u>            | <u>194,041,456</u>    | <u>14,059,072</u>                              |
| Change in net position                    |                       |                      |                                    |                                  | <u>(17,552,118)</u>                               | <u>-</u>                 | <u>(17,552,118)</u>   | <u>3,540,363</u>                               |
| Net position - beginning                  |                       |                      |                                    |                                  | <u>10,197,757</u>                                 | <u>-</u>                 | <u>10,197,757</u>     | <u>6,567,191</u>                               |
| Net position - ending                     |                       |                      |                                    |                                  | <u>\$ (7,354,361)</u>                             | <u>\$ -</u>              | <u>\$ (7,354,361)</u> | <u>\$ 10,107,554</u>                           |

15

**Fund Financial**  
**Statements**

**County of Ulster, New York**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2014**

|   | <u>General</u>        | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> | <u>UTASC</u>        | <u>Total<br/>Nonmajor<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-----------------------|-------------------------|-----------------------------|---------------------|-------------------------------------|---|
| <b>ASSETS</b>   |                       |                         |                             |                     |                                     |   |
| Cash, cash equivalents and investments                              | \$ 37,337,156         | \$ -                    | \$ -                        | \$ -                | \$ 4,479,802                        | \$ 41,816,958                           |
| Restricted cash, cash equivalents and investments                   | 1,687,044             | 1,724,945               | 8,819,895                   | 2,794,908           | 197,317                             | 15,224,109                              |
| Receivables   | 83,406,251            | -                       | 174,430                     | -                   | 1,888,796                           | 85,469,477                              |
| Due from other funds  | 7,504                 | -                       | -                           | -                   | 202,000                             | 209,504                                 |
| Due from fiduciary fund   | 47,037                | -                       | -                           | -                   | -                                   | 47,037                                  |
| Due from component units - UCCC                                     | 752,610               | -                       | -                           | -                   | -                                   | 752,610                                 |
| Inventories   | 90,009                | -                       | -                           | -                   | -                                   | 90,009                                  |
| Prepaid items   | 6,122,267             | -                       | -                           | -                   | -                                   | 6,122,267                               |
| Total assets  | <u>\$ 129,449,878</u> | <u>\$ 1,724,945</u>     | <u>\$ 8,994,325</u>         | <u>\$ 2,794,908</u> | <u>\$ 6,767,915</u>                 | <u>\$ 149,731,971</u>                   |
| <b>LIABILITIES</b>  |                       |                         |                             |                     |                                     |   |
| Accounts payable and other current liabilities                      | \$ 11,304,263         | \$ -                    | \$ 556,204                  | \$ -                | \$ 527,225                          | \$ 12,387,692                           |
| Due to other funds  | 150,000               | -                       | 1,129                       | 6,355               | 52,020                              | 209,504                                 |
| Due to fiduciary fund   | 9,277                 | -                       | -                           | -                   | -                                   | 9,277                                   |
| Intergovernmental payables  | 39,264,541            | -                       | -                           | -                   | 422,000                             | 39,686,541                              |
| Bond anticipation notes payable                                     | -                     | -                       | 12,090,740                  | -                   | -                                   | 12,090,740                              |
| Other unearned revenues   | 144,809               | -                       | -                           | -                   | 199,417                             | 344,226                                 |
| Total liabilities   | <u>50,872,890</u>     | <u>-</u>                | <u>12,648,073</u>           | <u>6,355</u>        | <u>1,200,662</u>                    | <u>64,727,980</u>                       |
| <b>DEFERRED INFLOW OF RESOURCES</b>                                 |                       |                         |                             |                     |                                     |   |
| Unavailable revenue - property taxes                                | 20,209,083            | -                       | -                           | -                   | -                                   | 20,209,083                              |
| Unavailable revenue - loans   | -                     | -                       | -                           | -                   | 52,000                              | 52,000                                  |
| Total deferred inflows of resources                                 | <u>20,209,083</u>     | <u>-</u>                | <u>-</u>                    | <u>-</u>            | <u>52,000</u>                       | <u>20,261,083</u>                       |
| <b>FUND BALANCES</b>  |                       |                         |                             |                     |                                     |   |
| Nonspendable:   |                       |                         |                             |                     |                                     |   |
| Inventories   | 90,009                | -                       | -                           | -                   | -                                   | 90,009                                  |
| Prepays   | 6,122,267             | -                       | -                           | -                   | -                                   | 6,122,267                               |
| Restricted for:   |                       |                         |                             |                     |                                     |   |
| Debt service  | -                     | 1,724,945               | -                           | 2,788,553           | -                                   | 4,513,498                               |
| Risk retention  | 125,746               | -                       | -                           | -                   | -                                   | 125,746                                 |
| Other purposes  | 1,561,298             | -                       | -                           | -                   | 197,317                             | 1,758,615                               |
| Assigned to:  |                       |                         |                             |                     |                                     |   |
| Encumbrances  | 3,041,630             | -                       | -                           | -                   | 137,906                             | 3,179,536                               |
| Subsequent years' expenditures                                      | 18,965,400            | -                       | -                           | -                   | -                                   | 18,965,400                              |
| Specific use  | -                     | -                       | -                           | -                   | 5,180,030                           | 5,180,030                               |
| Other purposes  | 638,592               | -                       | -                           | -                   | -                                   | 638,592                                 |
| Unassigned  | 27,822,963            | -                       | (3,653,748)                 | -                   | -                                   | 24,169,215                              |
| Total fund balances   | <u>58,367,905</u>     | <u>1,724,945</u>        | <u>(3,653,748)</u>          | <u>2,788,553</u>    | <u>5,515,253</u>                    | <u>64,742,908</u>                       |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 129,449,878</u> | <u>\$ 1,724,945</u>     | <u>\$ 8,994,325</u>         | <u>\$ 2,794,908</u> | <u>\$ 6,767,915</u>                 |   |

Amounts reported for governmental activities in the statement of net position (page 14) are different because:

|  |                       |
|--|-----------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  | 156,543,209           |
| Other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  | 2,641,744             |
| Deferred outflows of resources represent a consumption of net position in the future period and, therefore, are not reported in the funds.   | 4,915,370             |
| Deferred property tax revenue is not available to pay for current-period expenditures and, therefore, are deferred in the funds.   | 20,209,083            |
| Retainage payable is not due and payable in the current period and, therefore, is not reported in the funds.   | (71,537)              |
| Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.   | (547,867)             |
| Claims and judgments for workers' compensation liabilities are not due and payable in the current period and, therefore, are not reported in the funds.  | (13,970,220)          |
| Long-term liabilities, including bonds payable, claims and judgments, retirement, OPEB, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. | (241,817,051)         |
| Net position of governmental activities  | <u>\$ (7,354,361)</u> |

See accompanying notes to the financial statements.

**County of Ulster, New York**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2014**

|  | General              | Debt<br>Service     | Capital<br>Projects   | UTASC               | Total<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|---------------------|-----------------------|---------------------|----------------------------|--------------------------------|
| <b>REVENUES</b>                                      |                      |                     |                       |                     |                            |                                |
| Taxes:   |                      |                     |                       |                     |                            |                                |
| Property   | \$ 55,787,406        | \$ 9,293,763        | \$ -                  | \$ -                | \$ 11,243,773              | \$ 76,324,942                  |
| Other real property tax items                        | 6,333,802            | -                   | -                     | -                   | -                          | 6,333,802                      |
| Sales  | 104,667,661          | -                   | -                     | -                   | -                          | 104,667,661                    |
| Tax on hotel room occupancy                          | 1,197,439            | -                   | -                     | -                   | -                          | 1,197,439                      |
| Off track betting                                    | 106,107              | -                   | -                     | -                   | -                          | 106,107                        |
| E-911 surcharge                                      | 633,037              | -                   | -                     | -                   | -                          | 633,037                        |
| Automobile use tax                                   | 1,033,251            | -                   | -                     | -                   | -                          | 1,033,251                      |
| State aid  | 37,408,695           | -                   | 3,527,742             | -                   | 3,597,049                  | 44,533,486                     |
| Federal aid  | 34,350,938           | -                   | 488,030               | -                   | 2,371,312                  | 37,210,280                     |
| Departmental income                                  | 10,749,619           | -                   | -                     | -                   | 154,502                    | 10,904,121                     |
| Intergovernmental                                    | 4,177,722            | -                   | -                     | -                   | 102,750                    | 4,280,472                      |
| Use of money and property                            | 1,295,843            | 330                 | -                     | 150,144             | 41,750                     | 1,488,067                      |
| Licenses and permits                                 | 25,607               | -                   | -                     | -                   | -                          | 25,607                         |
| Fines and forfeitures                                | 455,829              | -                   | -                     | -                   | -                          | 455,829                        |
| Sale of property and compensation for loss           | 806,072              | -                   | -                     | -                   | 129,356                    | 935,428                        |
| Tobacco settlement proceeds                          | -                    | -                   | -                     | 2,650,159           | -                          | 2,650,159                      |
| Miscellaneous local sources                          | 609,943              | -                   | 76,312                | -                   | 63,601                     | 749,856                        |
| Interfund revenues                                   | 3,531,375            | 77,564              | 379,463               | -                   | 4,790,972                  | 8,779,374                      |
| Total revenues                                       | <u>263,170,346</u>   | <u>9,371,657</u>    | <u>4,471,547</u>      | <u>2,800,303</u>    | <u>22,495,065</u>          | <u>302,308,918</u>             |
| <b>EXPENDITURES</b>                                  |                      |                     |                       |                     |                            |                                |
| Current:   |                      |                     |                       |                     |                            |                                |
| General government                                   | 57,189,572           | -                   | -                     | 38,904              | -                          | 57,228,476                     |
| Education  | 9,795,066            | -                   | -                     | -                   | -                          | 9,795,066                      |
| Public safety  | 41,832,133           | -                   | -                     | -                   | -                          | 41,832,133                     |
| Public health  | 17,551,254           | -                   | -                     | -                   | -                          | 17,551,254                     |
| Transportation                                       | 6,278,687            | -                   | -                     | -                   | 21,309,395                 | 27,588,082                     |
| Economic assistance                                  | 122,906,243          | -                   | -                     | -                   | 1,818,387                  | 124,724,630                    |
| Culture and recreation                               | 777,611              | -                   | -                     | -                   | -                          | 777,611                        |
| Home and community                                   | 2,202,536            | -                   | -                     | -                   | 648,954                    | 2,851,490                      |
| Employee benefits                                    | 8,894,445            | -                   | -                     | -                   | -                          | 8,894,445                      |
| Debt service:  |                      |                     |                       |                     |                            |                                |
| Principal  | -                    | 6,838,500           | -                     | 915,000             | -                          | 7,753,500                      |
| Interest   | 110,133              | 3,240,543           | -                     | 1,881,311           | 4,414                      | 5,236,401                      |
| Capital outlay                                       | -                    | -                   | 7,894,983             | -                   | -                          | 7,894,983                      |
| Total expenditures                                   | <u>267,537,680</u>   | <u>10,079,043</u>   | <u>7,894,983</u>      | <u>2,835,215</u>    | <u>23,781,150</u>          | <u>312,128,071</u>             |
| Excess (deficiency) of revenues<br>over expenditures | <u>(4,367,334)</u>   | <u>(707,386)</u>    | <u>(3,423,436)</u>    | <u>(34,912)</u>     | <u>(1,286,085)</u>         | <u>(9,819,153)</u>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                      |                     |                       |                     |                            |                                |
| Transfers in   | -                    | -                   | 98,483                | -                   | -                          | 98,483                         |
| Transfers out  | (98,483)             | -                   | -                     | -                   | -                          | (98,483)                       |
| Proceeds of obligations                              | -                    | -                   | 3,851,300             | -                   | -                          | 3,851,300                      |
| Premium on obligations                               | 78,310               | -                   | -                     | -                   | -                          | 78,310                         |
| Total other financing sources (uses)                 | <u>(20,173)</u>      | <u>-</u>            | <u>3,949,783</u>      | <u>-</u>            | <u>-</u>                   | <u>3,929,610</u>               |
| Net change in fund balances                          | <u>(4,387,507)</u>   | <u>(707,386)</u>    | <u>526,347</u>        | <u>(34,912)</u>     | <u>(1,286,085)</u>         | <u>(5,889,543)</u>             |
| Fund balances - beginning                            | 62,755,412           | 2,432,331           | (4,180,095)           | 2,823,465           | 6,801,338                  | 70,632,451                     |
| Fund balances - ending                               | <u>\$ 58,367,905</u> | <u>\$ 1,724,945</u> | <u>\$ (3,653,748)</u> | <u>\$ 2,788,553</u> | <u>\$ 5,515,253</u>        | <u>\$ 64,742,908</u>           |

See accompanying notes to the financial statements.

**County of Ulster, New York**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Government-wide Statement of Activities**  
**For the Year Ended December 31, 2014**

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

|   |    |                            |
|---|----|----------------------------|
| Net change in fund balances - total governmental funds (page 17)  | \$ | (5,889,543)                |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays, net of disposals, in the current period.  |    | (4,813,015)                |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |    | 522,933                    |
| Accrued bond interest is not due and payable in the current period and, therefore, is not reported in the funds.  |    | 39,468                     |
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. |    | (6,827,228)                |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.   |    | <u>(584,733)</u>           |
| Change in net position of governmental activities   | \$ | <u><u>(17,552,118)</u></u> |

See accompanying notes to the financial statements.

**County of Ulster, New York  
Statement of Net Position  
Proprietary Funds  
December 31, 2014**

|  | <b>Business-Type Activities<br/>Enterprise Fund<br/>Workers'<br/>Compensation<br/>Pool</b> |
|--|--|
| <b>ASSETS</b>                          |  |
| Current assets:                        |  |
| Cash and cash equivalents              | \$ 20,776,678  |
| Due from other funds                   | 13,970,220   |
| Total current assets                   | 34,746,898   |
| Noncurrent assets:                     |  |
| Assessment receivables                 | 6,517,357  |
| Deposit with third party administrator | 1,200,000  |
| Total noncurrent assets                | 7,717,357  |
| Total assets                           | 42,464,255   |
| <b>LIABILITIES</b>                     |  |
| Current liabilities:                   |  |
| Accounts payable and accrued expenses  | 1,587,670  |
| Accrued salaries and benefits          | 5,567  |
| Unearned revenue                       | 990,378  |
| Workers' compensation claims payable   | 23,622,827   |
| Total current liabilities              | 26,206,442   |
| Noncurrent liabilities:                |  |
| Workers' compensation claims payable   | 16,257,813   |
| Total noncurrent liabilities           | 16,257,813   |
| Total liabilities                      | 42,464,255   |
| <b>NET POSITION</b>                    |  |
| Unrestricted                           | -  |
| Total net position                     | \$ -   |

See accompanying notes to the financial statements.

**County of Ulster, New York**  
**Statement of Revenues, Expenses, and Change in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2014**

|   | <b>Business-Type Activities</b> |
|---|---------------------------------|
|   | <b>Enterprise Fund</b>          |
|   | <b>Workers'</b>                 |
|   | <b>Compensation</b>             |
|   | <b>Pool</b>                     |
| <b>OPERATING REVENUES</b>   |                                 |
| Charges for services  | \$ 8,631,330                    |
| Other operating revenue   | 655,347                         |
| Total operating revenues  | 9,286,677                       |
| <b>OPERATING EXPENSES</b>   |                                 |
| Administrative  | 2,460,511                       |
| Claimants   | 6,872,819                       |
| Total operating expenses  | 9,333,330                       |
| Operating loss  | (46,653)                        |
| <b>NONOPERATING REVENUES</b>  |                                 |
| On behalf contribution from Ulster County<br>for other post-employment benefits | 27,554                          |
| Interest earnings   | 19,099                          |
| Total nonoperating revenues   | 46,653                          |
| Change in net position  | -                               |
| Total net position - beginning  | -                               |
| Total net position - ending   | \$ -                            |

See accompanying notes to the financial statements.

**County of Ulster, New York**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2014**

|   | <b>Business-Type Activities</b><br><b>Enterprise Fund</b><br><b>Workers'</b><br><b>Compensation</b><br><b>Pool</b> |
|---|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |
| Receipts from customers and users   | \$ 9,286,677   |
| Payments to suppliers and service providers   | (2,296,250)  |
| Payments to employees   | (164,261)  |
| Payments to claimants   | (6,328,161)  |
| Net cash provided by operating activities   | 498,005  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                |  |
| Cash contributions from Ulster County   | 27,554   |
| Net cash provided by noncapital financing activities                                  | 27,554   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |  |
| Interest earnings   | 19,099   |
| Net cash provided by investing activities   | 19,099   |
| Net increase (decrease) in cash and cash equivalents                                  | 544,658  |
| Total cash and cash equivalents, January 1  | 20,232,020   |
| Total cash and cash equivalents, December 31  | \$ 20,776,678  |
| <b>Reconciliation of operating loss to net cash provided by operating activities:</b> |  |
| Operating loss  | \$ (46,653)  |
| Adjustments to reconcile operating loss to net cash provided by operating activities: |  |
| Decrease (increase) in:   |  |
| Assessment receivables  | 2,751,080  |
| Due from other funds  | (15,680)   |
| Deposit with third party administrator  | (1,200,000)  |
| Increase (decrease) in:   |  |
| Accounts payable  | 1,401,210  |
| Accrued salaries and benefits   | (12,396)   |
| Workers' compensation claims  | (2,435,360)  |
| Unearned revenue  | 55,804   |
| Total adjustments   | 544,658  |
| Net cash used for operating activities  | \$ 498,005   |

See accompanying notes to the financial statements.

**County of Ulster, New York**  
**Statement of Net Position - Agency Fund**  
**December 31, 2014**

|                           | <b>Agency</b> |
|---------------------------|---------------|
| <b>ASSETS</b>             |               |
| Cash and cash equivalents | \$ 10,635,239 |
| Receivables               | 16,523        |
| Due from other funds      | 9,277         |
| Total assets              | \$ 10,661,039 |
| <br><b>LIABILITIES</b>    |               |
| Due to other funds        | \$ 47,037     |
| Agency fund liabilities   | 10,614,002    |
| Total liabilities         | \$ 10,661,039 |

See accompanying notes to the financial statements.

**Notes to the Financial**  
**Statements**

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

**1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The County of Ulster, New York (County) is one of the original twelve counties of New York State, founded on November 1, 1683. In 2009, a charter form of government was formed. The County is governed by a twenty-three member Legislature consisting of members elected from twenty-three legislative districts for two-year terms. The chief executive officer is an elected County Executive who oversees the day to day operations of the County, and is elected for a four-year term. The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB).

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the County is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities, are in substance part of the County's operations and so financial results from these units are combined with financial results of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County.

***Blended Component Units***

***Ulster Tobacco Asset Securitization Corporation (UTASC)***

The Ulster Tobacco Asset Securitization Corporation (UTASC) is a special purpose, bankruptcy-remote local development corporation established by the County under the Not-For-Profit Corporation Law of the State of New York on January 12, 2001. UTASC is an instrumentality of, but separate and apart from the County. UTASC has a board of directors comprised of nine directors, all but one of whom shall be one or more of the following: an employee of the County, an elected official of the County or a member of the County legislature; and one director who shall be independent.

On February 1, 2001, pursuant to a Purchase and Sale Agreement with the County, the County sold to the UTASC all of its future right, title and interest (that the market would allow) in the Tobacco Settlement Revenues (TSRs) under the Master Settlement Agreement (MSA) and the Decree and Final Judgment (the Decree). On November 29, 2005, the County participated in the New York Counties Tobacco Trust V (NYCTT V) whereby the County sold all of its future right, title and interest (that the present market would allow) in the TSRs under the MSA. The MSA resolved cigarette smoking-related litigation between the settling states and the Participating Manufacturers (PMs), released the PMs from past and present smoking-related claims, and provides for a continuing release of future smoking-related claims, in exchange for certain payments to be made to the settling states, as well as certain tobacco advertising and marketing restrictions, among other things. The Decree, which was entered by the Supreme Court of the State, allocated to the County a share of the TSRs under the MSA. The future rights, title and interest of the County's share were sold to UTASC.

The purchase price of the County's future right, title and interest in the TSRs has been financed by the issuance of serial bonds. A Residual Certificate exists which represents the entitlement to receive all amounts required to be distributed after payment of debt service, operating expenses, and certain other costs as set forth in the indenture. Payments on the Residual Certificate from TSR collections are subordinate to payments on the bonds and payment of certain other costs specified in the indenture. Excess TSRs not required by UTASC to pay various expenses, debt service or required reserves with respect to the bonds are transferred to the UTASC Residual Trust (the Trust). The County is the beneficial owner of the Trust and thus the funds received by the Trust will ultimately transfer to the County.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

The UTASC is shown as a major governmental fund. Separate financial statements may be obtained from the Ulster Tobacco Asset Securitization Corporation, P.O. Box 1800, Kingston, N.Y. 12402.

***Ulster County Economic Development Alliance (UCEDA)***

The Ulster County Economic Development Alliance (UCEDA), formerly known as the Ulster County Development Corporation, promotes job growth, economic development and community revitalization for Ulster County by unified regional and national marketing and provides business financing through a variety of countywide and municipal revolving loan funds. UCEDA's sole Member is the County of Ulster, New York acting by and through the County Executive, ex officio. The number of Directors of the Corporation is seven, established by resolution adopted by the member. UCEDA has a fiscal year that ends December 31. UCEDA is presented as a nonmajor governmental special revenue fund of the County.

Separate financial statements may be obtained from the Ulster County Economic Development Alliance, P.O. Box 1800, Kingston, N.Y. 12402.

***Discretely Presented Component Units***

***Ulster County Community College (UCCC)***

The Ulster County Community College (UCCC) was established in 1963 with the County as the local sponsor under the provisions of Article 126 of the Education Law. A board of trustees consisting of nine voting members administers the UCCC; five are appointed by the County Legislature and four by the governor. The UCCC budget is subject to approval of the County Legislature. The County provides approximately one-half of the capital costs and one-third of the operating costs for UCCC. Real property of UCCC vests with the County. Certain bonds and notes for UCCC capital costs are issued and guaranteed by the County. The County, beginning in 2012, has recorded general obligation bonds issued on behalf of UCCC previously recorded on UCCC's financial statements. (See Note 2H). These bonds are considered to be debt of the County. The County also pays a portion of tuition and capital cost charges for County residents attending other community colleges. The UCCC financial statements include two discretely reported component units; the Ulster Community College Foundation and the Ulster Community College Association, Inc. The UCCC has a fiscal year ending August 31.

Separate financial statements may be obtained from the Ulster County Community College, P.O. Box 557, Stone Ridge, N.Y. 12484-0557.

***Ulster County Resource Recovery Agency (UCRRA)***

The Ulster County Resource Recovery Agency (UCRRA) was created on December 31, 1986 by State Legislation (Chapter 936, Laws of New York), which amended the Public Authorities Law. The County entered into an agreement on January 26, 1988 with UCRRA to develop a plan and manage solid waste and recovery systems within the County. The County agreed to finance and fund UCRRA until a solid waste management plan was developed and implemented. The County approved a solid waste management plan on December 30, 1991, which was subsequently approved by the NYS Department of Environmental Conservation in April 1993. This plan enabled UCRRA to issue revenue bonds, to repay the County and finance the operating and capital expenditures for a solid waste management system. The County entered into a service agreement with UCRRA; whereby UCRRA will construct, maintain and operate the system. In exchange, the County has guaranteed to fund any operating, capital or debt service deficits with the payment to UCRRA of a net service fee pursuant to the terms set forth in the service agreement. In December of 2012 a countywide Flow Control Law was passed by the Ulster County Legislature and signed into law by the Ulster County Executive. The Flow Control Law mandates that all municipal solid waste generated within the County of Ulster must be brought to the UCRRA. The major financial impacts of this new law resulted in an increase in solid waste service fees, the elimination of County net service fees, and the ability of UCRRA to be self-sustaining. The UCRRA met all of its obligations for fiscal year 2014 without the assistance of a County subsidy.

Separate financial statements may be obtained from the Ulster County Resource Recovery Agency, P.O. Box 6219, 999 Flatbush Road, Kingston, N.Y. 12402.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

***Ulster County Industrial Development Agency (UCIDA)***

The Ulster County Industrial Development Agency (UCIDA) is a quasi-governmental agency which has the authority to issue tax exempt and taxable industrial revenue bonds for eligible projects in Ulster County. UCIDA was formed to promote and develop the economic growth of Ulster County and to assist in attracting industry to the County. The County Legislature appoints the entire governing board and is therefore able to impose its will over the UCIDA. UCIDA has a fiscal year that ends December 31. UCIDA is presented discretely as a component unit of the County.

Separate financial statements may be obtained from the Ulster County Industrial Development Agency, P.O. Box 4265, Kingston, N.Y. 12402.

***Ulster County Capital Resource Corporation (UCCRC)***

The Ulster County Capital Resource Corporation (UCCRC) was formed on May 11, 2010 to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of Ulster County by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses, and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects. The County Legislature appoints the entire governing board and is therefore able to impose its will over the organization. UCCRC has a fiscal year that ends December 31. UCCRC is presented discretely as a component unit of the County.

Separate financial statements may be obtained from the Ulster County Capital Resource Corporation, P.O. Box 4265, Kingston, N.Y. 12402.

***Golden Hill Local Development Corporation (GHLDC)***

The Golden Hill Local Development Corporation (GHLDC) was formed on October 7, 2011 with a mission to seek and transfer the land and the facilities of the Golden Hill Health Care Center to the highest qualified bidder. In doing so, the GHLDC shall examine and consider, where applicable, the bidders' competency and character, history of employee relations and practices, quality of care of residents, record of retaining facilities subsequent to acquisition, willingness to agree to build a new facility at the site, willingness to continue to care for all existing residents at the time of acquisition (unless otherwise indicated by the New York State Department of Health criteria), financial stability, and willingness to consider existing staff as potential employees. The GHLDC has a board of directors appointed by the County Executive and the County Legislature. GHLDC has a fiscal year that ends December 31. GHLDC is presented discretely as a component unit of the County.

Separate financial statements may be obtained from the Golden Hill Local Development Corporation, P.O. Box 1800, Kingston, N.Y. 12402.

**B. Basis of Presentation**

Beginning in 2014, the County adopted the provisions of GASB Statements No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, No. 69, *Government Combinations and Disposals of Government Operations*, and No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of GASB Statement No. 67 is to improve financial reporting by state and local governmental pension plans. This Statement replaces GASB Statement No. 25 and Statement No. 50. The objective of GASB Statement No. 69 is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. The objective of GASB Statement No. 70 is to improve financial reporting by state and local governments that extend and receive nonexchange financial guarantees. GASB Statements No. 67, 69, and 70 did not have a material impact on the County's financial position or results from operations.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

***Government – wide Financial Statements***

The statement of net position and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities.

The effect of interfund activity has been eliminated from the government-wide financial statements. These statements distinguish between the *governmental* and *business-type activities* of the County, and between the County and its discretely presented component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues. When both restricted and unrestricted assets are available, unrestricted resources are used only after the restricted resources are depleted.

***Fund Financial Statements***

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It is used to account for and report all financial resources of the general government, except those required to be accounted for and reported in another fund. For the County, the General Fund includes such activities as public safety, public health, transportation, public assistance, education and culture and recreation services.
- The *Debt Service Fund* is used to account for and report the financial resources that are restricted, committed or assigned to expenditures for principal and interest on long-term general obligation debt of governmental funds not accounted for in the General Fund, Capital Projects Fund and the component units.
- The *Capital Projects Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition, construction or improvement of capital facilities and other capital assets, other than those financed by proprietary funds or assets held in trust.
- The *Ulster Tobacco Asset Securitization Corporation (UTASC)* accounts for and reports the tobacco settlement revenues received from the Master Settlement Agreement and the repayment of the tobacco settlement asset-backed bonds whose proceeds were used to defease County debt.

The County reports the following major proprietary fund:

- The *Workers' Compensation Pool* accounts for and reports a workers' compensation claims-servicing pool, which was created in 1979 under Article 5 of the NYS Workers' Compensation Law. Each of the approximately 62 participants in the pool is responsible for their share of the liabilities of the pool and risk is not shared among the members.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

The County reports the following additional fund types:

- The *Special Revenue Funds* account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects. Each fund is established on a functional basis and may include one or more grants or other funding sources.

The County utilizes the following nonmajor special revenue funds:

- a. The *Special Grant Fund* accounts for and reports the proceeds received under the Workforce Investment Act and Community Development Block Grant Funds.
  - b. The *County Road Fund* and the *Road Machinery Fund* account for and report the acquisition and maintenance of roads, bridges, road machinery and equipment pursuant to Sections 114 and 133 of Highway Laws, respectively.
  - c. The *Ulster County Economic Development Alliance* (UCEDA) accounts for and reports on the financial activity related to job growth, economic development, and community revitalization for Ulster County.
- The *Fiduciary Funds* account for and report assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Fiduciary Funds include the *Agency Fund*.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales tax is recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter, 60 days for property taxes and 365 days for most other revenue, to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Agency Fund has no measurement focus, but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

**D. Cash, Cash Equivalents, and Investments**

For the purposes of the accompanying statement of cash flows, the enterprise funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the Finance Department's investment pool, to be cash equivalents.

Statutes authorize the County to invest its surplus cash in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, public authorities, public housing authorities, urban renewal agencies, and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments. The UTASC is authorized to invest its surplus cash in the same manner as the County as well as short-term commercial paper. Investments for the County, as well as for its component units, are reported at fair value.

**E. Restricted Cash, Cash Equivalents, and Investments**

Restricted cash, cash equivalents, and investments represent restricted fund balance and unspent proceeds of debt.

**F. Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Real property taxes are levied as of January 1 on property values assessed in the prior year. Along with the current year's property taxes, the prior year's unpaid school taxes are levied to make up the total tax warrant. This warrant enables the County to collect taxes based on the full assessed value of the real property within the County. The property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year end. Property taxes are recorded as a deferred inflow of resources when not received within sixty days of fiscal year end in the fund financial statements. Taxes are considered past due after January 31, at which time the applicable property is subject to lien, and interest and penalties are assessed. The twenty towns are responsible for collection of the tax warrant until June 1. At that time settlement proceedings take place wherein the County becomes the tax collecting agent and the towns receive full credit for their entire levy. The City of Kingston remits the County tax levy on City property in full by September 1. The legislature has provided for installment payment of real property taxes within the twenty towns. The County becomes the enforcing agent for tax liens on all County real property, except property within the City of Kingston.

Uncollected property taxes assumed by the County as a result of the settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. Real property tax receivables are reported net of an allowance for uncollectible taxes. The County calculates its allowances for uncollectible real property taxes using historical data, specific account analysis and management's judgement.

The portion of the receivable that represents taxes relieved for schools is also reported as a payable in intergovernmental payables in the amount of \$23,030,930. The County settles with the various towns and schools, and pays out the full amount of delinquents to the respective tax jurisdictions. Three years after the lien date, properties with unredeemed taxes are eligible for public auction. The County enforces unpaid real property tax liens pursuant to Article 11 of the New York State Real Property Tax Laws, which is commonly referred to as In Rem Foreclosure, or Judicial Statement.

Other receivables are comprised primarily of sales tax and claims for reimbursement of expenditures in administering various mental health and social service programs in accordance with New York State and Federal laws and regulations. These receivables are reported net of related advances received from the State.

**G. Inventories and Prepaid Items**

Inventories in the General Fund represent supplies and are stated at the lower of cost, first-in/first-out (FIFO) method, or market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

**H. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$25,000 for governmental activities and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Maintenance and repairs are recorded as expenses when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

The County has historical treasures, works of art, and several collections. Acquisitions of these assets are expensed at the time of purchase. These assets are not held for financial gain. They are kept protected, unencumbered, and preserved. Any proceeds from the sale of these assets will be used to acquire other items for the collections.

Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide statements as follows:

| <u>Assets</u>                 | <u>Years</u> |
|-------------------------------|--------------|
| Land improvements             | 10-20        |
| Buildings and improvements    | 20-30        |
| Major machinery and equipment | 10-15        |
| Minor machinery and equipment | 5            |
| Infrastructure                | 20           |

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new area transit bus included as part of *expenditures – transportation*). The amount reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

**I. Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. The item represents deferred charges on refunding bonds that are being amortized over the life of the refunded debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has three types of items, one of which is reported under the accrual basis of accounting, and two of which arise under the modified accrual basis of accounting, that qualify for reporting in this category. The UCCC reports a deferred inflow of resources for tuition payments which will not be considered available within one year. Accordingly, the item, deferred tuition received, is reported as a deferred inflow of resources in the statement of net position. The governmental funds report unavailable revenue from two sources: property taxes that will more than likely not be realized within sixty days, and loans that will more than likely not be realized within one year. These amounts are deferred and recognized in the period that the amounts become available.

**COUNTY OF ULSTER, NEW YORK**  
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**J. Net Position Flow Assumption**

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to be reported as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are to be applied. It is the County's position to consider restricted-net position to have been depleted before unrestricted-net position is applied.

**K. Unearned Revenue**

Certain revenues have not met the revenue recognition criteria for government-wide or fund financial purposes. At December 31, 2014, the County reported unearned revenues within the General Fund and the Ulster County Economic Development Alliance in the amounts of \$144,809 and \$199,417, respectively. The County recorded BAN premiums, tax overpayments, and grant money in advance but has not performed the services, and therefore recognizes a liability.

**L. Pensions**

Nearly all County employees are members of the New York State and Local Retirement System. The County is invoiced annually by the system for its share of the costs.

**M. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**N. Compensated Absences**

It is the County's policy to permit employees to accumulate vacation, sick leave and compensatory absences in varying amounts as services are provided. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. The cost of these unused benefits for governmental funds is maintained separately and represents a reconciling item between the government-wide and fund financial statements presentation. The value recorded in the government-wide financial statements for compensated absences is \$17,469,019 classified as a long-term liability in the accompanying financial statements, which includes \$1,746,902 due within one year.

**O. Judgments and Claims**

As explained further in Note 3B, the County is exposed to various risks of loss related to unemployment, general liability, and workers' compensation. General liability arises when the County is named as a defendant in a personal injury claim occurring in the County, and liabilities are recorded to the extent of the insurance deductibles related to each claim. As of December 31, 2014, Ulster County has recorded \$775,000 as a general liability within governmental activities. The County is also exposed to risk related to workers' compensation. The total amount of workers' compensation liability recorded in the Workers' Compensation Pool as of December 31, 2014, was \$39,880,640, of which \$13.9 million is due and payable from governmental activities for the County's portion of the liability.

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**P. Postemployment Benefits**

In addition to providing retirement benefits, the County provides certain health insurance benefits to retired employees and their families. Substantially all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. The County and employee each pay 50% of the premium. The County's policy has been to account for and fund these benefits on a pay as you go basis.

The Government Accounting Standard Board has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions" which requires the accrual of these liabilities. The County implemented this statement as of January 1, 2007.

(a) Plan description

Ulster County administers the Ulster County Retiree Health Insurance Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit (OPEB) plan, in which the County is a participant. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the County subject to the applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

(b) Funding policy

The obligation of the plan members, employers and other entities, are established by action of the County pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the County.

The County's policy is to fund the pay as you go insurance premiums in its governmental funds. In accordance with the cost sharing requirements of GASB Statement No. 45, the participating enterprise funds have applied the requirements of GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, related to on-behalf payments for fringe benefits and salaries. This statement requires an employer (the enterprise funds) to recognize revenue equal to the amount of expense for the OPEB amounts associated with the enterprise funds.

(c) Accounting policy

The accrual basis of accounting is used. The fair market value of assets is determined by the market value of assets paid by the willing buyer to a willing seller.

(d) Other disclosure information

The schedule of funding progress, presented as required supplementary information, presents multiyear trend information that is useful in determining whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability. The projections of benefits are based on the types of benefits provided under the substantive plan at the time of the valuation date and on the pattern of cost-sharing between the employer and plan members. In addition, the projections do not explicitly incorporate the potential effects of legal or contractual funding limitation of the pattern of cost-sharing between the employer and plan members in the future. The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**COUNTY OF ULSTER, NEW YORK**  
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|  | 2014                 | 2013                 |
|--|----------------------|----------------------|
| <b>(e) Annual OPEB cost at December 31.</b>                      |                      |                      |
| Normal Cost  | \$ 7,301,390         | \$ 7,088,728         |
| Amortization of unamortized actuarial liability (UAL)            | 6,526,775            | 6,974,109            |
| Annual required contribution (ARC)                               | 13,828,165           | 14,062,837           |
| Interest on OPEB obligation                                      | 2,522,668            | 2,982,610            |
| Adjustment to ARC  | (4,165,199)          | (4,146,265)          |
| OPEB expense   | <u>\$12,185,634</u>  | <u>\$12,899,182</u>  |
| <b>(f) Reconciliation of Net OPEB obligation at December 31.</b> |                      |                      |
| Net OPEB obligation at the beginning of the year                 | \$84,088,936         | \$74,565,243         |
| OPEB expense   | 12,185,634           | 12,899,182           |
| Net OPEB contributions made during the fiscal year               | (3,809,121)          | (3,375,489)          |
| Net OPEB obligation at the end of the year                       | <u>\$92,465,449</u>  | <u>\$84,088,936</u>  |
| Percentage of expense contributed                                | <u>31.26%</u>        | <u>26.17%</u>        |
| <b>(g) Schedule of funding process</b>                           |                      |                      |
| Currently retired liability                                      | \$ 34,906,141        | \$ 36,899,286        |
| Actives  | 93,021,526           | 83,697,246           |
| Total actuarial accrued liability                                | 127,927,667          | 120,596,532          |
| Additional obligation attributable to future service             | 79,447,705           | 84,015,954           |
| Present value of total future liability                          | <u>\$207,375,372</u> | <u>\$204,612,486</u> |
| Actuarial value of assets  | <u>\$ -</u>          | <u>\$ -</u>          |
| Unfunded actuarial liability                                     | <u>\$127,927,667</u> | <u>\$120,596,532</u> |
| Funded Ratio   | <u>0.00%</u>         | <u>0.00%</u>         |

(h) The County will make the on-behalf payments for the enterprise funds, recorded as expense and revenue in their respective financial statements, as follows:

- Workers Compensation Pool - \$27,554

(i) In addition to the County, UCCC provides retirement benefits and certain health insurance benefits to retired employees and their families. As of August 31, 2014, UCCC's liability for postemployment benefits was \$10,254,721.

**Q. Inter-governmental Transfer**

The State of New York's inter-governmental transfer (IGT) program, whereby Medicaid funds are redirected to health care facilities, was distributed in 2013 in the amount of \$4.3 million. Of this amount, the health care facility retained \$2.2 million and transferred \$2.1 million to the County to cover the County's portion of the medicaid cost in the department of social services. The County received a distribution of \$7.75 million in 2014 and anticipates a final distribution of \$10.67 million in 2015 of additional IGT funds from the State of New York.

**R. Interfund Transactions**

Short-term advances between funds are accounted for in the appropriate due from (to) other funds accounts. Transactions between funds that would be treated as revenues or expenditures if they involved organizations external to the governmental unit are accounted for as revenues or expenditures in the funds involved. Transactions that constitute reimbursements of a fund for expenditures initially made from that fund which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of the expenditure in the fund that is reimbursed. All other legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

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**S. Fund Balance**

In the fund financial statements, governmental funds report classifications of fund balance (see Note 3A) indicating the level of constraints placed upon how those resources can be spent and identifying the sources of those constraints, such as amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The Capital Projects Fund had a deficit fund balance of \$3,653,748 resultant from expenditures made for the reconstruction of roads and bridges from the aftermath of Tropical Storms Irene and Lee, the Greater Catskills Flood Remediation Program, and various other projects with the financing coming from bond anticipation notes. This deficit is expected to be eliminated in future years through the issuance of serial bonds.

**T. Use of Estimates**

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**2. Detailed Notes on All Funds**

**A. Cash, Cash Equivalents and Investments**

At year end, the County's primary government carrying amount of deposits and investments was \$88,452,984, which included \$2,794,908 of UTASC cash and cash equivalent balances, and the bank balance was \$93,135,352. Of the bank balance, \$3,579,718 was covered by federal depository insurance with the remaining balance, \$89,555,634, collateralized with securities held by the pledging financial institution's trust department or agent in the County's name. At year end all deposits and investments for the component units were covered by federal depository insurance or by collateral held by the component unit's agent in the component unit's name.

Cash equivalents and investments are categorized into these three categories of custodial credit risk:

- (1) Insured or registered, or securities held by the County or its agent in the County's name.
- (2) Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the County's name.
- (3) Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent, but not in the County's name.

The County reports restricted cash, cash equivalents, and investments for unspent proceeds of debt and amounts to support restricted fund balances.

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At year end, the County's cash, cash equivalents and investment balances were as follows:

|  | Category      |             | Reported Amount/<br>Fair Value |
|--|---------------|-------------|--------------------------------|
|  | 1             | 2           |                                |
| <b>Governmental activities</b>               |               |             |                                |
| Cash and cash equivalents                    | \$54,401,581  | \$ -        | \$54,401,581                   |
| Commercial paper                             | 2,639,486     | -           | 2,639,486                      |
| Total governmental activities                | 57,041,067    | -           | 57,041,067                     |
| <b>Business-type activities</b>              |               |             |                                |
| Cash and cash equivalents                    | 20,776,678    | -           | 20,776,678                     |
| Total business-type activities               | 20,776,678    | -           | 20,776,678                     |
| Total primary government                     | 77,817,745    | -           | 77,817,745                     |
| <b>Component units</b>                       |               |             |                                |
| UCCC-Cash and cash equivalents               | 4,560,973     | -           | 4,560,973                      |
| UCCC-Commercial paper                        | 8,264,253     | -           | 8,264,253                      |
| UCRRA-Cash and cash equivalents              | 2,644,128     | 1,518,306   | 4,162,434                      |
| UCRRA-U.S. Government securities             | -             | 2,542,949   | 2,542,949                      |
| UCIDA-Cash and cash equivalents              | 529,102       | -           | 529,102                        |
| UCCRC-Cash and cash equivalents              | 133,641       | -           | 133,641                        |
| GHLDC-Cash and cash equivalents              | 32,976        | -           | 32,976                         |
| Total component units                        | 16,165,074    | 4,061,255   | 20,226,329                     |
| <b>Agency Fund</b>                           |               |             |                                |
| Cash and cash equivalents                    | 10,635,239    | -           | 10,635,239                     |
| Total agency fund                            | 10,635,239    | -           | 10,635,239                     |
| Total cash, cash equivalents and investments | \$104,618,058 | \$4,061,255 | \$108,679,313                  |

**B. Receivables**

Receivables at year end of the County's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

|   | Major        |                     |              | Nonmajor<br>Special<br>Revenue | Total<br>Governmental<br>Activities |
|---|--------------|---------------------|--------------|--------------------------------|-------------------------------------|
|   | General      | Capital<br>Projects | UTASC        |                                |                                     |
| <b>Receivables - Governmental Activities:</b> |              |                     |              |                                |                                     |
| Taxes   | \$44,263,154 | \$ -                | \$ -         | \$ -                           | \$ 44,263,154                       |
| Accounts                                      | 1,379,737    | -                   | 2,641,744    | 831,351                        | 4,852,832                           |
| State and federal                             | 40,621,826   | 174,430             | -            | 1,057,445                      | 41,853,701                          |
| Due from other governments                    | 1,966,428    | -                   | -            | -                              | 1,966,428                           |
| Gross receivables                             | 88,231,145   | 174,430             | 2,641,744    | 1,888,796                      | 92,936,115                          |
| Less: allowance for uncollectibles            | (4,824,894)  | -                   | -            | -                              | (4,824,894)                         |
| Net receivables                               | \$83,406,251 | \$ 174,430          | \$ 2,641,744 | \$ 1,888,796                   | \$ 88,111,221                       |

**COUNTY OF ULSTER, NEW YORK**  
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**C. Deferred Inflows of Resources / Unearned Revenues**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported were as follows:

|  | Unavailable  | Unearned   |
|--|--------------|------------|
| <b>Governmental Funds:</b>                             |              |            |
| Deferred property taxes receivable                     | \$20,209,083 | \$ -       |
| UCEDA – deferred community development loan receivable | 52,000       | -          |
| Other unearned revenues                                | -            | 344,226    |
| Total governmental funds                               | \$20,261,083 | \$ 344,226 |

**D. Interfund Transactions**

***Interfund Receivables/Payables***

Interfund receivables/payables exist for cash flow purposes. These are short-term in nature and are repaid within the next fiscal year. The compositions of interfund balances at year end are as follows:

| Receivable Fund             | Payable Fund                | Amount    |
|-----------------------------|-----------------------------|-----------|
| General Fund                | Capital Projects Fund       | \$ 1,129  |
|                             | Nonmajor governmental funds | 20        |
|                             | UTASC                       | 6,355     |
|                             | Agency Fund                 | 47,037    |
| Nonmajor governmental funds | General Fund                | 150,000   |
|                             | Nonmajor governmental funds | 52,000    |
| Agency Fund                 | General Fund                | 9,277     |
| Total                       |                             | \$265,818 |

***Interfund Transfers In/Out***

Operating transfers among funds are provided as part of the annual budget. The General Fund provides operating support from the property tax levy and other resources to certain special revenue funds, capital projects, enterprise funds, and to the debt service fund in support of the funds' specified purpose. Upon completion of a capital project, any excess funds are transferred back to the fund that generated the original funding of the project. The following schedule summarizes the County's transfer activity.

| Transfer From | Transfer To           | Amount    |
|---------------|-----------------------|-----------|
| General Fund  | Capital Projects Fund | \$ 98,483 |

**COUNTY OF ULSTER, NEW YORK**  
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**E. Capital Assets**

Capital asset activity for the fiscal year was as follows:

|   | Beginning<br>Balance | Increases           | Decreases           | Ending<br>Balance    |
|---|----------------------|---------------------|---------------------|----------------------|
| <b>Primary Government</b>                         |                      |                     |                     |                      |
| <b>Governmental Activities:</b>                   |                      |                     |                     |                      |
| Capital assets:                                   |                      |                     |                     |                      |
| Land and land improvements                        | \$ 7,958,198         | \$ -                | \$ -                | \$ 7,958,198         |
| Buildings and improvements                        | 157,388,880          | 2,820,461           | -                   | 160,209,341          |
| Machinery and equipment                           | 37,335,530           | 3,485,765           | -                   | 40,821,295           |
| Infrastructure                                    | 82,208,316           | 14,861,572          | 4,540,358           | 92,529,530           |
| Construction in progress                          | 13,939,345           | 4,139,240           | 14,537,987          | 3,540,598            |
| Total capital assets                              | <u>298,830,269</u>   | <u>25,307,038</u>   | <u>19,078,345</u>   | <u>305,058,962</u>   |
| Less accumulated depreciation for:                |                      |                     |                     |                      |
| Land and land improvements                        | 3,527,037            | 145,373             | -                   | 3,672,410            |
| Buildings and improvements                        | 63,328,932           | 5,036,514           | -                   | 68,365,446           |
| Machinery and equipment                           | 28,177,969           | 2,198,328           | -                   | 30,376,297           |
| Infrastructure                                    | 42,440,107           | 6,956,734           | 3,295,241           | 46,101,600           |
| Total accumulated depreciation                    | <u>137,474,045</u>   | <u>14,336,949</u>   | <u>3,295,241</u>    | <u>148,515,753</u>   |
| Total governmental activities capital assets, net | <u>161,356,224</u>   | <u>\$10,970,089</u> | <u>15,783,104</u>   | <u>156,543,209</u>   |
| Total primary government                          | <u>\$161,356,224</u> | <u>\$10,970,089</u> | <u>\$15,783,104</u> | <u>\$156,543,209</u> |

**Depreciation**

Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

|                                 | Amount               |
|---------------------------------|----------------------|
| <b>Governmental activities:</b> |                      |
| General government              | \$ 784,228           |
| Public safety                   | 3,743,988            |
| Public health                   | 197,822              |
| Transportation                  | 9,001,296            |
| Economic assistance             | 315,401              |
| Culture and recreation          | 294,214              |
| Total governmental activities   | <u>\$ 14,336,949</u> |

**COUNTY OF ULSTER, NEW YORK**  
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| <b>Component Units</b>   | Beginning<br>Balance | Increases    | Decreases | Ending<br>Balance |
|--|----------------------|--------------|-----------|-------------------|
| <b>Ulster County Community College:</b>                          |                      |              |           |                   |
| Capital assets, not being depreciated:                           |                      |              |           |                   |
| Land   | \$ 744,174           | \$ -         | \$ -      | \$ 744,174        |
| Works of art/historical treasures                                | 66,500               | -            | -         | 66,500            |
| Total capital assets, not being depreciated                      | 810,674              | -            | -         | 810,674           |
| Capital assets, being depreciated:                               |                      |              |           |                   |
| Buildings and improvements                                       | 31,998,237           | 150,157      | -         | 32,148,394        |
| Machinery and equipment  | 4,270,140            | 747,709      | 462,004   | 4,555,845         |
| Total capital assets, being depreciated                          | 36,268,377           | 897,866      | 462,004   | 36,704,239        |
| Less accumulated depreciation                                    | 22,671,232           | 1,104,247    | 445,063   | 23,330,416        |
| Total capital assets, being depreciated, net                     | 13,597,145           | (206,381)    | 16,941    | 13,373,823        |
| Total Ulster County Community College capital assets, net        | \$14,407,819         | \$ (206,381) | \$ 16,941 | \$14,184,497      |
| <b>Ulster County Resource Recovery Agency:</b>                   |                      |              |           |                   |
| Capital assets, not being depreciated:                           |                      |              |           |                   |
| Land   | \$ 683,172           | \$ -         | \$ -      | \$ 683,172        |
| Construction in progress   | 80,956               | -            | 6,765     | 74,191            |
| Total capital assets, not being depreciated                      | 764,128              | -            | 6,765     | 757,363           |
| Capital assets, being depreciated:                               |                      |              |           |                   |
| Buildings and improvements                                       | 10,546,174           | 31,413       | -         | 10,577,587        |
| Machinery and equipment  | 5,471,326            | 158,395      | 50,769    | 5,578,952         |
| Infrastructure   | 18,351               | 1,400        | -         | 19,751            |
| Total capital assets, being depreciated                          | 16,035,851           | 191,208      | 50,769    | 16,176,290        |
| Less accumulated depreciation and amortization for:              |                      |              |           |                   |
| Buildings and improvements                                       | 2,630,383            | 287,472      | -         | 2,917,855         |
| Machinery and equipment  | 4,419,201            | 263,575      | 49,652    | 4,633,124         |
| Infrastructure   | 1,451                | 953          | -         | 2,404             |
| Total accumulated depreciation and amortization                  | 7,051,035            | 552,000      | 49,652    | 7,553,383         |
| Total capital assets, being depreciated, net                     | 8,984,816            | (360,792)    | 1,117     | 8,622,907         |
| Total Ulster County Resource Recovery Agency capital assets, net | \$ 9,748,944         | \$ (360,792) | \$ 7,882  | \$ 9,380,270      |
| Total component units  | \$ 24,156,763        | \$ (567,173) | \$ 24,823 | \$ 23,564,767     |

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*Construction Commitments*

The County had active construction projects at year end. The projects include roads and bridges, roof reconstructions, upgrades to campus facilities, and repairs to infrastructure due to Tropical Storm Irene. At year end the County had \$26,993,309 in construction commitments with contractors. These commitments are being financed by serial bonds, state and federal aid, donations and current appropriations.

**F. Leases**

*Operating Leases*

The County leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$1,123,127 at fiscal year-end. The future minimum lease payments for these leases are as follows:

| <b>Year ending December 31:</b> | <b>Amount</b>      |
|---------------------------------|--------------------|
| 2015                            | \$929,950          |
| 2016                            | 650,779            |
| 2017                            | 551,133            |
| 2018                            | 339,260            |
| 2019                            | 146,079            |
| Thereafter                      | 89,375             |
| Total                           | <b>\$2,706,576</b> |

**COUNTY OF ULSTER, NEW YORK**  
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**G. Short-Term Debt**

Short-term debt such as bond anticipation notes (BAN's), are generally accounted for in the Capital Projects Fund. State law requires that BAN's issued for capital purposes are converted to long-term obligations within five years after the original issue date. However, BAN's issued for assessable improvement projects may be renewed for period's equivalent to the maximum useful life of permanent financing, provided that stipulated annual reductions of principal are made.

Short-term obligation activity during the year ended December 31, 2014 was as follows:

|  | Beginning<br>Balance | Additions            | Deductions           | Ending<br>Balance   |
|--|----------------------|----------------------|----------------------|---------------------|
| <b>Governmental Activities:</b>                      |                      |                      |                      |                     |
| Town of Lloyd bridge                                 | \$ 310,000           | \$ 299,000           | \$ 310,000           | \$ 299,000          |
| UCCC phase 1   | 200,000              | 193,000              | 200,000              | 193,000             |
| South Putt Corners Road                              | 75,000               | 71,000               | 75,000               | 71,000              |
| Additional for South Putt Corners Road               | -                    | 163,000              | -                    | 163,000             |
| ADA Compliance – Mental Health                       | 161,000              | 157,000              | 161,000              | 157,000             |
| ADA Compliance – UC Fairgrounds                      | 93,000               | 91,000               | 93,000               | 91,000              |
| ADA Compliance – Trudy Resnick                       | 47,000               | 46,000               | 47,000               | 46,000              |
| ADA Compliance – PW Admin                            | 122,000              | 119,000              | 122,000              | 119,000             |
| ADA Compliance – UC Court Exterior                   | 58,500               | 57,000               | 58,500               | 57,000              |
| ADA Compliance – UC Office Building                  | 137,000              | 134,000              | 137,000              | 134,000             |
| ADA Compliance – 911 Emerg Mgt                       | 21,000               | 20,000               | 21,000               | 20,000              |
| Tropical Storm Irene reconstruction                  | 3,500,000            | 2,225,000            | 3,500,000            | 2,225,000           |
| Land for flood remediation                           | 2,500,000            | 2,460,000            | 2,500,000            | 2,460,000           |
| County-wide financial system                         | 750,000              | -                    | 750,000              | -                   |
| UCCC – HVAC, generator                               | 680,000              | 620,000              | 680,000              | 620,000             |
| Ulster Heights Road                                  | 380,000              | -                    | 380,000              | -                   |
| Highway equipment                                    | 423,300              | -                    | 423,300              | -                   |
| Highway equipment                                    | 27,000               | -                    | 27,000               | -                   |
| Highway equipment                                    | 964,000              | -                    | 964,000              | -                   |
| Highway equipment                                    | -                    | 547,340              | -                    | 547,340             |
| Rehabilitation of Sauer Bridge                       | -                    | 2,000,000            | -                    | 2,000,000           |
| Mud Tavern Bridge                                    | 18,983               | -                    | 18,983               | -                   |
| County vehicles                                      | -                    | 214,000              | -                    | 214,000             |
| Pick-Up Trucks                                       | -                    | 91,000               | -                    | 91,000              |
| Highway equipment                                    | -                    | 1,241,400            | -                    | 1,241,400           |
| Highway equipment                                    | -                    | 73,000               | -                    | 73,000              |
| Highway equipment                                    | -                    | 6,800                | -                    | 6,800               |
| Highway equipment                                    | -                    | 837,200              | -                    | 837,200             |
| Reconstruction of roads                              | -                    | 425,000              | -                    | 425,000             |
| Reconstruction of roads                              | 400,000              | -                    | 400,000              | -                   |
| <b>Total governmental activities short-term debt</b> | <b>\$10,867,783</b>  | <b>\$ 12,090,740</b> | <b>\$ 10,867,783</b> | <b>\$12,090,740</b> |

# COUNTY OF ULSTER, NEW YORK

## Notes to the Financial Statements

December 31, 2014

### H. General Long-Term Obligations

The County generally borrows funds on a long-term basis for the purpose of financing the acquisition of land, equipment, construction of buildings and improvements, and infrastructure. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized by the County Legislature to be collected in future years from taxpayers and others for liquidation of the long-term liabilities. Interest associated with long-term debt is recorded as expenditures when such amounts are due.

Details relating to bonds payable outstanding, net of deferred charges and premiums, at fiscal year end are as follows:

|   | Maturity Date | Interest Rate | Amount               |
|---|---------------|---------------|----------------------|
| <b>Governmental Activities:</b>             |               |               |                      |
| General obligation:                         |               |               |                      |
| Public improvements, 2001, refunded 2009    | 04/15/17      | 2.5 - 5.0%    | \$ 2,395,329         |
| Public improvements, 2006                   | 11/15/21      | 3.6 - 4.0%    | 2,222,438            |
| Public improvements, 2007                   | 11/15/22      | 3.9 - 4.0%    | 1,794,500            |
| Public improvements, 2008                   | 11/15/23      | 4.3 - 5.0%    | 1,935,500            |
| Public improvements, 2009                   | 11/15/24      | 2.0 - 4.0%    | 2,535,000            |
| Public improvements, 2010                   | 11/15/25      | 3.0 - 3.5%    | 2,380,000            |
| Public improvements, 2011                   | 11/15/22      | 2.0 - 2.8%    | 780,000              |
| Public improvements, refunded 2012          | 11/15/24      | 2.0 - 5.0%    | 16,255,000           |
| Public improvements, refunded 2012          | 11/15/29      | 2.0 - 5.0%    | 37,415,082           |
| Public improvements, 2012                   | 11/15/27      | 2.0 - 3.0%    | 1,940,400            |
| Public improvements, 2013                   | 11/15/28      | 2.0 - 3.3%    | 3,075,000            |
| Public improvements, 2014                   | 11/15/27      | 1.5 - 2.8%    | 3,851,300            |
| Total general obligation                    |               |               | <u>76,579,549</u>    |
| Debt issued for UCCC:                       |               |               |                      |
| Public improvements, 2001, refunded 2009    | 4/15/17       | 2.5 - 5.0%    | 259,671              |
| Public improvements, 2006                   | 11/15/21      | 3.6 - 4.0%    | 322,562              |
| Public improvements, 2007                   | 11/15/22      | 3.8 - 4.0%    | 915,500              |
| Public improvements, 2008                   | 11/15/23      | 4.3 - 5.0%    | 64,500               |
| Public improvements, 2012                   | 11/15/27      | 2.0 - 3.0%    | 1,304,600            |
| Total debt issued for UCCC                  |               |               | <u>2,866,833</u>     |
| UTASC:                                      |               |               |                      |
| Tobacco settlement asset-backed bonds, 2001 | 06/01/40      | 6.12 - 6.45%  | 29,120,932           |
| Subordinate capital appreciation bonds      | 06/01/60      | 6.00 - 7.85%  | 17,389,109           |
| Total UTASC                                 |               |               | <u>46,510,041</u>    |
| Total governmental activities               |               |               | <u>\$125,956,423</u> |

### Component Units:

|                            | Maturity Date | Interest Rate | Amount               |
|----------------------------|---------------|---------------|----------------------|
| UCRRA:                     |               |               |                      |
| Serial bonds               | 03/01/18      | 3.75 - 5.25%  | \$ 5,229,300         |
| Capital appreciation bonds | 03/01/25      | 4.96 - 5.00%  | 6,713,755            |
| Serial bonds               | 03/01/21      | 4.50 - 5.00%  | 1,185,000            |
| Term bonds                 | 03/01/17      | 2.20%         | 600,000              |
| Term note                  | 03/01/17      | 2.82%         | 410,000              |
| Term bonds                 | 08/01/16      | 2.23%         | 149,990              |
| Total UCRRA                |               |               | <u>\$ 14,288,045</u> |

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
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The annual debt service requirements to maturity for bonds are as follows:

| Year                       | General<br>Obligations | UCCC               | UTASC               | UCRRA               | Total                |
|----------------------------|------------------------|--------------------|---------------------|---------------------|----------------------|
| <b>Principal:</b>          |                        |                    |                     |                     |                      |
| 2015                       | \$ 5,595,697           | \$ 315,603         | \$ 965,000          | \$ 2,070,000        | \$ 8,946,300         |
| 2016                       | 5,783,084              | 326,916            | 1,055,000           | 2,130,000           | 9,295,000            |
| 2017                       | 5,926,171              | 338,829            | 1,155,000           | 2,130,000           | 9,550,000            |
| 2018                       | 5,268,139              | 256,861            | 2,041,082           | 1,850,000           | 9,416,082            |
| 2019                       | 5,469,971              | 265,029            | 2,867,334           | 985,566             | 9,587,900            |
| 2020-2024                  | 28,871,205             | 1,023,795          | 12,808,871          | 3,742,008           | 46,445,879           |
| 2025-2029                  | 17,150,200             | 339,800            | 20,091,556          | 1,271,171           | 38,852,727           |
| 2030-2034                  | -                      | -                  | 25,259,483          | -                   | 25,259,483           |
| 2035-2039                  | -                      | -                  | 20,179,885          | -                   | 20,179,885           |
| Less unamortized accretion | -                      | -                  | (39,994,102)        | -                   | (39,994,102)         |
| Less deferred charge       | (4,915,370)            | -                  | -                   | -                   | (4,915,370)          |
| Plus deferred premium      | 7,430,452              | -                  | 80,932              | 109,300             | 7,620,684            |
| Total                      | <u>76,579,549</u>      | <u>2,866,833</u>   | <u>46,510,041</u>   | <u>14,288,045</u>   | <u>140,244,468</u>   |
| <b>Interest:</b>           |                        |                    |                     |                     |                      |
| 2015                       | 2,966,738              | 91,651             | 1,766,649           | 270,544             | 5,095,582            |
| 2016                       | 2,787,381              | 79,906             | 1,700,549           | 202,178             | 4,770,014            |
| 2017                       | 2,573,656              | 68,351             | 1,628,236           | 129,360             | 4,399,603            |
| 2018                       | 2,373,882              | 58,618             | 1,539,411           | 59,825              | 4,031,736            |
| 2019                       | 2,180,927              | 50,162             | 1,433,736           | 1,001,609           | 4,666,434            |
| 2020-2024                  | 7,330,617              | 123,328            | 5,517,584           | 5,600,442           | 18,571,971           |
| 2025-2029                  | 1,927,508              | 19,169             | 2,809,627           | 2,773,818           | 7,530,122            |
| 2030-2031                  | -                      | -                  | 231,676             | -                   | 231,676              |
| Total interest             | <u>22,140,709</u>      | <u>491,185</u>     | <u>16,627,468</u>   | <u>10,037,776</u>   | <u>49,297,138</u>    |
| Total requirements         | <u>\$ 98,720,258</u>   | <u>\$3,358,018</u> | <u>\$63,137,509</u> | <u>\$24,325,821</u> | <u>\$189,541,606</u> |

On November 25, 2014, Ulster County issued a serial bond totaling \$3,851,300 for various public improvement projects. The bond will mature in 2027.

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**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year end was as follows:

|                                   | Beginning<br>Balance | Additions            | Deductions           | Ending<br>Balance    | Due Within<br>One Year |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| <b>Governmental Activities:</b>   |                      |                      |                      |                      |                        |
| Bonds payable                     | \$122,168,812        | \$ 5,159,215         | \$ 6,834,451         | \$120,493,576        | \$ 6,560,697           |
| Bonds payable – UCCC              | 3,780,882            | -                    | 914,049              | 2,866,833            | 315,603                |
| Bond premiums                     | 8,009,931            | -                    | 498,547              | 7,511,384            | 498,547                |
| Claims and judgments              | 450,000              | 325,000              | -                    | 775,000              | 108,333                |
| Retirement payable                | 471,580              | -                    | 235,790              | 235,790              | 235,790                |
| OPEB liability                    | 84,088,936           | 12,185,634           | 3,809,121            | 92,465,449           | -                      |
| Compensated absences              | 16,019,682           | 1,449,337            | -                    | 17,469,019           | 1,746,902              |
| Total governmental activities     | <u>\$234,989,823</u> | <u>\$ 19,119,186</u> | <u>\$12,291,958</u>  | <u>\$241,817,051</u> | <u>\$ 9,465,872</u>    |
| <b>Business-type Activities:</b>  |                      |                      |                      |                      |                        |
| Workers' compensation pool claims | \$ 42,316,000        | \$ 8,689,454         | \$ 11,124,814        | \$ 39,880,640        | \$23,622,827           |
| Total business-type activities    | <u>\$ 42,316,000</u> | <u>\$ 8,689,454</u>  | <u>\$ 11,124,814</u> | <u>\$39,880,640</u>  | <u>\$23,622,827</u>    |
| <b>Component Units:</b>           |                      |                      |                      |                      |                        |
| UCCC:                             |                      |                      |                      |                      |                        |
| Capital lease obligations         | \$ 1,803,423         | \$ -                 | \$ 160,756           | \$ 1,642,667         | \$ 154,874             |
| OPEB liability                    | 9,452,830            | 1,143,869            | 341,978              | 10,254,721           | 485,682                |
| Total UCCC                        | <u>\$11,256,253</u>  | <u>\$ 1,143,869</u>  | <u>\$ 502,734</u>    | <u>\$ 11,897,388</u> | <u>\$ 640,556</u>      |
| UCRRA:                            |                      |                      |                      |                      |                        |
| Bonds payable                     | \$16,633,745         | \$ -                 | \$ 2,455,000         | \$14,178,745         | \$ 2,070,000           |
| Bond premiums                     | 140,530              | -                    | 31,230               | 109,300              | 31,230                 |
| Capital lease obligations         | 166,069              | -                    | 39,685               | 126,384              | 40,882                 |
| Workers' compensation             | 67,258               | -                    | 10,512               | 56,746               | 10,512                 |
| Compensated absences              | 471,481              | 49,450               | -                    | 520,931              | 520,931                |
| Landfill post-closure liability   | 3,766,545            | -                    | 940,799              | 2,825,746            | 201,839                |
| Long-term pension                 | 904,945              | -                    | 29,842               | 875,103              | 32,229                 |
| Total UCRRA                       | <u>22,150,573</u>    | <u>49,450</u>        | <u>3,507,068</u>     | <u>18,692,955</u>    | <u>2,907,623</u>       |
| Total component units             | <u>\$33,406,826</u>  | <u>\$ 1,193,319</u>  | <u>\$ 4,009,802</u>  | <u>\$30,590,343</u>  | <u>\$ 3,548,179</u>    |

**Advance Refunding**

As discussed in Note 1, the County sold to UTASC all of its future right, title and interest in the Tobacco Settlement Revenues in 2001. In consideration for the sale of these revenues, the County received the net proceeds (after deduction of the financing costs, liquidity reserve requirement, capital interest and UTASC operating expenses) of the Tobacco Settlement Asset-Backed Bonds, Series 2001 that were issued by UTASC.

The proceeds from this sale (\$25.2 million) were placed in an irrevocable escrow account maintained by a party independent of the County, and subsequently used to purchase securities to provide debt service payments for bonds that were removed from the County's and the UCCC's long-term debt. As a result, the escrow account and the defeased bonds are not included in the County's or the UCCC financial statements.

The advance refunding of these bonds resulted in an increase to its total debt service payments over the next 17 years by approximately \$43.9 million and to obtain an economic gain of approximately \$1.4 million.

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On May 26, 2009 the County refunded two outstanding serial bonds from 2000 and 2001 that resulted in a decrease in its total debt service over the next 3 years by approximately \$8 thousand and to obtain an economic gain of approximately \$1 thousand.

On June 7, 2012 the County refunded two outstanding serial bonds from 2005 and 2006 that resulted in a decrease in its total debt service over the next 15 years by approximately \$3.3 million and to obtain an economic gain of approximately \$120 thousand.

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

| Issue                                  | Amount<br>Outstanding |
|--|-----------------------|
| <b>Governmental Activities:</b>        |                       |
| Public Improvements, 1995              | \$ 300,000            |
| Public Improvements, 1997              | 500,000               |
| Public Improvements, 1999              | 885,000               |
| Public Improvements, 2001              | 2,630,000             |
| Public Improvements, 2005              | 17,465,000            |
| Public Improvements, 2006              | 36,190,000            |
| Total governmental activities refunded | \$57,970,000          |

***Legal Debt Limit***

The County’s general obligation bonded debt, inclusive of Bond Anticipation Notes, of \$91,537,122 as of fiscal year end, was below the legal limit of approximately \$1,347,146,616. This amount represents approximately 6.79% of the constitutional debt limit.

For further information regarding compensated absences, claims and judgments, other postemployment benefits, and retirement, refer to notes 1K, 1L, 1M, and 3C, respectively.

**3. Other Information**

**A. Net Position/Fund Balances**

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. Net investment in capital assets is calculated as follows:

|  |                |
|--|----------------|
| Capital assets (net of accumulated depreciation) | \$ 156,543,209 |
| Related debt:                                    |                |
| Bond anticipation notes                          | (12,090,740)   |
| Serial bonds – general obligations               | (76,579,549)   |
| Unspent debt proceeds                            | 8,819,895      |
| Total net investment in capital assets           | \$ 76,692,815  |

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. “Other purposes” restricted net position include drug forfeiture reserves of \$134,101, E-911 emergency telephone reserves of \$255,720, Stop DWI reserves of \$225,994, probation reserves of \$917,109, risk retention reserves of \$125,746, child safety seat reserves of \$5,860, traffic safety board reserves of \$3,598, handicapped parking education reserves of \$18,916, and community development of \$197,317.

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- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

In the fund financial statements, governmental fund equity is classified as fund balance. Beginning with the fiscal year ended December 31, 2011, the County implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires local governments to focus on the constraints imposed upon resources when reporting fund balance in governmental funds. The new fund balance classifications indicate the level of constraints placed upon how resources can be spent and identify the sources of those constraints. Constraints are broken down into five different classifications: nonspendable, restricted, committed, assigned and unassigned. The classifications describe the relative strength of the spending constraints on the specific purposes for which resources in a fund can be spent.

Fund Balance Classifications

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they are legally or contractually required to be maintained intact.

- *Inventories* – to reflect the assets that were committed for the purchase of inventories and supplies.
- *Prepays* – to reflect the portion of assets which do not represent available spendable resources.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or through constitutional provisions, charter requirements or enabling legislation.

- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest in the amount of \$4,513,498. These funds are not available for general operations.
- *Risk retention* – to reflect funds established to provide for costs of settlement of various claims against the County in excess of amounts appropriated each year for such purpose in the amount of \$125,746.
- *Civil and DA forfeitures* – to reflect unused portions of forfeited crime proceeds that must be spent on law enforcement in the amount of \$134,101.
- *Emergency telephone (E-911)* – to reflect unused portions of telephone surcharges that must be spent on the emergency telephone system in the amount of \$255,720.
- *Stop DWI* – to reflect unused portions of DWI fines that must be spent on Stop DWI programs in the amount of \$225,994.
- *Probation administration fees* – to reflect unused portions of probation fees that must be spent on probation programs in the amount of \$917,109.
- *Child safety seats* – to provide child safety seats to those in need in the amount of \$5,860.
- *Traffic safety board* – to provide funds to promote traffic safety in the amount of \$3,598.
- *Handicapped parking education* – to provide funds to promote education regarding handicapped parking in the amount of \$18,916.
- *Community development* – to provide funds for job growth, economic development, and community revitalization in the amount of \$197,317.

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Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the County Legislature before the end of the fiscal year. The County Legislature is the highest level of decision making authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the County Legislature. The County has no committed fund balances as of December 31, 2014.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the Legislature, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received in the amounts of \$3,041,630 in the General Fund, \$23,631 in the Special Grant Fund, \$7,194 in the County Road Fund, and \$107,081 in the Road Machinery Fund.
- *Subsequent years' expenditures* – to reflect the portion of fund balance designated for resource utilization in a future period, such as for general contingencies, reduction of tax levy, or capital projects. Such plans or intent are subject to change and have not been legally authorized or may not result in expenditures. The County elected to designate \$18,965,400 of the General Fund balance.
- *Specific Use* – to reflect the residual amount of fund balance not already restricted, committed or assigned in the special revenue funds in the amounts of \$16,932 in the Special Grant Fund, \$1,878,736 in the County Road Fund, \$1,955,617 in the Road Machinery Fund, and \$1,328,745 in the Ulster County Economic Development Alliance.
- *Jail telephone commissions* – to reflect the unused portions of jail telephone commissions that will be spent on inmate programs in the amount of \$278,213.
- *Tourism* – to promote tourism in Ulster County in the amount of \$150,000.
- *Social Services donations* – to reflect the unused portions of donations to Social Services that will be spent on Social Services programs in the amount of \$1,663.
- *Social Services restitution* – to reflect the unused portions of Social Services restitution that will be spent on Social Services in the amount of \$168,173.
- *URGENT forfeitures* – to reflect unused portions of forfeited crime proceeds that will be spent on law enforcement in the amount of \$40,543.

Unassigned – represents the residual classification for the County's General Fund, and includes all other General Fund assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the County. In funds other than the General Fund, the unassigned classification is used to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

When fund balance resources are available for a specific purpose in multiple classifications, the County would use the most restrictive funds first in the following order: nonspendable, restricted, committed, assigned and unassigned as they are needed. However, the County reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

**B. Risk Management**

The County is exposed to various risks of loss related to unemployment, general liability, and worker's compensation. The County uses the General Fund to account for and finance, in the case of worker's compensation, its uninsured risks of loss. The County is also exposed to risk of loss for deductibles of varying amounts under several liability insurance policies.

The County established a workers' compensation claims-processing pool (Pool) under Local Law No. 1 in 1979, pursuant to Article 5 of the Workers' Compensation law to administer the payment of worker compensation claims of pool participants.

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The pool is open to participation by any eligible municipality or any public entity. Under local law participants are responsible for their share of total pool liabilities. All funds of the County, and 61 other public entities, participate in the program and make payments to the Pool based on a computation of the necessary funds to cover the participants' annual claims.

The County's claims liability of \$39,880,640 is recorded in the workers' compensation pool at fiscal year end and is based on the requirements of GASB, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities are partially offset by assessment receivables recorded in accordance with Article 5 in the amount of \$20,487,577, of which \$13,970,220 is due and payable by the County of Ulster to the workers' compensation claims-processing pool.

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

| Year | Balance at<br>January 1 | Current Year Claims &<br>Changes in Estimates | Claims<br>Payments | Balance at<br>December 31 |
|------|-------------------------|---|--------------------|---------------------------|
| 2014 | \$42,316,000            | \$8,689,454                                   | (\$11,124,814)     | \$39,880,640              |
| 2013 | 60,362,049              | (6,040,223)                                   | (12,005,826)       | 42,316,000                |
| 2012 | 58,840,052              | 13,570,037                                    | (12,048,040)       | 60,362,049                |

The County has been named as a defendant in several personal injury claims resulting from incidents occurring in the County. Although the ultimate outcome of these claims is not certain, County officials believe that none of these claims will expose the County to amounts to exceed the insurance coverage applicable to the date of such incidents. The County has recorded liabilities related to the deductibles for these claims in the amount of \$775,000. The County has not had significant reductions in insurance coverage from the provider in all categories of risk. Settled claims have not exceeded insurance coverage in the past three fiscal years.

Changes in the County's claims and judgments liability for the last two years were:

| Year | Balance at<br>January 1 | Current Year Claims &<br>Changes in Estimates | Balance at<br>December 31 |
|------|-------------------------|---|---------------------------|
| 2014 | \$ 450,000              | \$325,000                                     | \$775,000                 |
| 2013 | 615,000                 | (165,000)                                     | 450,000                   |
| 2012 | 1,100,000               | (485,000)                                     | 615,000                   |

**C. Employee Retirement Plan**

The County participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the ERS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the ERS and for the custody and control of these funds. The ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12236.

The ERS is noncontributory, except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 and have less than ten years credited service, who contribute 3% of their salary for the first ten years of membership, employees who joined on or after January 1, 2010 who generally contribute 3% of their salary for the entire length of service, and employees who joined on or after April 1, 2012 who generally contribute 3% of their salary for the first year of service, and a percentage of their salary for the remainder of their service. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

The County is required to contribute at an actuarially determined rate. The required contributions at December 15 for the years 2014, 2013 and 2012 were \$14,740,535, \$17,132,823, and \$16,940,613, respectively. The County's contributions made to the ERS were equal to 100 percent of the contributions required for each year.

**D. Deferred Compensation Plan**

Employees of the County may elect to participate in the New York State Deferred Compensation Plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until the age of 59 and 1/2 years, without penalty, or at termination, retirement, death, or unforeseeable emergency.

Effective October 1, 1997, the New York State Deferred Compensation Board (Board) created a Trust and Custody agreement making Chase Manhattan Bank the Trustee and Custodian of the Plan in accordance with GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". Since the Board is no longer the trustee of the plan, the County no longer is required to record the value of the plan assets.

**E. Commitments**

On August 19, 2014 the County was authorized to enter into an agreement with the Ulster County Sheriff's Employees Association, providing 0% wage increases for 2010 and 2011, a \$500 payment for full time employees for 2012, 2% wage increases for 2013 and 2014 to be paid retroactively, and a 2% wage increase in 2015. Retroactive payments were made to employees in October 2014 in the amount of \$555 thousand. The total financial impact of these negotiations amounts to approximately \$1.2 million.

On November 18, 2014 the County was authorized to enter into an agreement with the Ulster County Civil Service Employees Association, providing 2% wage increases in 2015 and 2016. The financial impact of these negotiations will amount to approximately \$1.9 million.

On November 18, 2014 the County was authorized to enter into an agreement with the Ulster County Staff Association, providing 2% wage increases in 2015 and 2016. The financial impact of these negotiations will amount to approximately \$128,000.

**F. Contingencies**

The County has received grants in excess of \$81.7 million, which are subject to audit by agencies of the State and Federal governments. Such audits may result in a request for a return of funds to the State and Federal governments. Based on past audits, the County management believes any disallowance will be immaterial.

**G. Federal Grant-Revolving Loan Fund**

During 2014 the County contracted with Rural Ulster Preservation Company (RUPCO) as sub-recipient for a \$750,000 Community Development Block Grant financed by the United States Department of Housing and Urban Development and administered through the New York State Office of Homes and Community Renewal. The purpose of this grant is to assist low to moderate income Ulster County residents to rehabilitate owner-occupied housing. Total monies received in 2014 were \$133,761. Also during 2014 the County contracted with Rural Ulster Preservation Company (RUPCO) as sub-recipient for a \$750,000 Community Development Block Grant financed by the United States Department of Housing and Urban Development and administered through the New York State Housing Trust Fund Corporation. The purpose of this grant is to assist low to moderate income Ulster County residents to rehabilitate owner-occupied housing, with priority given to homes with damages associated with Hurricane Irene and Tropical Storm Lee. Total monies received in 2014 were \$520,792. A copy of RUPCO's certified financial report may be obtained from RUPCO at 289 Fair Street Kingston, NY 12401.

The activity for this loan fund is accounted for in the Special Grant Fund in the County's financial statements.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

**H. Agency Fund**

An agency fund exists to account for money and property received and held in the capacity of custodian or agent. The following is a summary of changes in assets and liabilities for the fiscal year ended December 31, 2014:

|                           | Balance at<br>1/1/2014 | Increases            | Decreases            | Balance at<br>12/31/14 |
|---------------------------|------------------------|----------------------|----------------------|------------------------|
| <b>ASSETS</b>             |                        |                      |                      |                        |
| Cash and cash equivalents | \$ 12,104,165          | \$ 121,350,140       | \$ 122,819,066       | \$ 10,635,239          |
| Receivables               | 28,880                 | 338,085              | 350,442              | 16,523                 |
| Due from other funds      | 9,277                  | 18,988               | 18,988               | 9,277                  |
| Total assets              | <u>12,142,322</u>      | <u>121,707,213</u>   | <u>123,188,496</u>   | <u>10,661,039</u>      |
| <b>LIABILITIES</b>        |                        |                      |                      |                        |
| Due to other funds        | 47,037                 | -                    | -                    | 47,037                 |
| Agency fund liabilities   | 12,095,285             | 83,737,262           | 85,218,545           | 10,614,002             |
| Total liabilities         | <u>\$ 12,142,322</u>   | <u>\$ 83,737,262</u> | <u>\$ 85,218,545</u> | <u>\$ 10,661,039</u>   |

**I. Resource Recovery Agency**

Under the terms of a solid waste service agreement dated January 1, 1992, between the County and the Ulster County Resource Recovery Agency (UCRRA), the County is liable for a service fee payable to the UCRRA. The intent of the net service fee agreement is to provide assurance that the UCRRA has the financial resources to meet all debt service obligations and debt service requirements. In December of 2012 a countywide flow control law was passed by the Ulster County Legislature and signed into law by the Ulster County Executive. The Flow Control Law mandates that all Municipal Solid Waste generated within the County of Ulster must be brought to the UCRRA. The major financial impacts of this new law resulted in an increase in solid waste service fees, the elimination of County net service fees, and the ability of UCRRA to be self-sustaining. UCRRA met all of its obligations for fiscal year 2014 without the assistance of a County subsidy.

State and Federal laws require UCRRA to place a final cover on its landfill sites when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. UCRRA is currently in the post closure phase at each of the landfills. The post closure period goes throughout the year 2028. Current projections prepared by UCRRA of annual post closure monitoring and maintenance costs for all 3 landfills are \$201,839 for each of the remaining 14 years.

**J. Tobacco Settlement**

In January 1997, the State of New York filed a lawsuit against the tobacco industry, seeking to recover the costs that the State and its local governments had incurred under the Medicaid program in treating smoking related illnesses. As part of a comprehensive settlement reached in November 1998 among 46 states and U.S. territories and all major tobacco companies, the State of New York and its counties will share in an estimated \$25 billion over the next 25 years. As discussed in Note 1, in February 2001, the County sold to UTASC all of its future right, title and interest in the tobacco revenues under the agreement.

During 2013 a Consumption Decline Trapping Event occurred. This means that shipments of cigarettes in or to the 50 United States, the District of Columbia and Puerto Rico as measured under the MSA, are less in any year preceding a Deposit Date than the amount opposite such year under the "Consumption Decline Trapping Event" definition. According to the MSA Report, the amount shown as relevant shipments was less, and therefore a Consumption Decline Trapping Event has occurred. The trapping requirement for this event as of December 31, 2014 is \$7.26 million. As of year-end this trapping requirement was funded at \$450.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

**K. Accounting Standards Issued But Not Yet Implemented**

***GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27***

Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. The requirements of Statement No. 68 are effective for periods beginning after June 15, 2014, which is the fiscal year beginning January 1, 2015 for Ulster County. The financial impacts of this Statement on the future financial statements of the County cannot be determined at this time.

***GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68***

This Statement addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement are effective simultaneously with the provisions of GASB Statement No. 68, for periods beginning after June 15, 2014, which is the fiscal year beginning January 1, 2015 for Ulster County. This Statement is not expected to have a material effect on the future financial statements of the County.

***GASB Statement No. 72 – Fair Value Measurement and Application***

This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for periods beginning after June 15, 2015, which is the fiscal year beginning January 1, 2016 for Ulster County. This Statement is not expected to have a material effect on the future financial statements of the County.

***GASB Statement No. 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68***

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement are effective for periods beginning after June 15, 2015, which is the fiscal year beginning January 1, 2016 for Ulster County – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016, which is the fiscal year beginning January 1, 2017. This Statement is not expected to have a material effect on the future financial statements of the County.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

**GASB Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans***

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. The requirements of this Statement are effective for periods beginning after June 15, 2016, which is the fiscal year beginning January 1, 2017 for Ulster County. This Statement is not expected to have a material effect on the future financial statements of the County.

**GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions***

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. The requirements of this Statement are effective for periods beginning after June 15, 2017, which is the fiscal year beginning January 1, 2018 for Ulster County. This Statement is not expected to have a material effect on the future financial statements of the County.

**GASB Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments***

The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for periods beginning after June 15, 2015, which is the fiscal year beginning January 1, 2016. This Statement is not expected to have a material effect on the future financial statements of the County.

**GASB Statement No. 77 – *Tax Abatement Disclosures***

This Statement requires governments that enter into tax abatement agreements to disclose information about the agreements. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government’s future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government’s financial position and economic condition. The requirements of this Statement are effective for periods beginning after December 15, 2015, which is the fiscal year beginning January 1, 2016. This Statement is not expected to have a material effect on the future financial statements of the County.

**L. Subsequent Events**

Management has evaluated subsequent events through September 24, 2015, which is the date the financial statements are available for issuance, and have determined that there are no subsequent events, except as noted below, that require disclosure under generally accepted accounting principles.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2014**

**Casino Potential**

In November 2013, New York voters passed the public referendum amending the State Constitution authorizing casino gambling in New York State. In December 2014, the Gaming Facility Location Board announced the site selections for three casinos in Upstate New York, including one in neighboring Sullivan County, New York. Under the law, neighboring counties are entitled to a share of the tax revenues generated from these casinos. The New York State Division of Budget projects \$2 million annually in school and property tax relief in Ulster County. The New York State Division of Budget further projects that a casino will provide approximately \$2.3 million annually in local government aid in Ulster County once the casino is operational.

**Tax Stabilization Reserve Fund**

In November of 2014, the Ulster County Legislature authorized the establishment of a Tax Stabilization Reserve Fund with the adoption of the 2015 Ulster County Budget. In 2015, this fund was established for \$1.5 million. The fund is designed to guard against unforeseen increases in County costs such as additional unfunded state mandates, increased pension costs, or cuts in state aid.

**Future Capital Projects Reserve**

With the adoption of the 2015 Ulster County Budget, the budget established a future capital projects assigned reserve for \$3.5 million. This reserve will assist in the funding of a \$10 million County-wide infrastructure investment program to address critical road and bridge improvements known as “Building a Better Ulster County.”

**Local Municipality Election Costs**

With the adoption of the 2015 Ulster County Budget, the County assumed a three year phase in of the election costs incurred by the towns and city of the County as a result of the New York State Election Law. The County took over one-third of those costs in 2015 and each year after will take over an additional one-third.

**Kingston Center of SUNY Ulster (KCSU)**

In late 2012, Ulster County announced plans for the renovation of a closed elementary school located directly adjacent to the Kingston High School known as the *Strategic Taxpayer Relief through Innovative Visions in Education* (“S.T.R.I.V.E.”) initiative to transform the former elementary school building into a modern, environmentally-friendly community college extension center in the heart of the City of Kingston. The KCSU officially opened on August 18, 2015.

**Ellenville Million**

In early 2015, Ulster County announced the formation of the Ellenville Million Task Force and the plans to help the residents of Ellenville and Wawarsing by allocating \$1 million from the County budget to projects designated by the community designed for relief and economic assistance. The recommendations of the Task Force were formally adopted by the Legislature on August 18, 2015.

**Required Supplementary**  
**Information**

**County of Ulster, New York  
Schedule of Funding Progress  
Other Post Employment Benefits Plan  
For the Year Ended December 31, 2014**

**Governmental Activities:**

| <b>Year Ended</b> | <b>Actuarial Valuation Date</b> | <b>Actuarial Value of Assets (a)</b> | <b>Actuarial Accrued Liability (AAL) (b)</b> | <b>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</b> | <b>Funded Ratio (a/b)</b> | <b>Covered Payroll (c)</b> | <b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b> |
|-------------------|---------------------------------|--------------------------------------|--|--|---------------------------|----------------------------|--|
| 12/31/2014        | 1/1/2013                        | \$ -                                 | \$ 127,927,667                               | \$ 127,927,667   | 0.0%                      | \$ 74,717,951              | 171.2%   |
| 12/31/2013        | 1/1/2013                        | -                                    | 120,596,532                                  | 120,596,532  | 0.0%                      | 79,810,347                 | 151.1%   |
| 12/31/2012        | 1/1/2011                        | -                                    | 160,157,595                                  | 160,157,595  | 0.0%                      | 89,715,884                 | 178.5%   |
| 12/31/2011        | 1/1/2011                        | -                                    | 148,050,262                                  | 148,050,262  | 0.0%                      | 90,985,203                 | 162.7%   |
| 12/31/2010        | 1/1/2009                        | -                                    | 139,094,811                                  | 139,094,811  | 0.0%                      | 94,008,977                 | 148.0%   |
| 12/31/2009        | 1/1/2009                        | -                                    | 129,357,830                                  | 129,357,830  | 0.0%                      | 94,553,139                 | 136.8%   |
| 12/31/2008        | 1/1/2007                        | -                                    | 114,094,603                                  | 114,094,603  | 0.0%                      | 89,784,582                 | 127.1%   |
| 12/31/2007        | 1/1/2007                        | -                                    | 104,934,917                                  | 104,934,917  | 0.0%                      | 86,381,036                 | 121.5%   |

**Component Units - UCCC:**

| <b>Year Ended</b> | <b>Actuarial Valuation Date</b> | <b>Actuarial Value of Assets (a)</b> | <b>Actuarial Accrued Liability (AAL) (b)</b> | <b>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</b> | <b>Funded Ratio (a/b)</b> | <b>Covered Payroll (c)</b> | <b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b> |
|-------------------|---------------------------------|--------------------------------------|--|--|---------------------------|----------------------------|--|
| 8/31/2014         | 7/1/2014                        | \$ -                                 | \$ 15,232,998                                | \$ 15,232,998  | 0.0%                      | \$ 9,855,469               | 154.6%   |
| 8/31/2013         | 7/1/2013                        | -                                    | 13,895,409                                   | \$ 13,895,409  | 0.0%                      | 9,522,192                  | 145.9%   |
| 8/31/2012         | 3/1/2012                        | -                                    | 14,687,420                                   | \$ 14,687,420  | 0.0%                      | 10,237,938                 | 143.5%   |
| 8/31/2011         | 3/1/2011                        | -                                    | 14,675,216                                   | \$ 14,675,216  | 0.0%                      | 9,891,728                  | 148.4%   |
| 8/31/2010         | 9/1/2009                        | -                                    | 22,738,000                                   | \$ 22,738,000  | 0.0%                      | N/A                        | N/A  |

**County of Ulster, New York**  
**Budgetary Comparison Schedule**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2014**

|  | Budgeted Amounts |               | Actual<br>Amounts | Variance<br>with Final<br>Budget |
|--|------------------|---------------|-------------------|----------------------------------|
|  | Adopted          | Final         |                   |                                  |
| <b>REVENUES</b>                                      |                  |               |                   |                                  |
| Taxes:   |                  |               |                   |                                  |
| Property   | \$ 57,442,872    | \$ 57,442,872 | \$ 55,787,406     | \$ (1,655,466)                   |
| Other real property tax items                        | 5,300,000        | 5,300,000     | 6,333,802         | 1,033,802                        |
| Sales  | 104,059,402      | 104,059,402   | 104,667,661       | 608,259                          |
| Tax on Hotel Room Occupancy                          | 1,205,000        | 1,205,000     | 1,197,439         | (7,561)                          |
| Off track betting taxes                              | 145,000          | 145,000       | 106,107           | (38,893)                         |
| E-911 emergency telephone surcharge                  | 700,600          | 700,600       | 633,037           | (67,563)                         |
| Automobile use tax                                   | 1,225,200        | 1,225,200     | 1,033,251         | (191,949)                        |
| State aid  | 41,423,795       | 43,615,479    | 37,408,695        | (6,206,784)                      |
| Federal aid  | 34,901,945       | 38,288,238    | 34,350,938        | (3,937,300)                      |
| Departmental income                                  | 10,564,419       | 10,763,288    | 10,749,619        | (13,669)                         |
| Intergovernmental                                    | 4,215,129        | 4,228,007     | 4,177,722         | (50,285)                         |
| Use of money and property                            | 1,172,640        | 1,172,640     | 1,295,843         | 123,203                          |
| Licenses and permits                                 | 40,000           | 40,000        | 25,607            | (14,393)                         |
| Fines and forfeitures                                | 537,200          | 537,200       | 455,829           | (81,371)                         |
| Sale of property and compensation for loss           | 496,300          | 506,197       | 806,072           | 299,875                          |
| Miscellaneous local sources                          | 2,362,144        | 2,362,144     | 609,943           | (1,752,201)                      |
| Interfund revenues                                   | 3,015,707        | 3,015,707     | 3,531,375         | 515,668                          |
| Total revenues                                       | 268,807,353      | 274,606,974   | 263,170,346       | (11,436,628)                     |
| <b>EXPENDITURES</b>                                  |                  |               |                   |                                  |
| Current:   |                  |               |                   |                                  |
| General government                                   | 63,435,259       | 63,246,190    | 57,189,572        | 6,056,618                        |
| Education  | 10,147,148       | 10,147,311    | 9,795,066         | 352,245                          |
| Public safety  | 41,774,343       | 46,019,593    | 41,832,133        | 4,187,460                        |
| Public health  | 18,067,492       | 19,719,300    | 17,551,254        | 2,168,046                        |
| Transportation                                       | 6,468,139        | 6,942,374     | 6,278,687         | 663,687                          |
| Economic assistance                                  | 131,507,528      | 134,375,214   | 122,906,243       | 11,468,971                       |
| Culture and recreation                               | 361,162          | 809,056       | 777,611           | 31,445                           |
| Home and community                                   | 2,331,989        | 3,416,207     | 2,202,536         | 1,213,671                        |
| Employee benefits                                    | 10,106,578       | 10,033,573    | 8,894,445         | 1,139,128                        |
| Debt service:  |                  |               |                   |                                  |
| Interest   | 325,000          | 325,000       | 110,133           | 214,867                          |
| Total expenditures                                   | 284,524,638      | 295,033,818   | 267,537,680       | 27,496,138                       |
| Excess (deficiency) of revenues<br>over expenditures | (15,717,285)     | (20,426,844)  | (4,367,334)       | 16,059,510                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                  |               |                   |                                  |
| Transfers in   | 2,113,285        | 2,113,285     | -                 | (2,113,285)                      |
| Transfers out  | -                | -             | (98,483)          | (98,483)                         |
| Premium on obligations                               | -                | -             | 78,310            | 78,310                           |
| Total other financing sources (uses)                 | 2,113,285        | 2,113,285     | (20,173)          | (2,133,458)                      |
| Net change in fund balances *                        | (13,604,000)     | (18,313,559)  | (4,387,507)       | 13,926,052                       |
| Fund balances - beginning                            | 62,755,412       | 62,755,412    | 62,755,412        | -                                |
| Fund balances - ending                               | \$ 49,151,412    | \$ 44,441,853 | \$ 58,367,905     | \$ 13,926,052                    |

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and application of reserves.

See accompanying notes to the required supplementary information.

**COUNTY OF ULSTER, NEW YORK**  
**Notes to the Required Supplementary Information**  
**December 31, 2014**

**Budgetary Information**

**Budgetary Basis of Accounting** – Annual budgets are legally required and adopted for the general fund, special revenue funds and the debt service fund on a basis consistent with generally accepted accounting principles. Project-length financial plans are adopted for the capital projects fund. All annual appropriations lapse at year end.

On or before the first Friday of October, the County Executive submits to the County Legislature a proposed budget for the fiscal year commencing the following January 1. The Legislature holds public hearings and a final budget is prepared and adopted no later than the second Thursday of December.

The appropriated budget is prepared by fund, function, department and division. The County Executive is authorized to make transfers of appropriations within and across departments. Transfers of appropriations that alter the total appropriation of any department or agency must be approved by the Legislature. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department and object of expense level within the fund. The supplementary budgetary appropriations made were not material.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Actual results of operations presented in accordance with GAAP and the County’s accounting policies do not recognize encumbrances and assigned fund balance as expenditures until the period in which actual goods and services are received and a liability is incurred.

The County considers encumbrances to be significant for amounts in excess of \$500,000. The County has a total of \$11,163,430 of encumbrances outstanding at December 31, 2014. In the General Fund and Special Revenue Funds, encumbrances of \$3,041,630 and \$137,906, respectively, are supported by assigned fund balance. The Capital Projects Fund has \$7,983,894 of outstanding encumbrances. As of December 31, 2014, Ulster County had the following significant encumbrances:

| Description    | Capital<br>Projects<br>Fund |
|----------------|-----------------------------|
| Education      | \$ 4,689,428                |
| Transportation | 837,684                     |
| Total          | \$ 5,527,112                |

**Excess of Expenditures Over Appropriations** – For the year ended December 31, 2014, transfers out in the General Fund exceeded appropriations by \$98,483 as a result of transfers to the Capital Projects Fund to fund BAN principal payments.

**Supplementary**  
**Information**

**Combining Financial**  
**Statements, Budgetary**  
**Comparison Schedules, and**  
**Discretely Presented**  
**Component Units**

# **Nonmajor Governmental** **Funds**

## **Special Revenue Funds**

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

A) **Special Grant Fund** - accounts for and reports the proceeds received under the Workforce Investment Act and Community Development Block Grant programs.

B) **County Road Fund** - required by Sec 114 of the Highway Law. Its purpose is for maintenance of county roads and bridges, snow removal and construction and reconstruction of county roads.

C) **Road Machinery Fund** - required by Sec 133 of the Highway Law. It's used for the purchase, repair and maintenance of highway machinery, tools and equipment; for the construction, purchase and maintenance of buildings for the storage and repair of highway machinery and equipment; for the purchase of materials and supplies to provide an adequate central stockpile for highway, snow removal and bridge purposes.

D) **Ulster County Economic Development Alliance** - accounts for and reports the financial activity related to job growth, economic development, and community revitalization for Ulster County.

**County of Ulster, New York  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2014**

**Special Revenue Funds**

|  | <b>Special<br/>Grant</b> | <b>County<br/>Road</b> | <b>Road<br/>Machinery</b> | <b>Ulster County<br/>Economic<br/>Development<br/>Alliance</b> | <b>Total<br/>Nonmajor<br/>Funds</b> |
|--|--------------------------|------------------------|---------------------------|--|-------------------------------------|
| <b>ASSETS</b>  |                          |                        |                           |  |                                     |
| Cash, cash equivalents and investments                                 | \$ 394,483               | \$ 1,081,825           | \$ 2,177,759              | \$ 825,735   | \$ 4,479,802                        |
| Restricted cash, cash equivalents and investments                      | -                        | -                      | -                         | 197,317  | 197,317                             |
| Receivables  | 50                       | 1,073,374              | 65,605                    | 749,767  | 1,888,796                           |
| Due from other funds   | 52,000                   | -                      | -                         | 150,000  | 202,000                             |
| Total assets   | <u>\$ 446,533</u>        | <u>\$ 2,155,199</u>    | <u>\$ 2,243,364</u>       | <u>\$ 1,922,819</u>  | <u>\$ 6,767,915</u>                 |
| <b>LIABILITIES</b>   |                          |                        |                           |  |                                     |
| Accounts payable and other current liabilities                         | \$ 50,950                | \$ 269,269             | \$ 180,666                | \$ 26,340  | \$ 527,225                          |
| Due to other funds   | 20                       | -                      | -                         | 52,000   | 52,020                              |
| Intergovernmental payables   | 303,000                  | -                      | -                         | 119,000  | 422,000                             |
| Other unearned revenues  | -                        | -                      | -                         | 199,417  | 199,417                             |
| Total liabilities  | <u>353,970</u>           | <u>269,269</u>         | <u>180,666</u>            | <u>396,757</u>   | <u>1,200,662</u>                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                          |                        |                           |  |                                     |
| Unavailable revenue - loans  | 52,000                   | -                      | -                         | -  | 52,000                              |
| Total deferred inflows of resources                                    | <u>52,000</u>            | <u>-</u>               | <u>-</u>                  | <u>-</u>   | <u>52,000</u>                       |
| <b>FUND BALANCES</b>   |                          |                        |                           |  |                                     |
| Restricted for:  |                          |                        |                           |  |                                     |
| Community development  | -                        | -                      | -                         | 197,317  | 197,317                             |
| Assigned to:   |                          |                        |                           |  |                                     |
| Encumbrances   | 23,631                   | 7,194                  | 107,081                   | -  | 137,906                             |
| Specific use   | 16,932                   | 1,878,736              | 1,955,617                 | 1,328,745  | 5,180,030                           |
| Total fund balances  | <u>40,563</u>            | <u>1,885,930</u>       | <u>2,062,698</u>          | <u>1,526,062</u>   | <u>5,515,253</u>                    |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 446,533</u>        | <u>\$ 2,155,199</u>    | <u>\$ 2,243,364</u>       | <u>\$ 1,922,819</u>  | <u>\$ 6,767,915</u>                 |

**County of Ulster, New York**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2014**

|  | Special Revenue Funds |                |                   |  |                            |
|--|-----------------------|----------------|-------------------|--|----------------------------|
|  | Special<br>Grant      | County<br>Road | Road<br>Machinery | Ulster County<br>Economic<br>Development<br>Alliance | Total<br>Nonmajor<br>Funds |
| <b>REVENUES</b>                            |                       |                |                   |  |                            |
| Real property taxes                        | \$ -                  | \$ 11,243,773  | \$ -              | \$ -   | \$ 11,243,773              |
| State aid                                  | 218,779               | 3,378,270      | -                 | -  | 3,597,049                  |
| Federal aid                                | 2,067,347             | 303,965        | -                 | -  | 2,371,312                  |
| Departmental income                        | -                     | -              | -                 | 154,502  | 154,502                    |
| Intergovernmental                          | -                     | 102,750        | -                 | -  | 102,750                    |
| Use of money and property                  | 3,642                 | -              | -                 | 38,108   | 41,750                     |
| Sale of property and compensation for loss | -                     | 36,006         | 93,350            | -  | 129,356                    |
| Miscellaneous local sources                | -                     | 54,789         | -                 | 8,812  | 63,601                     |
| Interfund revenues                         | -                     | 42,580         | 4,748,392         | -  | 4,790,972                  |
| Total revenues                             | 2,289,768             | 15,162,133     | 4,841,742         | 201,422  | 22,495,065                 |
| <b>EXPENDITURES</b>                        |                       |                |                   |  |                            |
| Current:                                   |                       |                |                   |  |                            |
| Transportation                             | -                     | 17,692,053     | 3,617,342         | -  | 21,309,395                 |
| Economic assistance                        | 1,656,002             | -              | -                 | 162,385  | 1,818,387                  |
| Home and community                         | 648,954               | -              | -                 | -  | 648,954                    |
| Debt service:                              |                       |                |                   |  |                            |
| Interest                                   | 4,414                 | -              | -                 | -  | 4,414                      |
| Total expenditures                         | 2,309,370             | 17,692,053     | 3,617,342         | 162,385  | 23,781,150                 |
| Net change in fund balances                | (19,602)              | (2,529,920)    | 1,224,400         | 39,037   | (1,286,085)                |
| Fund balances - beginning                  | 60,165                | 4,415,850      | 838,298           | 1,487,025  | 6,801,338                  |
| Fund balances - ending                     | \$ 40,563             | \$ 1,885,930   | \$ 2,062,698      | \$ 1,526,062   | \$ 5,515,253               |

**County of Ulster, New York**  
**Budgetary Comparison Schedule**  
**Budget and Actual**  
**Special Grant Fund**  
**For the Year Ended December 31, 2014**

|                             | Budgeted Amounts |            | Actual<br>Amounts | Variance<br>with Final<br>Budget |
|-----------------------------|------------------|------------|-------------------|----------------------------------|
|                             | Adopted          | Final      |                   |                                  |
| <b>REVENUES</b>             |                  |            |                   |                                  |
| State aid                   | \$ -             | \$ -       | \$ 218,779        | \$ 218,779                       |
| Federal aid                 | 2,349,812        | 3,241,837  | 2,067,347         | (1,174,490)                      |
| Use of money and property   | 3,500            | 3,500      | 3,642             | 142                              |
| Total revenues              | 2,353,312        | 3,245,337  | 2,289,768         | (955,569)                        |
| <b>EXPENDITURES</b>         |                  |            |                   |                                  |
| Current:                    |                  |            |                   |                                  |
| Economic assistance         | 1,599,812        | 1,893,220  | 1,656,002         | 237,218                          |
| Home and community          | 690,200          | 1,348,700  | 648,954           | 699,746                          |
| Debt service:               |                  |            |                   |                                  |
| Principal                   | 60,000           | 60,000     | -                 | 60,000                           |
| Interest                    | 3,300            | 4,800      | 4,414             | 386                              |
| Total expenditures          | 2,353,312        | 3,306,720  | 2,309,370         | 997,350                          |
| Net change in fund balances | -                | (61,383)   | (19,602)          | 41,781                           |
| Fund balances - beginning   | 60,165           | 60,165     | 60,165            | -                                |
| Fund balances - ending      | \$ 60,165        | \$ (1,218) | \$ 40,563         | \$ 41,781                        |

**County of Ulster, New York**  
**Budgetary Comparison Schedule**  
**Budget and Actual**  
**County Road Fund**  
**For the Year Ended December 31, 2014**

|  | Budgeted Amounts |               | Actual<br>Amounts | Variance<br>with Final<br>Budget |
|--|------------------|---------------|-------------------|----------------------------------|
|  | Adopted          | Final         |                   |                                  |
| <b>REVENUES</b>                                      |                  |               |                   |                                  |
| Real property taxes                                  | \$ 11,243,773    | \$ 11,243,773 | \$ 11,243,773     | \$ -                             |
| State aid  | 3,011,864        | 3,523,165     | 3,378,270         | (144,895)                        |
| Federal aid  | -                | -             | 303,965           | 303,965                          |
| Intergovernmental                                    | 275,000          | 275,000       | 102,750           | (172,250)                        |
| Use of money and property                            | 2,000            | 2,000         | -                 | (2,000)                          |
| Sale of property and compensation for loss           | 50,500           | 50,500        | 36,006            | (14,494)                         |
| Miscellaneous local sources                          | 10,000           | 10,000        | 54,789            | 44,789                           |
| Interfund revenues                                   | 135,000          | 135,000       | 42,580            | (92,420)                         |
| Total revenues                                       | 14,728,137       | 15,239,438    | 15,162,133        | (77,305)                         |
| <b>EXPENDITURES</b>                                  |                  |               |                   |                                  |
| Current:   |                  |               |                   |                                  |
| Transportation                                       | 19,660,158       | 20,063,570    | 17,692,053        | 2,371,517                        |
| Total expenditures                                   | 19,660,158       | 20,063,570    | 17,692,053        | 2,371,517                        |
| Excess (deficiency) of revenues<br>over expenditures | (4,932,021)      | (4,824,132)   | (2,529,920)       | 2,294,212                        |
| <b>OTHER FINANCING SOURCES</b>                       |                  |               |                   |                                  |
| Transfers in   | 2,247,021        | 2,247,021     | -                 | (2,247,021)                      |
| Total financing sources                              | 2,247,021        | 2,247,021     | -                 | (2,247,021)                      |
| Net change in fund balances *                        | (2,685,000)      | (2,577,111)   | (2,529,920)       | 47,191                           |
| Fund balances - beginning                            | 4,415,850        | 4,415,850     | 4,415,850         | -                                |
| Fund balances - ending                               | \$ 1,730,850     | \$ 1,838,739  | \$ 1,885,930      | \$ 47,191                        |

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

**County of Ulster, New York**  
**Budgetary Comparison Schedule**  
**Budget and Actual**  
**Road Machinery Fund**  
**For the Year Ended December 31, 2014**

|  | Budgeted Amounts |            | Actual<br>Amounts | Variance<br>with Final<br>Budget |
|--|------------------|------------|-------------------|----------------------------------|
|  | Adopted          | Final      |                   |                                  |
| <b>REVENUES</b>                            |                  |            |                   |                                  |
| Use of money and property                  | \$ 5,477,000     | \$ 2,000   | \$ -              | \$ (2,000)                       |
| Sale of property and compensation for loss | 38,000           | 38,000     | 93,350            | 55,350                           |
| Interfund revenues                         | 436,000          | 5,911,000  | 4,748,392         | (1,162,608)                      |
| Total revenues                             | 5,951,000        | 5,951,000  | 4,841,742         | (1,109,258)                      |
| <b>EXPENDITURES</b>                        |                  |            |                   |                                  |
| Current:                                   |                  |            |                   |                                  |
| Transportation                             | 5,951,000        | 6,120,444  | 3,617,342         | 2,503,102                        |
| Total expenditures                         | 5,951,000        | 6,120,444  | 3,617,342         | 2,503,102                        |
| Net change in fund balances                | -                | (169,444)  | 1,224,400         | 1,393,844                        |
| Fund balances - beginning                  | 838,298          | 838,298    | 838,298           | -                                |
| Fund balances - ending                     | \$ 838,298       | \$ 668,854 | \$ 2,062,698      | \$ 1,393,844                     |

**County of Ulster, New York  
Budgetary Comparison Schedule  
Budget and Actual  
Debt Service Fund  
For the Year Ended December 31, 2014**

|  | Budgeted Amounts |              | Actual<br>Amounts | Variance<br>with Final<br>Budget |
|--|------------------|--------------|-------------------|----------------------------------|
|  | Adopted          | Final        |                   |                                  |
| <b>REVENUES</b>                                      |                  |              |                   |                                  |
| Real property taxes                                  | \$ 9,293,763     | \$ 9,293,763 | \$ 9,293,763      | \$ -                             |
| Use of money and property                            | 10,000           | 10,000       | 330               | (9,670)                          |
| Interfund revenues                                   | -                | -            | 77,564            | 77,564                           |
| Total revenues                                       | 9,303,763        | 9,303,763    | 9,371,657         | 67,894                           |
| <b>EXPENDITURES</b>                                  |                  |              |                   |                                  |
| Debt service:  |                  |              |                   |                                  |
| Principal  | 6,813,573        | 6,838,573    | 6,838,500         | 73                               |
| Interest   | 3,315,190        | 3,290,190    | 3,240,543         | 49,647                           |
| Total expenditures                                   | 10,128,763       | 10,128,763   | 10,079,043        | 49,720                           |
| Excess (deficiency) of revenues<br>over expenditures | (825,000)        | (825,000)    | (707,386)         | 117,614                          |
| Net change in fund balances *                        | (825,000)        | (825,000)    | (707,386)         | 117,614                          |
| Fund balances - beginning                            | 2,432,331        | 2,432,331    | 2,432,331         | -                                |
| Fund balances - ending                               | \$ 1,607,331     | \$ 1,607,331 | \$ 1,724,945      | \$ 117,614                       |

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

**County of Ulster, New York**  
**Combining Statement of Net Position**  
**Discretely Presented Component Units**  
**December 31, 2014**

|   | Component Units                           |                                |                                     |                                    |  | Total<br>Discretely<br>Presented<br>Component<br>Units |
|---|---|--------------------------------|-------------------------------------|------------------------------------|--|--|
|   | Community<br>College<br>(August 31, 2014) | Resource<br>Recovery<br>Agency | Industrial<br>Development<br>Agency | Capital<br>Resource<br>Corporation | Golden<br>Hill Local<br>Development<br>Corporation |  |
| <b>ASSETS</b>                                   |   |                                |                                     |                                    |  |  |
| Cash and cash equivalents                       | \$ 4,560,973                              | \$ 4,162,434                   | \$ 529,102                          | \$ 133,641                         | \$ 32,976  | \$ 9,419,126   |
| Investments                                     | 8,264,254                                 | 2,542,949                      | -                                   | -                                  | -  | 10,807,203   |
| Receivables                                     | 4,841,119                                 | 1,462,368                      | -                                   | -                                  | -  | 6,303,487  |
| Prepaid items                                   | 1,485,993                                 | 451,809                        | -                                   | -                                  | -  | 1,937,802  |
| Capital assets, net of accumulated depreciation | 14,184,497                                | 9,380,270                      | -                                   | -                                  | -  | 23,564,767   |
| Total assets                                    | <u>33,336,836</u>                         | <u>17,999,830</u>              | <u>529,102</u>                      | <u>133,641</u>                     | <u>32,976</u>                                      | <u>52,032,385</u>                                      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |   |                                |                                     |                                    |  |  |
| Deferred charge on refunding                    | -   | 119,583                        | -                                   | -                                  | -  | 119,583  |
| Total deferred outflows of resources            | <u>-</u>                                  | <u>119,583</u>                 | <u>-</u>                            | <u>-</u>                           | <u>-</u>   | <u>119,583</u>   |
| <b>LIABILITIES</b>                              |   |                                |                                     |                                    |  |  |
| Accounts payable and other current liabilities  | 4,082,418                                 | 775,072                        | 123,000                             | -                                  | -  | 4,980,490  |
| Intergovernmental payables                      | 289,202                                   | -                              | -                                   | -                                  | -  | 289,202  |
| Due to primary government                       | -   | -                              | 10,928                              | 1,250                              | 32,976   | 45,154   |
| Other liabilities                               | -   | 79,531                         | -                                   | -                                  | -  | 79,531   |
| Unearned revenue                                | 250                                       | 5,800                          | -                                   | -                                  | -  | 6,050  |
| Noncurrent liabilities:                         |   |                                |                                     |                                    |  |  |
| Due within one year                             | 640,556                                   | 2,907,623                      | -                                   | -                                  | -  | 3,548,179  |
| Due in more than one year                       | 11,256,832                                | 15,785,332                     | -                                   | -                                  | -  | 27,042,164   |
| Total liabilities                               | <u>16,269,258</u>                         | <u>19,553,358</u>              | <u>133,928</u>                      | <u>1,250</u>                       | <u>32,976</u>                                      | <u>35,990,770</u>                                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |   |                                |                                     |                                    |  |  |
| Deferred tuition received                       | 6,053,644                                 | -                              | -                                   | -                                  | -  | 6,053,644  |
| Total deferred inflows of resources             | <u>6,053,644</u>                          | <u>-</u>                       | <u>-</u>                            | <u>-</u>                           | <u>-</u>   | <u>6,053,644</u>                                       |
| <b>NET POSITION</b>                             |   |                                |                                     |                                    |  |  |
| Net investment in capital assets                | 12,527,698                                | 9,380,270                      | -                                   | -                                  | -  | 21,907,968   |
| Restricted for:                                 |   |                                |                                     |                                    |  |  |
| Student activities                              | 317,620                                   | -                              | -                                   | -                                  | -  | 317,620  |
| Scholarships and grants                         | 4,167,052                                 | -                              | -                                   | -                                  | -  | 4,167,052  |
| Nonexpendable                                   | 2,457,763                                 | -                              | -                                   | -                                  | -  | 2,457,763  |
| Debt service                                    | -   | 3,226,614                      | -                                   | -                                  | -  | 3,226,614  |
| Landfill closure                                | -   | 96,145                         | -                                   | -                                  | -  | 96,145   |
| Unrestricted                                    | (8,456,199)                               | (14,136,974)                   | 395,174                             | 132,391                            | -  | (22,065,608)   |
| Total net position                              | <u>\$ 11,013,934</u>                      | <u>\$ (1,433,945)</u>          | <u>\$ 395,174</u>                   | <u>\$ 132,391</u>                  | <u>\$ -</u>  | <u>\$ 10,107,554</u>                                   |

**County of Ulster, New York**  
**Combining Statement of Activities**  
**Discretely Presented Component Units**  
**For the Year Ended December 31, 2014**

|                                      | Component Units                           |                                |                                     |                                    |  | Total<br>Discretely<br>Presented<br>Component<br>Units |
|--------------------------------------|---|--------------------------------|-------------------------------------|------------------------------------|--|--|
|                                      | Community<br>College<br>(August 31, 2014) | Resource<br>Recovery<br>Agency | Industrial<br>Development<br>Agency | Capital<br>Resource<br>Corporation | Golden<br>Hill Local<br>Development<br>Corporation |  |
| <b>OPERATING EXPENSES</b>            |   |                                |                                     |                                    |  |  |
| Instruction                          | \$ 13,345,627                             | \$ -                           | \$ -                                | \$ -                               | \$ -   | 13,345,627   |
| Public service                       | 610,043                                   | -                              | -                                   | -                                  | -  | 610,043  |
| Academic support                     | 3,137,359                                 | -                              | -                                   | -                                  | -  | 3,137,359  |
| Student services                     | 2,643,154                                 | -                              | -                                   | -                                  | -  | 2,643,154  |
| General administration               | 2,565,164                                 | 586,425                        | 44,068                              | 5,000                              | 902  | 3,201,559  |
| General institution                  | 2,232,857                                 | -                              | -                                   | -                                  | -  | 2,232,857  |
| Operation and maintenance of plant   | 3,497,754                                 | -                              | -                                   | -                                  | -  | 3,497,754  |
| Student aid                          | 4,102,122                                 | -                              | -                                   | -                                  | -  | 4,102,122  |
| Auxiliary                            | 230,648                                   | -                              | -                                   | -                                  | -  | 230,648  |
| Day care                             | 350,849                                   | -                              | -                                   | -                                  | -  | 350,849  |
| Costs of sales and services          | -   | 7,859,478                      | -                                   | -                                  | -  | 7,859,478  |
| Salaries and wages                   | -   | 1,618,265                      | -                                   | -                                  | -  | 1,618,265  |
| Benefits                             | -   | 885,781                        | -                                   | -                                  | -  | 885,781  |
| Grant expense                        | -   | -                              | 5,000                               | -                                  | -  | 5,000  |
| Contractual expenses                 | -   | -                              | 213,000                             | 15,000                             | -  | 228,000  |
| Professional fees                    | -   | -                              | 15,561                              | 5,360                              | -  | 20,921   |
| Office expense                       | -   | -                              | -                                   | 440                                | -  | 440  |
| Depreciation                         | 1,105,933                                 | 552,000                        | -                                   | -                                  | -  | 1,657,933  |
| Interest expense                     | -   | 405,909                        | -                                   | -                                  | -  | 405,909  |
| Other operating expenses             | 642,874                                   | -                              | 7,528                               | -                                  | -  | 650,402  |
| Total operating expenses             | 34,464,384                                | 11,907,858                     | 285,157                             | 25,800                             | 902  | 46,684,101   |
| <b>PROGRAM REVENUES</b>              |   |                                |                                     |                                    |  |  |
| Student tuition and fees             | 7,016,809                                 | -                              | -                                   | -                                  | -  | 7,016,809  |
| Auxiliary                            | 267,741                                   | -                              | -                                   | -                                  | -  | 267,741  |
| Sale of recyclable materials         | -   | 646,276                        | -                                   | -                                  | -  | 646,276  |
| Solid waste service fees             | -   | 13,401,107                     | -                                   | -                                  | -  | 13,401,107   |
| Fees                                 | -   | -                              | 58,500                              | 146,700                            | -  | 205,200  |
| Landfill post closure care reduction | -   | 738,960                        | -                                   | -                                  | -  | 738,960  |
| Operating grants and contributions   | 12,864,214                                | 128,939                        | -                                   | 5,000                              | -  | 12,998,153   |
| Other operating revenue              | 810,772                                   | 80,103                         | 271                                 | -                                  | -  | 891,146  |
| Total program revenues               | 20,959,536                                | 14,995,385                     | 58,771                              | 151,700                            | -  | 36,165,392   |
| Net program revenue (expense)        | (13,504,848)                              | 3,087,527                      | (226,386)                           | 125,900                            | (902)  | (10,518,709)   |
| <b>GENERAL REVENUES</b>              |   |                                |                                     |                                    |  |  |
| Contribution from other governments  | 5,624,931                                 | -                              | -                                   | -                                  | -  | 5,624,931  |
| County contribution                  | 6,280,863                                 | -                              | -                                   | -                                  | 902  | 6,281,765  |
| Chargeback revenue                   | 953,062                                   | -                              | -                                   | -                                  | -  | 953,062  |
| Investment income                    | 1,106,740                                 | 115,450                        | 604                                 | 46                                 | -  | 1,222,840  |
| Loss on disposals                    | (15,644)                                  | (7,882)                        | -                                   | -                                  | -  | (23,526)   |
| Total general revenues               | 13,949,952                                | 107,568                        | 604                                 | 46                                 | 902  | 14,059,072   |
| Net change in net position           | 445,104                                   | 3,195,095                      | (225,782)                           | 125,946                            | -  | 3,540,363  |
| Net position - beginning             | 10,568,830                                | (4,629,040)                    | 620,956                             | 6,445                              | -  | 6,567,191  |
| Net position - ending                | \$ 11,013,934                             | \$ (1,433,945)                 | \$ 395,174                          | \$ 132,391                         | \$ -   | \$ 10,107,554  |

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**Statistical Section (Unaudited)**

**COUNTY OF ULSTER, NEW YORK**  
**Net Position - Comparison**  
**Last Ten Fiscal Years**

|   | <u>2005</u>          | <u>2006</u>          | <u>2007</u>          | <u>2008</u>          | <u>2009</u>          | <u>2010</u>          | <u>2011</u>           | <u>2012</u>           | <u>2013</u>          | <u>2014</u>           |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| <b>Governmental Activities:</b>             |                      |                      |                      |                      |                      |                      |                       |                       |                      |                       |
| Net investment in capital assets            | \$ 32,905,031        | \$ 40,827,163        | \$ 37,988,577        | \$ 32,239,663        | \$ 31,715,641        | \$ 37,390,565        | \$ 20,864,249         | \$ 65,377,760         | \$ 67,892,165        | \$ 76,692,815         |
| Restricted                                  | 9,415,932            | 14,134,906           | 17,200,974           | 17,164,056           | 12,715,012           | 9,603,188            | 9,009,628             | 10,016,115            | 6,978,332            | 6,397,859             |
| Unrestricted                                | <u>36,206,914</u>    | <u>19,036,640</u>    | <u>15,627,851</u>    | <u>9,616,987</u>     | <u>2,302,802</u>     | <u>(9,600,040)</u>   | <u>(11,261,448)</u>   | <u>(65,430,305)</u>   | <u>(64,672,740)</u>  | <u>(90,445,035)</u>   |
| Total governmental activities net position  | \$ <u>78,527,877</u> | \$ <u>73,998,709</u> | \$ <u>70,817,402</u> | \$ <u>59,020,706</u> | \$ <u>46,733,455</u> | \$ <u>37,393,713</u> | \$ <u>18,612,429</u>  | \$ <u>9,963,570</u>   | \$ <u>10,197,757</u> | \$ <u>(7,354,361)</u> |
| <b>Business-type Activities:</b>            |                      |                      |                      |                      |                      |                      |                       |                       |                      |                       |
| Net investment in capital assets            | \$ 6,041,099         | \$ 5,527,546         | \$ 4,991,929         | \$ 4,518,472         | \$ 3,955,646         | \$ 3,580,827         | \$ 3,024,756          | \$ 2,586,359          | \$ -                 | \$ -                  |
| Restricted                                  | -                    | -                    | -                    | -                    | -                    | -                    | 39,030                | 39,030                | -                    | -                     |
| Unrestricted                                | <u>(2,072,544)</u>   | <u>(329,207)</u>     | <u>41,734</u>        | <u>2,164,989</u>     | <u>2,829,444</u>     | <u>555,836</u>       | <u>(4,934,896)</u>    | <u>(5,427,967)</u>    | -                    | -                     |
| Total business-type activities net position | \$ <u>3,968,555</u>  | \$ <u>5,198,339</u>  | \$ <u>5,033,663</u>  | \$ <u>6,683,461</u>  | \$ <u>6,785,090</u>  | \$ <u>4,136,663</u>  | \$ <u>(1,871,110)</u> | \$ <u>(2,802,578)</u> | \$ -                 | \$ -                  |
| <b>Total Primary Government:</b>            |                      |                      |                      |                      |                      |                      |                       |                       |                      |                       |
| Net investment in capital assets            | \$ 38,946,130        | \$ 46,354,709        | \$ 42,980,506        | \$ 36,758,135        | \$ 35,671,287        | \$ 40,971,392        | \$ 23,889,005         | \$ 67,964,119         | \$ 67,892,165        | \$ 76,692,815         |
| Restricted                                  | 9,415,932            | 14,134,906           | 17,200,974           | 17,164,056           | 12,715,012           | 9,603,188            | 9,048,658             | 10,055,145            | 6,978,332            | 6,397,859             |
| Unrestricted                                | <u>34,134,370</u>    | <u>18,707,433</u>    | <u>15,669,585</u>    | <u>11,781,976</u>    | <u>5,132,246</u>     | <u>(9,044,204)</u>   | <u>(16,196,344)</u>   | <u>(70,858,272)</u>   | <u>(64,672,740)</u>  | <u>(90,445,035)</u>   |
| Total primary government net position       | \$ <u>82,496,432</u> | \$ <u>79,197,048</u> | \$ <u>75,851,065</u> | \$ <u>65,704,167</u> | \$ <u>53,518,545</u> | \$ <u>41,530,376</u> | \$ <u>16,741,319</u>  | \$ <u>7,160,992</u>   | \$ <u>10,197,757</u> | \$ <u>(7,354,361)</u> |

Source: Ulster County Annual Financial Reports

**COUNTY OF ULSTER, NEW YORK**  
**Changes in Net Position**  
**Last Eight Fiscal Years**

|   | <u>2007</u>           | <u>2008</u>            | <u>2009</u>            | <u>2010</u>            | <u>2011</u>            | <u>2012</u>           | <u>2013</u>          | <u>2014</u>            |
|---|-----------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|----------------------|------------------------|
| <b>Expenses</b>   |                       |                        |                        |                        |                        |                       |                      |                        |
| Governmental activities:                                  |                       |                        |                        |                        |                        |                       |                      |                        |
| General government  | \$ 54,726,317         | \$ 57,795,151          | \$ 58,327,082          | \$ 60,836,813          | \$ 64,421,405          | \$ 64,452,481         | \$ 58,018,900        | \$ 69,544,611          |
| Education   | 11,312,002            | 11,594,288             | 14,630,803             | 10,734,010             | 10,449,170             | 9,598,123             | 10,127,951           | 8,533,495              |
| Public safety   | 36,779,963            | 41,821,492             | 43,423,235             | 43,177,212             | 46,596,897             | 47,566,433            | 51,988,875           | 50,016,317             |
| Public health   | 31,026,811            | 31,360,625             | 31,360,469             | 29,495,696             | 28,088,636             | 25,578,995            | 20,982,356           | 19,262,838             |
| Transportation  | 21,791,121            | 23,873,111             | 22,436,100             | 22,616,510             | 26,973,401             | 22,963,323            | 24,670,675           | 25,423,875             |
| Economic assistance                                       | 105,092,967           | 120,893,695            | 121,241,346            | 117,923,542            | 120,653,740            | 129,609,798           | 133,857,675          | 128,723,809            |
| Culture and recreation                                    | 946,894               | 1,508,943              | 1,289,205              | 1,122,212              | 1,040,315              | 993,089               | 962,783              | 1,127,564              |
| Home and community  | 5,120,378             | 3,967,149              | 5,005,546              | 5,689,953              | 4,190,840              | 5,883,149             | 2,878,042            | 2,793,990              |
| Interest on long-term debt                                | 8,395,558             | 8,373,081              | 6,695,993              | 7,180,086              | 6,884,754              | 6,778,572             | 6,575,763            | 6,431,867              |
| Total governmental activities expenses                    | <u>275,192,011</u>    | <u>301,187,535</u>     | <u>304,409,779</u>     | <u>298,776,034</u>     | <u>309,299,158</u>     | <u>313,423,963</u>    | <u>310,063,020</u>   | <u>311,858,366</u>     |
| Business-type activities:                                 |                       |                        |                        |                        |                        |                       |                      |                        |
| Long-Term Care  | 29,719,099            | 31,368,337             | 28,995,372             | 31,782,832             | 32,906,238             | 33,247,837            | 13,047,766           | -                      |
| Workers' Compensation Pool                                | 8,640,289             | 13,636,831             | 7,710,107              | 6,040,004              | 14,795,165             | 10,283,758            | 9,508,560            | 9,333,330              |
| Total business-type activities expenses                   | <u>38,359,388</u>     | <u>45,005,168</u>      | <u>36,705,479</u>      | <u>37,822,836</u>      | <u>47,701,403</u>      | <u>43,531,595</u>     | <u>22,556,326</u>    | <u>9,333,330</u>       |
| Total primary government expenses                         | <u>313,551,399</u>    | <u>346,192,703</u>     | <u>341,115,258</u>     | <u>336,598,870</u>     | <u>357,000,561</u>     | <u>356,955,558</u>    | <u>332,619,346</u>   | <u>321,191,696</u>     |
| <b>Program Revenues</b>                                   |                       |                        |                        |                        |                        |                       |                      |                        |
| Governmental activities:                                  |                       |                        |                        |                        |                        |                       |                      |                        |
| Charges for services:                                     |                       |                        |                        |                        |                        |                       |                      |                        |
| General government  | 5,444,510             | 5,245,458              | 8,758,831              | 6,813,541              | 6,222,816              | 8,122,012             | 20,681,114           | 5,964,237              |
| Education   | 65,263                | 1,665,975              | 3,386,000              | 148,108                | 83,195                 | 80,996                | 78,916               | 90,158                 |
| Public safety   | 2,737,430             | 3,398,790              | 3,957,333              | 3,245,780              | 3,177,387              | 2,981,076             | 3,512,981            | 3,306,178              |
| Public health   | 10,697,384            | 9,904,260              | 10,002,413             | 6,451,909              | 6,419,484              | 4,623,652             | 3,061,771            | 618,318                |
| Transportation  | 841,017               | 1,058,360              | 971,219                | 1,022,546              | 1,389,205              | 1,236,969             | 1,037,490            | 861,642                |
| Economic assistance                                       | 5,981,969             | 11,347,145             | 7,188,227              | 7,579,039              | 8,536,093              | 13,251,138            | 9,294,951            | 7,531,266              |
| Culture and recreation                                    | 127,729               | 120,274                | 163,410                | 133,422                | 129,181                | 129,530               | 109,553              | 113,547                |
| Home and community  | 546                   | 254,703                | 581                    | 241                    | 4,789                  | 59,759                | 4,228                | 6,019                  |
| Operating grants and contributions                        | 73,983,304            | 77,365,503             | 83,623,613             | 79,767,515             | 77,940,934             | 87,945,815            | 76,283,382           | 74,399,760             |
| Capital grants and contributions                          | 1,710,255             | 2,308,376              | 2,591,900              | 4,004,267              | 2,288,331              | 5,420,598             | 1,450,701            | 7,420,320              |
| Total governmental activities program revenues            | <u>101,589,407</u>    | <u>112,668,844</u>     | <u>120,643,527</u>     | <u>109,166,368</u>     | <u>106,191,415</u>     | <u>123,851,545</u>    | <u>115,515,087</u>   | <u>100,311,445</u>     |
| Business-type activities:                                 |                       |                        |                        |                        |                        |                       |                      |                        |
| Charges for services:                                     |                       |                        |                        |                        |                        |                       |                      |                        |
| Long-Term Care  | 21,114,745            | 22,815,253             | 23,253,216             | 22,830,322             | 21,911,315             | 20,604,780            | 9,032,186            | -                      |
| Workers' Compensation Pool                                | 7,258,583             | 12,637,989             | 6,870,549              | 5,055,842              | 13,968,979             | 9,475,157             | 8,785,686            | 8,631,330              |
| Operating grants and contributions                        | 670,329               | 5,426,674              | 3,270,059              | 2,816,881              | 1,083,841              | 2,894,328             | 10,506,554           | 655,347                |
| Total business-type activities program revenues           | <u>29,043,657</u>     | <u>40,879,916</u>      | <u>33,393,824</u>      | <u>30,703,045</u>      | <u>36,964,135</u>      | <u>32,974,265</u>     | <u>28,324,426</u>    | <u>9,286,677</u>       |
| Total primary government program revenues                 | <u>130,633,064</u>    | <u>153,548,760</u>     | <u>154,037,351</u>     | <u>139,869,413</u>     | <u>143,155,550</u>     | <u>156,825,810</u>    | <u>143,839,513</u>   | <u>109,598,122</u>     |
| <b>Net revenues (expenses)</b>                            |                       |                        |                        |                        |                        |                       |                      |                        |
| Governmental activities                                   | (173,602,604)         | (188,518,691)          | (183,766,252)          | (189,609,666)          | (203,107,743)          | (189,572,418)         | (194,547,933)        | (211,546,921)          |
| Business-type activities                                  | (9,315,731)           | (4,125,252)            | (3,311,655)            | (7,119,791)            | (10,737,268)           | (10,557,330)          | 5,768,100            | (46,653)               |
| Total net revenues (expenses)                             | <u>(182,918,335)</u>  | <u>(192,643,943)</u>   | <u>(187,077,907)</u>   | <u>(196,729,457)</u>   | <u>(213,845,011)</u>   | <u>(200,129,748)</u>  | <u>(188,779,833)</u> | <u>(211,593,574)</u>   |
| <b>General revenues and other changes in net position</b> |                       |                        |                        |                        |                        |                       |                      |                        |
| Governmental activities:                                  |                       |                        |                        |                        |                        |                       |                      |                        |
| Real property taxes and tax items                         | 73,787,164            | 76,245,122             | 78,116,082             | 81,904,942             | 81,738,478             | 84,650,275            | 83,438,006           | 82,839,933             |
| Sales tax   | 97,322,733            | 98,941,156             | 90,966,778             | 96,799,073             | 100,922,906            | 103,582,388           | 102,010,008          | 104,667,661            |
| Other nonproperty tax items                               | 2,245,745             | 2,177,438              | 1,909,465              | 1,999,120              | 1,965,232              | 2,068,023             | 2,868,519            | 2,969,834              |
| Investment earnings                                       | 3,031,652             | 1,607,710              | 496,097                | 356,297                | 261,354                | 344,514               | 303,376              | 271,701                |
| Tobacco settlement proceeds                               | 2,626,275             | 2,741,654              | 3,396,692              | 1,840,699              | 2,059,780              | 2,282,617             | 2,342,517            | 2,991,903              |
| Premium on sale of obligations                            | 46,477                | 59,205                 | 83,519                 | 211,012                | 71,314                 | 189,519               | 265,025              | 253,771                |
| Gain (loss) on dispositions of assets                     | (3,554,733)           | (3,106,174)            | (2,969,363)            | (1,641,219)            | (1,654,937)            | (2,612,324)           | (1,678,114)          | -                      |
| Transfers/county contribution to GHCC                     | (5,087,895)           | (1,944,116)            | (520,269)              | (1,200,000)            | (1,037,668)            | (5,559,033)           | (2,954,856)          | -                      |
| Residual equity transfer                                  | -                     | -                      | -                      | -                      | -                      | -                     | 8,187,639            | -                      |
| Total governmental activities general revenues            | <u>170,417,418</u>    | <u>176,721,995</u>     | <u>171,479,001</u>     | <u>180,269,924</u>     | <u>184,326,459</u>     | <u>184,945,979</u>    | <u>194,782,120</u>   | <u>193,994,803</u>     |
| Business-type activities:                                 |                       |                        |                        |                        |                        |                       |                      |                        |
| Interest and earnings                                     | 988,990               | 497,986                | 192,814                | 172,134                | 48,793                 | 53,378                | 36,799               | 19,099                 |
| Premium on sale of obligations                            | -                     | -                      | -                      | -                      | -                      | 54,641                | -                    | -                      |
| Public facility grant program                             | 247,611               | 256,769                | 56,612                 | -                      | -                      | -                     | -                    | -                      |
| Gain (loss) on dispositions of assets                     | -                     | -                      | -                      | -                      | -                      | (422)                 | (696,757)            | -                      |
| Transfers   | -                     | (17,093)               | (1,552)                | (363)                  | (1,537)                | -                     | -                    | -                      |
| County contribution                                       | 8,480,294             | 5,037,388              | 3,165,410              | 4,299,593              | 4,682,239              | 9,518,265             | 5,882,075            | 27,554                 |
| Residual equity transfer                                  | -                     | -                      | -                      | -                      | -                      | -                     | (8,187,639)          | -                      |
| Total business-type activities general revenues           | <u>9,716,895</u>      | <u>5,775,050</u>       | <u>3,413,284</u>       | <u>4,471,364</u>       | <u>4,729,495</u>       | <u>9,625,862</u>      | <u>(2,965,522)</u>   | <u>46,653</u>          |
| Total primary government general revenues                 | <u>180,134,313</u>    | <u>182,497,045</u>     | <u>174,892,285</u>     | <u>184,741,288</u>     | <u>189,055,954</u>     | <u>194,571,841</u>    | <u>191,816,598</u>   | <u>194,041,456</u>     |
| <b>Change in Net Position</b>                             |                       |                        |                        |                        |                        |                       |                      |                        |
| Governmental activities                                   | (3,185,186)           | (11,796,696)           | (12,287,251)           | (9,339,742)            | (18,781,284)           | (4,626,439)           | 234,187              | (17,552,118)           |
| Business-type activities                                  | 401,164               | 1,649,798              | 101,629                | (2,648,427)            | (6,007,773)            | (931,468)             | 2,802,578            | -                      |
| Total primary government change in net position           | <u>\$ (2,784,022)</u> | <u>\$ (10,146,898)</u> | <u>\$ (12,185,622)</u> | <u>\$ (11,988,169)</u> | <u>\$ (24,789,057)</u> | <u>\$ (5,557,907)</u> | <u>\$ 3,036,765</u>  | <u>\$ (17,552,118)</u> |

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

Source: Ulster County Annual Financial Reports

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

|                                     | <u>2010</u>                 | <u>2011</u>                 | <u>2012</u>                 | <u>2013</u>                 | <u>2014</u>                 |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>General Fund</b>                 |                             |                             |                             |                             |                             |
| Nonspendable                        | \$ 5,512,141                | \$ 6,250,783                | \$ 7,167,453                | \$ 6,898,517                | \$ 6,212,276                |
| Restricted                          | 3,784,434                   | 4,071,687                   | 2,838,244                   | 1,528,356                   | 1,687,044                   |
| Assigned                            | 17,770,023                  | 17,648,319                  | 15,443,983                  | 18,693,928                  | 22,645,622                  |
| Unassigned                          | <u>14,838,296</u>           | <u>17,483,296</u>           | <u>20,186,316</u>           | <u>35,634,611</u>           | <u>27,822,963</u>           |
| Total General Fund                  | <u>\$ 41,904,894</u>        | <u>\$ 45,454,085</u>        | <u>\$ 45,635,996</u>        | <u>\$ 62,755,412</u>        | <u>\$ 58,367,905</u>        |
| <br>                                |                             |                             |                             |                             |                             |
| <b>All Other Governmental Funds</b> |                             |                             |                             |                             |                             |
| Nonspendable                        | \$ 12,000                   | \$ -                        | \$ -                        | \$ 1,827                    | \$ -                        |
| Restricted                          | 3,941,832                   | 3,341,582                   | 4,318,618                   | 5,449,976                   | 4,710,815                   |
| Assigned                            | 4,450,274                   | 4,898,389                   | 8,826,293                   | 6,605,331                   | 5,317,936                   |
| Unassigned                          | <u>(6,309,594)</u>          | <u>(12,471,578)</u>         | <u>(4,674,978)</u>          | <u>(4,180,095)</u>          | <u>(3,653,748)</u>          |
| Total all Other Governmental Funds  | <u>\$ 2,094,512</u>         | <u>\$ (4,231,607)</u>       | <u>\$ 8,469,933</u>         | <u>\$ 7,877,039</u>         | <u>\$ 6,375,003</u>         |
| <br>                                |                             |                             |                             |                             |                             |
| <b>Total Fund Balances</b>          | <b><u>\$ 43,999,406</u></b> | <b><u>\$ 41,222,478</u></b> | <b><u>\$ 54,105,929</u></b> | <b><u>\$ 70,632,451</u></b> | <b><u>\$ 64,742,908</u></b> |

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

Note: The County implemented GASB 54 for the fiscal year ended December 31, 2011. Information prior to the implementation of GASB 54 has been restated for comparative purposes only.

Source: Ulster County Annual Financial Reports

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

|  | <u>2007</u>          | <u>2008</u>         | <u>2009</u>           | <u>2010</u>        | <u>2011</u>           | <u>2012</u>          | <u>2013</u>          | <u>2014</u>           |
|--|----------------------|---------------------|-----------------------|--------------------|-----------------------|----------------------|----------------------|-----------------------|
| <b>Revenues:</b>   |                      |                     |                       |                    |                       |                      |                      |                       |
| Real property taxes                                      | \$ 67,523,671        | \$ 70,139,384       | \$ 71,398,228         | \$ 75,200,899      | \$ 73,478,690         | \$ 78,922,796        | \$ 76,543,789        | \$ 76,324,942         |
| Real property tax items                                  | 3,497,344            | 4,305,615           | 4,332,223             | 5,009,619          | 5,369,653             | 5,834,255            | 5,472,943            | 6,333,802             |
| Non-property taxes                                       | 99,568,479           | 101,118,594         | 92,876,243            | 98,798,193         | 102,888,138           | 105,650,411          | 104,878,527          | 107,637,495           |
| State aid  | 43,035,196           | 46,591,664          | 43,082,799            | 40,595,774         | 39,964,640            | 44,799,731           | 37,183,391           | 44,533,486            |
| Federal aid  | 32,280,439           | 32,907,336          | 43,029,364            | 43,052,854         | 40,264,625            | 48,566,682           | 40,530,616           | 37,210,280            |
| Departmental income                                      | 19,528,892           | 19,963,605          | 20,351,962            | 17,527,001         | 17,685,371            | 17,169,138           | 14,818,894           | 10,904,121            |
| Intergovernmental revenue                                | 2,329,517            | 4,249,736           | 5,248,585             | 4,617,934          | 4,903,658             | 9,304,585            | 7,835,410            | 4,280,472             |
| Use of money and property                                | 4,273,204            | 2,639,687           | 1,577,817             | 1,487,138          | 1,429,721             | 1,519,776            | 1,985,925            | 1,488,067             |
| Licenses and permits                                     | 11,068               | 24,480              | 23,020                | 25,080             | 1,569                 | 29,320               | 43,314               | 25,607                |
| Fines and forfeitures                                    | 488,588              | 447,367             | 519,512               | 730,193            | 812,708               | 783,664              | 477,741              | 455,829               |
| Sale of property and compensation for loss               | 619,354              | 674,209             | 2,273,710             | 1,136,334          | 1,137,137             | 1,208,745            | 12,014,790           | 935,428               |
| Tobacco settlement proceeds                              | 2,587,417            | 2,641,654           | 2,913,103             | 2,424,288          | 2,298,424             | 2,343,973            | 2,342,517            | 2,650,159             |
| Miscellaneous local sources                              | 2,054,800            | 421,048             | 1,647,627             | 350,357            | 253,340               | 814,418              | 928,382              | 749,856               |
| Interfund revenues                                       | 9,666,438            | 10,094,829          | 9,707,316             | 10,808,054         | 12,569,586            | 14,465,749           | 15,018,861           | 8,779,374             |
| <b>Total revenues</b>                                    | <b>287,464,407</b>   | <b>296,219,208</b>  | <b>298,981,509</b>    | <b>301,763,718</b> | <b>303,057,260</b>    | <b>331,413,243</b>   | <b>320,075,100</b>   | <b>302,308,918</b>    |
| <b>Expenditures:</b>                                     |                      |                     |                       |                    |                       |                      |                      |                       |
| Current:   |                      |                     |                       |                    |                       |                      |                      |                       |
| General government                                       | 44,265,808           | 47,678,129          | 47,809,479            | 48,323,781         | 49,143,957            | 51,086,825           | 46,705,234           | 57,228,476            |
| Education  | 9,037,886            | 9,183,868           | 9,566,195             | 9,435,733          | 9,151,931             | 9,490,787            | 9,830,905            | 9,795,066             |
| Public safety  | 24,611,439           | 26,193,824          | 27,227,620            | 26,930,573         | 27,420,300            | 27,712,159           | 29,127,814           | 41,832,133            |
| Public health  | 23,271,329           | 23,389,171          | 23,393,390            | 21,796,446         | 19,923,701            | 18,217,111           | 14,744,280           | 17,551,254            |
| Transportation   | 20,653,436           | 23,244,021          | 21,912,699            | 23,704,699         | 22,358,390            | 22,499,919           | 21,656,690           | 27,588,082            |
| Economic assistance                                      | 97,078,952           | 106,807,024         | 111,864,712           | 107,704,316        | 109,343,898           | 119,435,033          | 125,254,103          | 124,724,630           |
| Culture and recreation                                   | 914,196              | 1,092,001           | 967,224               | 850,271            | 752,001               | 685,188              | 750,097              | 777,611               |
| Home and community                                       | 4,026,653            | 3,543,871           | 3,257,691             | 3,404,346          | 3,452,833             | 4,722,410            | 2,121,429            | 2,851,490             |
| Employee benefits  | 33,131,311           | 34,434,331          | 34,087,256            | 39,806,712         | 40,102,026            | 45,749,685           | 49,251,747           | 8,894,445             |
| Debt service:  |                      |                     |                       |                    |                       |                      |                      |                       |
| Principal  | 5,722,005            | 6,073,340           | 26,567,559            | 8,057,730          | 8,517,500             | 9,350,823            | 7,019,392            | 7,753,500             |
| Interest   | 6,640,071            | 6,607,206           | 7,913,159             | 6,345,977          | 6,160,689             | 5,823,268            | 5,506,138            | 5,236,401             |
| Capital outlay   | 5,862,369            | 6,143,452           | 5,747,696             | 9,127,887          | 11,590,919            | 5,059,664            | 7,930,651            | 7,894,983             |
| <b>Total expenditures</b>                                | <b>275,215,455</b>   | <b>294,390,238</b>  | <b>320,314,680</b>    | <b>305,488,471</b> | <b>307,918,145</b>    | <b>319,832,872</b>   | <b>319,898,480</b>   | <b>312,128,071</b>    |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b>12,248,952</b>    | <b>1,828,970</b>    | <b>(21,333,171)</b>   | <b>(3,724,753)</b> | <b>(4,860,885)</b>    | <b>11,580,371</b>    | <b>176,620</b>       | <b>(9,819,153)</b>    |
| <b>Other financing sources (uses):</b>                   |                      |                     |                       |                    |                       |                      |                      |                       |
| Transfers in   | 9,965,298            | 10,358,296          | 9,701,178             | 7,035,991          | 9,969,136             | 12,397,391           | 7,703,535            | 98,483                |
| Transfers out  | (15,053,193)         | (12,302,412)        | (10,221,447)          | (8,235,991)        | (11,006,804)          | (76,386,871)         | (10,658,391)         | (98,483)              |
| Proceeds of obligations                                  | 4,438,340            | 2,954,923           | 17,185,434            | 5,027,500          | 3,064,885             | 56,688,888           | 3,318,500            | 3,851,300             |
| Premium on obligations                                   | 31,903               | 44,631              | 68,945                | 196,438            | 56,740                | 8,603,672            | 89,998               | 78,310                |
| Capital leases   | 39,939               | 443,254             | -                     | 57,811             | -                     | -                    | -                    | -                     |
| Residual equity transfer                                 | -                    | -                   | -                     | -                  | -                     | -                    | 14,702,185           | -                     |
| <b>Total other financing sources (uses)</b>              | <b>(577,713)</b>     | <b>1,498,692</b>    | <b>16,734,110</b>     | <b>4,081,749</b>   | <b>2,083,957</b>      | <b>1,303,080</b>     | <b>15,155,827</b>    | <b>3,929,610</b>      |
| <b>Net change in fund balance</b>                        | <b>\$ 11,671,239</b> | <b>\$ 3,327,662</b> | <b>\$ (4,599,061)</b> | <b>\$ 356,996</b>  | <b>\$ (2,776,928)</b> | <b>\$ 12,883,451</b> | <b>\$ 15,332,447</b> | <b>\$ (5,889,543)</b> |
| Debt Service as a percentage of noncapital expenditures  | 4.59%                | 4.40%               | 10.96%                | 4.86%              | 4.95%                 | 4.82%                | 4.02%                | 4.27%                 |

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

Source: Ulster County Annual Financial Reports

**COUNTY OF ULSTER, NEW YORK**  
**General Governmental Expenditures by Function (1)**  
**Last Ten Fiscal Years**

| <b>Year</b> | <b>General Government</b> | <b>Education</b> | <b>Public Safety</b> | <b>Public Health</b> | <b>Transportation</b> | <b>Economic Assistance</b> | <b>Culture and Recreation</b> |
|-------------|---------------------------|------------------|----------------------|----------------------|-----------------------|----------------------------|-------------------------------|
| 2005        | \$ 28,009,482             | \$ 8,219,268     | \$ 23,454,323        | \$ 23,117,636        | \$ 20,981,642         | \$ 101,659,196             | \$ 1,084,954                  |
| 2006        | 27,818,893                | 8,635,074        | 25,608,784           | 23,481,931           | 20,223,299            | 102,549,686                | 877,416                       |
| 2007        | 44,265,808                | 9,037,886        | 24,611,439           | 23,271,329           | 20,653,436            | 97,078,952                 | 914,196                       |
| 2008        | 47,678,129                | 9,183,868        | 26,193,824           | 23,389,171           | 23,244,021            | 106,807,024                | 1,092,001                     |
| 2009        | 47,809,479                | 9,566,195        | 27,227,620           | 23,393,390           | 21,912,699            | 111,864,712                | 967,224                       |
| 2010        | 48,323,781                | 9,435,733        | 26,930,573           | 21,796,446           | 23,704,699            | 107,704,316                | 850,271                       |
| 2011        | 49,143,957                | 9,151,931        | 27,420,300           | 19,923,701           | 22,358,390            | 109,343,898                | 752,001                       |
| 2012        | 51,086,825                | 9,490,787        | 27,712,159           | 18,217,111           | 22,499,919            | 119,435,033                | 685,188                       |
| 2013        | 46,705,234                | 9,830,905        | 29,127,814           | 14,744,280           | 21,656,690            | 125,254,103                | 750,097                       |
| 2014        | 57,228,476                | 9,795,066        | 41,832,133           | 17,551,254           | 27,588,082            | 124,724,630                | 777,611                       |

(1) Includes general, special revenue, debt service, UTASC and capital projects funds.

Source: Ulster County Annual Financial Reports

**COUNTY OF ULSTER, NEW YORK**  
**General Governmental Revenues by Source (1)**  
**Last Ten Fiscal Years**

| <b>Year</b> | <b>Real Property Taxes</b> | <b>Other Tax Items</b> | <b>Non-Property Tax Items</b> | <b>State Aid</b> | <b>Federal Aid</b> | <b>Departmental Income</b> | <b>Inter-Governmental</b> |
|-------------|----------------------------|------------------------|-------------------------------|------------------|--------------------|----------------------------|---------------------------|
| 2005        | \$ 53,223,307              | \$ 3,811,962           | \$ 83,549,813                 | \$ 44,131,173    | \$ 33,530,451      | \$ 19,991,171              | \$ 1,805,110              |
| 2006        | 65,311,461                 | 3,825,110              | 85,824,945                    | 41,611,993       | 35,279,268         | 20,359,631                 | 2,115,031                 |
| 2007        | 67,523,671                 | 3,497,344              | 99,568,479                    | 43,035,196       | 32,280,439         | 19,528,892                 | 2,329,517                 |
| 2008        | 70,139,384                 | 4,305,615              | 101,118,594                   | 46,591,664       | 32,907,336         | 19,963,605                 | 4,249,736                 |
| 2009        | 71,398,228                 | 4,332,223              | 92,876,243                    | 43,082,799       | 43,029,364         | 20,351,962                 | 5,248,585                 |
| 2010        | 75,200,899                 | 5,009,619              | 98,798,193                    | 40,595,774       | 43,052,854         | 17,527,001                 | 4,617,934                 |
| 2011        | 73,478,690                 | 5,369,653              | 102,888,138                   | 39,964,640       | 40,264,625         | 17,685,371                 | 4,903,658                 |
| 2012        | 78,922,796                 | 5,834,255              | 105,650,411                   | 44,799,731       | 48,566,682         | 17,169,138                 | 9,304,585                 |
| 2013        | 76,543,789                 | 5,472,943              | 104,878,527                   | 37,183,391       | 40,530,616         | 14,818,894                 | 7,835,410                 |
| 2014        | 76,324,942                 | 6,333,802              | 107,637,495                   | 44,533,486       | 37,210,280         | 10,904,121                 | 4,280,472                 |

(1) Includes general, special revenue, debt service, UTASC and capital projects funds.

Source: Ulster County Annual Financial Reports

Table 5

|    | <b>Home and<br/>Community<br/>Services</b> | <b>Employee<br/>Benefits</b> | <b>Debt Service<br/>(Principal<br/>&amp; Interest)</b> | <b>Capital<br/>Outlay</b> | <b>Total</b>   |
|----|--|------------------------------|--|---------------------------|----------------|
| \$ | 4,539,096                                  | \$ 33,009,335                | \$ 11,654,790  | \$ 20,386,345             | \$ 276,116,067 |
|    | 4,535,381                                  | 33,936,514                   | 15,617,667   | 18,039,075                | 281,323,720    |
|    | 4,026,653                                  | 33,131,311                   | 12,362,076   | 5,862,369                 | 275,215,455    |
|    | 3,543,871                                  | 34,434,331                   | 12,798,023   | 6,025,975                 | 294,390,238    |
|    | 3,257,691                                  | 34,087,256                   | 34,602,357   | 5,626,057                 | 320,314,680    |
|    | 3,404,346                                  | 39,806,712                   | 14,525,877   | 9,005,717                 | 305,488,471    |
|    | 3,452,833                                  | 40,102,026                   | 14,768,593   | 11,500,515                | 307,918,145    |
|    | 4,722,410                                  | 45,749,685                   | 15,247,718   | 4,986,037                 | 319,832,872    |
|    | 2,121,429                                  | 49,251,747                   | 12,525,530   | 7,930,651                 | 319,898,480    |
|    | 2,851,490                                  | 8,894,445                    | 12,989,901   | 7,894,983                 | 312,128,071    |

Table 6

|    | <b>Use of<br/>Money and<br/>Property</b> | <b>Licenses<br/>and<br/>Permits</b> | <b>Fines<br/>and<br/>Forfeitures</b> | <b>Sale of<br/>Property and<br/>Compensation<br/>for Loss</b> | <b>Tobacco<br/>Settlement</b> | <b>Miscel-<br/>laneous</b> | <b>Interfund<br/>Revenues</b> | <b>Total</b>   |
|----|--|-------------------------------------|--------------------------------------|---|-------------------------------|----------------------------|-------------------------------|----------------|
| \$ | 3,115,226                                | \$ 11,862                           | \$ 535,175                           | \$ 812,856  | \$ 2,717,362                  | \$ 1,338,879               | \$ 9,751,192                  | \$ 258,325,539 |
|    | 4,230,682                                | 12,720                              | 519,884                              | 2,566,049   | 2,486,193                     | 1,380,514                  | 9,923,823                     | 275,447,304    |
|    | 4,273,204                                | 11,068                              | 488,588                              | 619,354   | 2,587,417                     | 2,054,800                  | 9,666,438                     | 287,464,407    |
|    | 2,639,687                                | 24,480                              | 447,367                              | 674,209   | 2,641,654                     | 421,048                    | 10,094,829                    | 296,219,208    |
|    | 1,577,817                                | 23,020                              | 519,512                              | 2,273,710   | 2,913,103                     | 1,647,627                  | 9,707,316                     | 298,981,509    |
|    | 1,487,138                                | 25,080                              | 730,193                              | 1,136,334   | 2,424,288                     | 350,357                    | 10,808,054                    | 301,763,718    |
|    | 1,429,721                                | 1,569                               | 812,708                              | 1,137,137   | 2,298,424                     | 253,340                    | 12,569,586                    | 303,057,260    |
|    | 1,519,776                                | 29,320                              | 783,664                              | 1,208,745   | 2,343,973                     | 814,418                    | 14,465,749                    | 331,413,243    |
|    | 1,985,925                                | 43,314                              | 477,741                              | 12,014,790  | 2,342,517                     | 928,382                    | 15,018,861                    | 320,075,100    |
|    | 1,488,067                                | 25,607                              | 455,829                              | 935,428   | 2,650,159                     | 749,856                    | 8,779,374                     | 302,308,918    |

Table 7

**COUNTY OF ULSTER, NEW YORK**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

| Year | Taxes on Roll (2) | Home Relief (2) | Other Adjustments (2) | Net Taxes      | Collections During Year | Uncollected Taxes (1) | Percent of Levy Collected (1) |
|------|-------------------|-----------------|-----------------------|----------------|-------------------------|-----------------------|-------------------------------|
| 2005 | \$ 132,241,924    | \$ (676,006)    | \$ (310,935)          | \$ 131,254,983 | \$ 127,855,265          | \$ 4,386,659          | 96.68%                        |
| 2006 | 156,341,726       | (616,372)       | (174,095)             | 155,551,259    | 151,565,098             | 4,776,628             | 96.94%                        |
| 2007 | 166,199,430       | (844,495)       | (148,731)             | 165,206,204    | 160,722,398             | 5,477,032             | 96.70%                        |
| 2008 | 172,212,848       | (962,981)       | (159,997)             | 171,089,870    | 165,852,760             | 6,360,088             | 96.31%                        |
| 2009 | 180,342,958       | (1,010,018)     | (132,658)             | 179,200,282    | 172,391,436             | 7,951,522             | 95.59%                        |
| 2010 | 188,232,693       | (1,278,961)     | (109,274)             | 186,844,458    | 179,323,504             | 8,909,189             | 95.27%                        |
| 2011 | 193,884,236       | (1,360,336)     | (58,059)              | 192,465,841    | 184,571,901             | 9,312,335             | 95.20%                        |
| 2012 | 198,801,463       | (1,569,819)     | (126,960)             | 197,104,684    | 190,384,670             | 8,416,793             | 95.77%                        |
| 2013 | 201,070,446       | (2,154,871)     | (113,934)             | 198,801,641    | 191,841,338             | 9,229,108             | 95.41%                        |
| 2014 | 200,809,358       | (1,440,684)     | 144,000               | 199,512,674    | 191,615,198             | 9,194,160             | 95.42%                        |

Note: Taxes on Roll includes relieved school taxes.

Source: (1) Ulster County Annual Update Document Supplemental Section  
(2) Ulster County Real Property Tax Service Agency Tax Warrant Calculation

Table 8

**COUNTY OF ULSTER, NEW YORK**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

| Year | Assessed Value   | Estimated Actual Value | Ratio of Total Assessed Value to Total Estimated Actual Value |
|------|------------------|------------------------|---|
| 2005 | \$ 9,105,245,785 | \$ 13,708,993,530      | 66.42%  |
| 2006 | 11,192,165,536   | 16,583,471,592         | 67.49%  |
| 2007 | 13,599,852,966   | 18,988,287,662         | 71.62%  |
| 2008 | 14,042,946,120   | 20,935,729,372         | 67.08%  |
| 2009 | 16,341,240,966   | 21,484,261,701         | 76.06%  |
| 2010 | 16,246,087,904   | 20,945,147,626         | 77.56%  |
| 2011 | 16,335,383,709   | 19,938,963,280         | 81.93%  |
| 2012 | 15,755,567,732   | 18,857,224,609         | 83.55%  |
| 2013 | 15,522,809,385   | 18,509,048,159         | 83.87%  |
| 2014 | 15,097,755,694   | 17,974,374,613         | 84.00%  |

Source: Ulster County Real Property Tax Service Agency Annual Reports

Table 9

**COUNTY OF ULSTER, NEW YORK**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

| Fiscal<br>Year | County<br>Millage | Town<br>Millage | School<br>District<br>Millage | Total     |
|----------------|-------------------|-----------------|-------------------------------|-----------|
| 2005           | \$ 49.60          | \$ 51.33        | \$ 213.59                     | \$ 314.52 |
| 2006           | 42.30             | 36.15           | 146.38                        | 224.83    |
| 2007           | 16.11             | 20.88           | 73.12                         | 110.11    |
| 2008           | 16.48             | 19.60           | 72.47                         | 108.55    |
| 2009           | 16.88             | 20.32           | 72.81                         | 110.01    |
| 2010           | 17.63             | 19.29           | 75.03                         | 111.95    |
| 2011           | 17.60             | 22.54           | 77.94                         | 118.08    |
| 2012           | 18.90             | 23.02           | 82.09                         | 124.01    |
| 2013           | 18.78             | 23.78           | 84.56                         | 127.12    |
| 2014           | 18.78             | 24.77           | 87.92                         | 131.47    |

Rates are per thousand dollars of assessed valuation.

Source: Ulster County Real Property Tax Service Agency Annual Report

Table 10

**COUNTY OF ULSTER, NEW YORK**  
**Principal Taxpayers**  
**December 31, 2014**

| Taxpayer                      | Type of Business        | Full<br>Valuation (2) | Percentage<br>of Total<br>Full<br>Valuation |
|-------------------------------|-------------------------|-----------------------|---|
| City of New York              | Water Supply Facilities | \$ 1,235,008,516      | 8.2%  |
| New York State                | State Properties        | 335,596,844           | 2.2%  |
| Central Hudson Gas & Electric | Public Utility          | 332,511,662           | 2.2%  |
| PCK Enterprises               | Shopping Mall           | 87,321,429            | 0.6%  |
| Tech City                     | Business Park           | 63,005,953            | 0.4%  |
| Hudson Valley 2011, LLC       | Retail                  | 49,881,310            | 0.3%  |
| Verizon                       | Public Utility          | 47,972,200            | 0.3%  |
| Smiley Brothers, Inc.         | Hotel Resort Complex    | 27,876,000            | 0.2%  |
| CSX Transportation, Inc.      | Railroad                | 18,712,593            | 0.1%  |
| Criterion Atlantic            | Warehouse               | 17,179,800            | 0.1%  |
|                               |                         | \$ 2,215,066,307      | 14.7%                                       |

Estimated 2014 Full Valuation = \$ 15,097,755,694

Source: Ulster County Real Property Tax Service Agency Annual Report

Table 11

**COUNTY OF ULSTER, NEW YORK**  
**Ratio of Net General Obligation Bonded Debt to Assessed Value and**  
**Net General Obligation Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

| Year | Population (1) | Assessed Value (2) | Net Bonded Debt (3) | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt Per Capita |
|------|----------------|--------------------|---------------------|--|----------------------------|
| 2005 | 177,749        | \$ 9,105,245,785   | \$ 122,927,632      | 1.3501%                                    | \$ 691.58                  |
| 2006 | 177,749        | 11,192,165,536     | 110,780,127         | 0.9898%                                    | 623.24                     |
| 2007 | 177,749        | 13,599,852,966     | 113,187,622         | 0.8323%                                    | 636.78                     |
| 2008 | 177,749        | 14,042,946,120     | 110,475,359         | 0.7867%                                    | 621.52                     |
| 2009 | 177,749        | 16,341,240,966     | 109,664,734         | 0.6711%                                    | 616.96                     |
| 2010 | 182,493        | 16,246,087,904     | 100,597,500         | 0.6192%                                    | 551.24                     |
| 2011 | 182,493        | 16,335,383,709     | 112,820,199         | 0.6906%                                    | 618.22                     |
| 2012 | 182,493        | 15,755,567,732     | 100,523,573         | 0.6380%                                    | 550.84                     |
| 2013 | 182,493        | 15,522,809,385     | 93,464,059          | 0.6021%                                    | 512.15                     |
| 2014 | 182,493        | 15,097,755,694     | 91,537,122          | 0.6063%                                    | 501.59                     |

Source: (1) Ulster County Planning Board Data Book - Schedule of Persons by Age and Sex

Accumulated from the Bureau of Census STF-1

(2) Ulster County Real Property Tax Service Agency Annual Reports

(3) Ulster County Annual Financial Reports

Table 12

**COUNTY OF ULSTER, NEW YORK**  
**Computation of Legal Debt Margin**  
**December 31, 2014**

| Year         | Full Valuation of Real Property |
|--------------|---------------------------------|
| 2010         | \$ 20,945,147,626               |
| 2011         | 19,938,963,280                  |
| 2012         | 18,857,224,609                  |
| 2013         | 18,509,048,159                  |
| 2014         | 17,974,374,613                  |
| <b>Total</b> | <u>\$ 96,224,758,287</u>        |

|  |                   |
|--|-------------------|
| Average full valuation of taxable real property  | \$ 19,244,951,657 |
| Debt Limit - 7% thereof                          | \$ 1,347,146,616  |
| Net Bonded Debt                                  | \$ 91,537,122     |
| Percentage of debt - contracting power exhausted | 6.79%             |

Note: New York State imposes a limit on a municipality's authority to incur debt. This limit is derived by taking the average full valuation of taxable real property multiplied by 7%.

Source: Ulster County Real Property Tax Service Agency Annual Reports

**COUNTY OF ULSTER, NEW YORK**  
**Computation of Direct and Overlapping Bonded Debt**  
**General Obligation Bonds and Bond Anticipation Notes**  
**December 31, 2014**

| Jurisdiction             | Outstanding<br>Indebtedness | Exclusions (1)        | Net<br>Indebtedness   |
|--------------------------|-----------------------------|-----------------------|-----------------------|
| <b>Direct:</b>           |                             |                       |                       |
| County of Ulster         | \$ 138,047,163              | \$ 46,510,041         | \$ 91,537,122         |
| <b>Overlapping:</b>      |                             |                       |                       |
| Towns                    | 64,562,688                  | 22,649,457            | 41,913,231            |
| Villages                 | 26,584,249                  | 17,811,606            | 8,772,643             |
| City                     | 33,522,521                  | 15,276,521            | 18,246,000            |
| School Districts         | 202,972,411                 | 119,142,774           | 83,829,637            |
| Fire Districts           | 5,527,504                   | 472,724               | 5,054,780             |
| <b>Total Overlapping</b> | <u>333,169,373</u>          | <u>175,353,082</u>    | <u>157,816,291</u>    |
| <b>Total</b>             | <u>\$ 471,216,536</u>       | <u>\$ 221,863,123</u> | <u>\$ 249,353,413</u> |

(1) County exclusions include the obligations of UTASC. Overlapping exclusions include water and/or sewer debt and estimated State Building aid.

Source: Fiscal Advisors & Marketing, Inc. (Bond & BAN issuance statement 11/15/14)  
and Latest New York State Comptroller's Report on Municipal Affairs.

Table 14

**COUNTY OF ULSTER, NEW YORK**  
**Ratio of Annual Debt Service Expenditures for**  
**General Obligation Bonded Debt to Total General Governmental Expenditures**  
**Last Ten Fiscal Years**

| Year | Debt Service<br>(Principal &<br>Interest) | Total General<br>Governmental<br>Expenditures | Ratio of<br>Debt Service<br>to General<br>Governmental<br>Expenditures |
|------|---|---|--|
| 2005 | \$ 11,654,790                             | \$ 276,116,067                                | 4.22%  |
| 2006 | 15,617,667                                | 281,323,720                                   | 5.55%  |
| 2007 | 12,362,076                                | 275,215,455                                   | 4.49%  |
| 2008 | 12,798,023                                | 294,390,238                                   | 4.35%  |
| 2009 | 34,602,357                                | 320,314,680                                   | 10.80%   |
| 2010 | 14,525,877                                | 305,488,471                                   | 4.75%  |
| 2011 | 14,768,593                                | 307,918,145                                   | 4.80%  |
| 2012 | 15,247,718                                | 319,832,872                                   | 4.77%  |
| 2013 | 12,736,030                                | 320,108,980                                   | 3.98%  |
| 2014 | 13,088,384                                | 312,226,554                                   | 4.19%  |

\*Total general governmental expenditures does not include transfers out.

Source: Ulster County Annual Financial Reports

**COUNTY OF ULSTER, NEW YORK**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

| Year | Population (1) | Per                  |                          |                          |
|------|----------------|----------------------|--------------------------|--------------------------|
|      |                | Capita<br>Income (2) | School<br>Enrollment (3) | Unemployment<br>Rate (4) |
| 2005 | 177,749        | \$ 32,176            | 28,174                   | 4.4%                     |
| 2006 | 177,749        | 34,652               | 27,667                   | 4.2%                     |
| 2007 | 177,749        | 36,690               | 27,001                   | 4.3%                     |
| 2008 | 177,749        | 38,683               | 26,591                   | 5.5%                     |
| 2009 | 177,749        | 38,686               | 26,053                   | 7.7%                     |
| 2010 | 182,493        | 40,406               | 25,643                   | 8.2%                     |
| 2011 | 182,493        | 41,818               | 24,901                   | 8.2%                     |
| 2012 | 182,493        | 44,045               | 24,332                   | 8.8%                     |
| 2013 | 182,493        | 44,527               | 23,878                   | 7.8%                     |
| 2014 | 182,493        | N/A                  | 22,988                   | 5.8%                     |

Source: (1) US Census Bureau  
(2) US Bureau of Economic Analysis. Regional Economic Information System  
(3) NYS Education Department - Schedule of Student Enrollment.  
(4) Local Area Unemployment Statistics Program - NYS Department of Labor

N/A - Information not available at time of printing.

Table 16

**COUNTY OF ULSTER, NEW YORK**  
**Taxable Property Values and Residential Construction**  
**Last Ten Fiscal Years**

| Year | Assessed<br>Value (1) | Exemptions (1) | Total            | Units of<br>Construction (2) | Average<br>Value (3) | Construction<br>Value |
|------|-----------------------|----------------|------------------|------------------------------|----------------------|-----------------------|
| 2005 | \$ 9,105,245,785      | \$ 129,776,073 | \$ 9,235,021,858 | 767                          | \$ 199,678           | \$ 153,153,026        |
| 2006 | 11,192,165,536        | 190,692,399    | 11,382,857,935   | 530                          | 203,408              | 107,806,240           |
| 2007 | 13,599,852,966        | 197,345,307    | 13,797,198,273   | 418                          | 215,469              | 90,066,042            |
| 2008 | 14,042,946,120        | 188,283,589    | 14,231,229,709   | 270                          | 206,055              | 55,634,850            |
| 2009 | 16,341,240,966        | 219,156,780    | 16,560,397,746   | 171                          | 237,692              | 40,645,332            |
| 2010 | 16,246,087,904        | 219,107,591    | 16,465,195,495   | 168                          | 257,775              | 43,306,200            |
| 2011 | 16,335,383,709        | 225,560,778    | 16,560,944,487   | 146                          | 319,017              | 46,576,536            |
| 2012 | 15,755,567,732        | 222,764,397    | 15,978,332,129   | 156                          | 223,896              | 34,927,735            |
| 2013 | 15,522,809,385        | 216,961,169    | 15,739,770,554   | 142                          | 266,877              | 37,896,480            |
| 2014 | 15,097,755,694        | 245,043,338    | 15,342,799,032   | N/A                          | N/A                  | N/A                   |

Note: Assessed Values includes all classifications of taxable real property

Source: (1) Ulster County Real Property Tax Service Agency Annual Reports  
(2) Schedule of Total Residential Building Permits 2005 - 2014 per the Bureau of Census Residential Construction Branch.  
(3) Schedule of Average Value of Construction 2005 - 2014 per the Bureau of Census Building Permits Annual Summary

*Table 17*

**COUNTY OF ULSTER, NEW YORK**  
**Miscellaneous Statistics**  
**December 31, 2014**

|                             |                  |
|-----------------------------|------------------|
| Date Founded                | November 1, 1683 |
| Form of Government          | Charter          |
| Area in Square Miles        | 1,127            |
| Miles of County Roads       | 425              |
| Taxable Parcels of Property | 84,725           |

Facilities and Services Not Included in the Reporting Entity:

|                            |    |
|----------------------------|----|
| Number of Cities           | 1  |
| Number of School Districts | 15 |
| Number of Towns            | 20 |
| Number of Villages         | 3  |
| Number of Fire Districts   | 56 |
| Number of Hospitals        | 3  |

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