

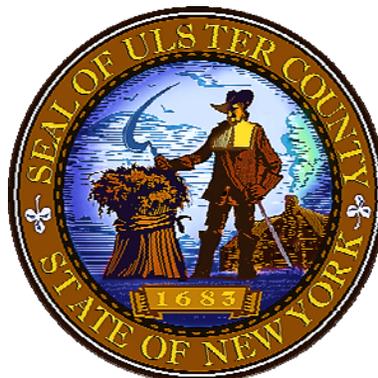
COUNTY OF ULSTER, NEW YORK



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2015

Michael P. Hein
County Executive



Burton Gulnick, Jr.
Commissioner of Finance

COUNTY OF ULSTER, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2015



PREPARED BY:

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

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Introductory Section (Unaudited)

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ULSTER COUNTY DEPARTMENT OF FINANCE

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Burton Gulnick Jr.
Commissioner of Finance



C. J. Rioux, CPA
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 22, 2016

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, 2015. 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, 2015, 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, 2015, 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. 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

Ulster County is seeing a growing labor force and shrinking unemployment. The annual unemployment rate decreased from 2013 to 2015, going from 7.1% to 4.9%. The annual labor force figures decreased from about 89,900 in 2013 to 88,400 in 2015, which partially explains the unemployment rate falling from 2013 to 2015. So far in 2016, however, the labor force in Ulster County has also been growing.

The monthly labor force totals are as high as they have been in several years. For May 2016, the County's labor force was at 89,500 people. The last time the month of May saw a labor force figure this large was in 2013. The labor force figures for January, February, March and April 2016 are also higher than they have been in several years in Ulster County. Even with a growing labor force, the unemployment rate for May 2016 is 3.9%. One has to go back to 2007 for unemployment rates under 4.0%. The growing labor force along with a shrinking unemployment rate offers a positive sign for Ulster County's economy.

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 861 from the third quarter 2014 to third quarter 2015. The most recent data from the U.S Census Bureau's Longitudinal Employer-Household Dynamics shows the trend of Ulster County residents finding employment outside the County reversing, if only slightly. By 2014, 56.7% of Ulster County residents commuted outside the County for employment, which is a decrease from 57.7% in 2013. Nevertheless, Ulster County's labor force continues to find more employment opportunities outside of the County.

The most recent data of per capita personal income for the County shows an increase of 4.47% from 2013 to 2014. The current median family income of the County as estimated by the United States Department of Housing and Urban Development (HUD) for 2015 is \$75,200 climbing to \$75,900 for 2016.

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 % with a total population of 180,445.

The most recent figures from the New York State Association of Realtors has the County's 2015 median sale price for residential properties at \$193,250, down from \$200,000 in 2014. The New York State Department of Taxation and Finance has residential median sale price of \$200,000 for 2015, down from \$210,000 in 2014. Rental housing data collected by the County Planning Department for 2015 has a vacancy rate of 2.92%. In addition, the County Health Department issued 221 new permits for single family housing septic systems for units not on central sewers in 2015, an 8.87% increase from 2014.

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 2015, the County was aggressive with vacancy budget savings of \$3,853,254.
- 2) Tax Overlay - The County has provided \$1,000,000 of accumulated fund balance in the 2015 tax levy for debt reduction and cash flow purposes.
- 3) Real Property Tax Levy - In 2015, the County Executive delivered a County Operating Budget for 2016 with a 1.1% tax decrease to protect the taxpayer from the skyrocketing cost of government.

For the Future

In 2016, Ulster County continued the “Building a Better Ulster County” infrastructure improvement program designed to repair, upgrade, and replace county roads and bridges.

Debt Administration

Of the County’s \$142.2 million of outstanding obligations, \$73.8 million of serial bonds and \$18.7 million of bond anticipation notes were issued for general purposes, \$47.2 million was issued for the Ulster Tobacco Asset Securitization Corporation (UTASC), a blended component unit of the County, and \$2.5 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 issuances are subject to a legal limitation based on 7% of the average full valuation of taxable real property. As of December 31, 2015, the County's general obligation bonded debt of \$95.0 million was well below the legal limit of approximately \$1.209 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 2015 was 0.25%, which led to interest earnings of \$286 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.

Acknowledgements

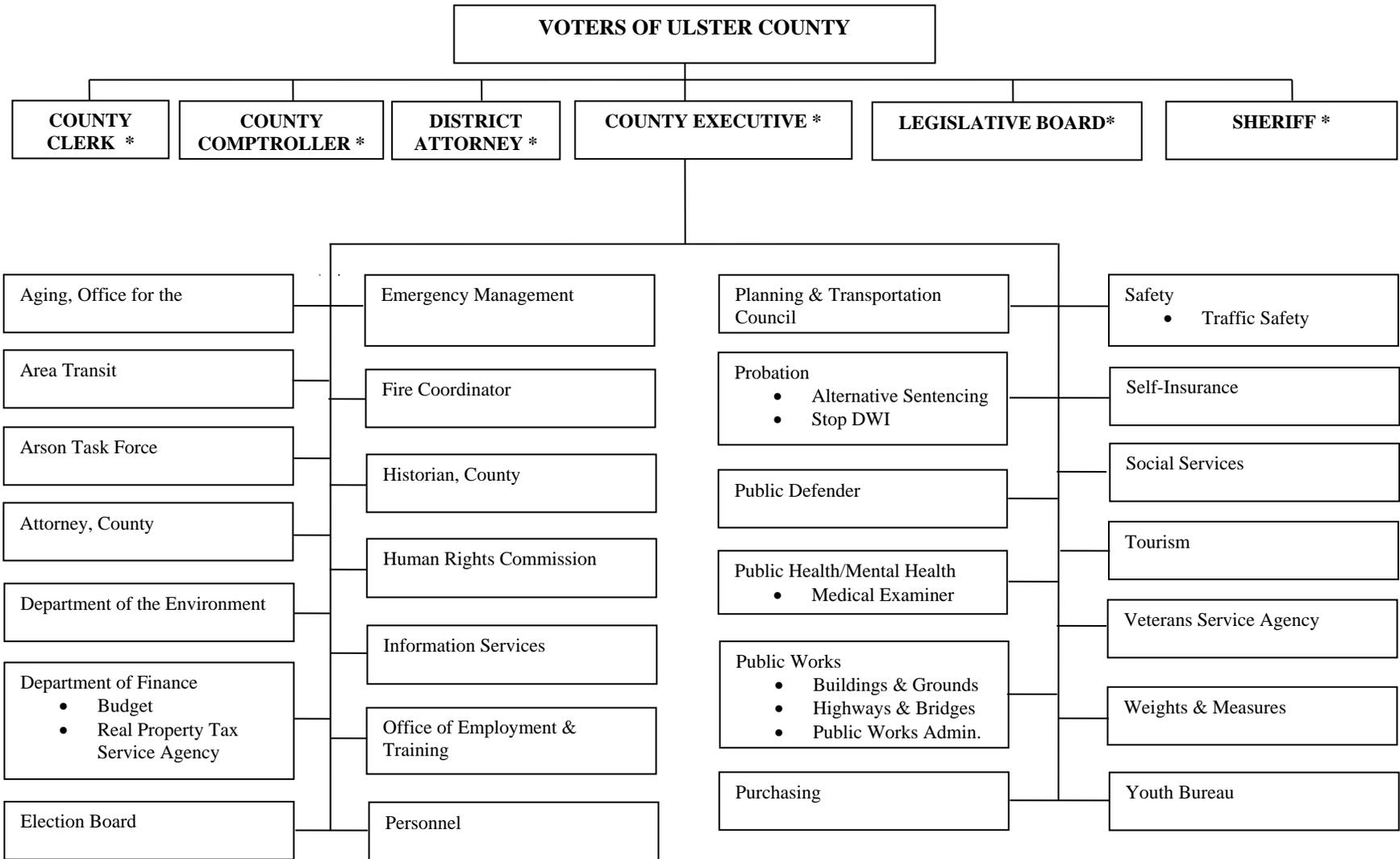
Preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. I would like to express my appreciation to all members of the department and to our independent auditor, Drescher & 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 "Burton 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, Hon Keri Savona
Finance..... Burton Gulnick, Jr.
Fire Coordinator..... Charles Mutz
Health Department..... Carol Smith, MD, MPH
Human Rights 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 Susan K. Plonski
Purchasing Marc Rider
Real Property Tax Service Agency..... Burton Gulnick, Jr.
Safety Diane Beitel
Sheriff Paul Van Blarcum
Social Services..... Michael Iapoce
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, 2015 (with the Ulster County Community College for the year ended August 31, 2015), 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 63.7%, 35.2%, 0.8%, 0.2% and 0.1%, respectively, of the assets and 69.5%, 30.3%, 0.2%, 0.0% 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 25.8% and 0.8% 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, 2015, 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.

Emphasis of Matter

As discussed in Note M to the financial statements, the County has restated net position of governmental activities as of December 31, 2014 to adjust for capital assets. In addition, during the year ended December 31, 2015, the County implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date—an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

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.

Drescher & Malachuk LLP

September 22, 2016

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County of Ulster, New York
Management's Discussion and Analysis
December 31, 2015

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, 2015. 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. For comparative purposes, certain items from the prior year have been reclassified to conform with the current year presentation.

Financial Highlights

- The liabilities and deferred inflows of resources of the primary government of the County exceeded assets and deferred outflows of resources at the close of the fiscal year by \$10,378,721 (*net position deficit*). An unrestricted net deficit of \$75,226,163 exists.
- The primary government's total net position decreased by \$4,667,437. The County recognized \$11,867,641 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 eighth year for the recognition of this expense and related liability.
- At year end, the County governmental funds reported combined fund balances of \$53,679,560, a decrease of \$11,063,348 in comparison with the fund balances in the prior year of \$64,742,908.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$21,005,861, or 7.9% of total General Fund expenditures and operating transfers out. An assignment from the fund balance of \$15,623,624 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 aggregate discretely presented component units can be found on pages 75-76 of this report.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2015

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All 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 (UTASC), 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. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. 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 23-61 of this report.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2015

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 progress in funding its obligation to provide post-employment benefits to its employees, the County's net pension liability, the County's budgetary comparison schedules, and combining and individual fund statements and schedules to provide information for the nonmajor governmental funds.

Required supplementary information can be found on pages 62-68 of this report.

Other supplementary information can be found on pages 69-74 of this report.

Finally, the statistical section can be found on pages 77-88 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County primary government, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$10,378,721 at fiscal year-end.

County of Ulster's Net Position – Primary Government

	Governmental Activities		Business-type Activities		Total	
	2015	2014 (as restated)	2015	2014	2015	2014 (as restated)
	Current and other assets	\$ 127,479,657	\$ 138,193,991	\$ 40,944,105	\$ 42,464,255	\$ 168,423,762
Capital assets	171,434,695	161,937,356	-	-	171,434,695	161,937,356
Total assets	298,914,352	300,131,347	40,944,105	42,464,255	339,858,457	342,595,602
Deferred outflows of resources	16,564,737	15,193,626	-	-	16,564,737	15,193,626
Current and other liabilities	74,161,640	74,603,752	26,599,014	26,206,442	100,760,654	100,810,194
Long-term liabilities	249,989,775	246,380,505	14,345,091	16,257,813	264,334,866	262,638,318
Total liabilities	324,151,415	320,984,257	40,944,105	42,464,255	365,095,520	363,448,512
Deferred inflows of resources	1,706,395	52,000	-	-	1,706,395	52,000
Net position:						
Net investment in capital assets	53,684,436	82,086,962	-	-	53,684,436	82,086,962
Restricted net position	11,163,006	6,397,859	-	-	11,163,006	6,397,859
Unrestricted net position	(75,226,163)	(94,196,105)	-	-	(75,226,163)	(94,196,105)
Total net position	(\$10,378,721)	(\$5,711,284)	\$ -	\$ -	(\$10,378,721)	(\$5,711,284)

A large portion of the County's net position, in the amount of \$53,684,436, 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 \$11,163,006, represents resources that are subject to external restrictions on how they may be used. The unrestricted net position is in a deficit position of \$75,226,163.

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)
December 31, 2015

The County's net position decreased by \$4,667,437 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	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$14,938,781	\$18,491,365	\$ 8,917,057	\$ 8,631,330	\$23,855,838	\$27,122,695
Operating grants and contributions	76,303,293	74,399,760	646,916	655,347	76,950,209	75,055,107
Capital grants and contributions	9,640,072	7,420,320	-	-	9,640,072	7,420,320
General revenues:						
Property taxes	79,898,277	82,839,933	-	-	79,898,277	82,839,933
Sales taxes	107,996,028	104,667,661	-	-	107,996,028	104,667,661
County contribution	-	-	25,339	27,554	25,339	27,554
Other	7,923,548	6,487,209	14,041	19,099	7,937,589	6,506,308
Total revenues	296,699,999	294,306,248	9,603,353	9,333,330	306,303,352	303,639,578
Expenses:						
General government	58,892,138	69,544,611	-	-	58,892,138	69,544,611
Education	9,823,272	8,533,495	-	-	9,823,272	8,533,495
Public safety	49,239,187	50,016,317	-	-	49,239,187	50,016,317
Public health	18,967,235	19,262,838	-	-	18,967,235	19,262,838
Transportation	28,915,480	25,423,875	-	-	28,915,480	25,423,875
Economic assistance	124,925,171	128,723,809	-	-	124,925,171	128,723,809
Culture and recreation	1,271,955	1,127,564	-	-	1,271,955	1,127,564
Home and community	3,096,083	2,793,990	-	-	3,096,083	2,793,990
Interest on long-term debt	6,236,915	6,431,867	-	-	6,236,915	6,431,867
Workers' Compensation Pool	-	-	9,603,353	9,333,330	9,603,353	9,333,330
Total expenses	301,367,436	311,858,366	9,603,353	9,333,330	310,970,789	321,191,696
Changes in net position	(4,667,437)	(17,552,118)	-	-	(4,667,437)	(17,552,118)
Net position – beginning	(5,711,284)	10,197,757	-	-	(5,711,284)	10,197,757
Restatement (see Note 3M)	-	1,643,077	-	-	-	1,643,077
Net position – ending	(\$10,378,721)	(\$5,711,284)	\$ -	\$ -	(\$10,378,721)	(\$5,711,284)

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2015

Key elements of the Primary Government's decrease in net position during the year ended December 31, 2015 of \$4,667,437 are as follows:

Governmental Activities: Governmental activities decreased the County's net position by \$4,667,437 mostly due to the effects of other post-employment benefit liabilities in 2015.

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 \$21,005,861, while total fund balance was \$54,290,541. 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 7.9 percent of total fund expenditures and operating transfers out, while total fund balance represents 20.4 percent of that same amount.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2015

Revenues for governmental funds totaled \$304,622,847 in the current fiscal year, which represents an increase of 0.8 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 2015 Amount	FY 2015 % of Total	FY 2014 Amount	FY 2014 % of Total	Increase (Decrease) Amount	Increase (Decrease) % Change
Taxes	\$ 193,928,638	63.6%	\$ 190,296,239	62.9%	\$ 3,632,399	1.9%
State and federal aid	85,901,442	28.2%	81,743,766	27.0%	4,157,676	5.1%
Departmental income	9,347,446	3.1%	10,904,121	3.6%	(1,556,675)	(14.3)%
Intergovernmental	2,666,666	0.9%	4,280,472	1.4%	(1,613,806)	(37.7)%
Use of money and property	853,208	0.3%	1,488,067	0.5%	(634,859)	(42.7)%
Tobacco settlement proceeds	2,267,912	0.7%	2,650,159	0.9%	(382,247)	(14.4)%
Miscellaneous local sources	612,515	0.2%	749,856	0.3%	(137,341)	(18.3)%
Interfund revenues	7,271,741	2.4%	8,779,374	2.9%	(1,507,633)	(17.2)%
Other	1,773,279	0.6%	1,416,864	0.5%	356,415	25.2%
Total	\$ 304,622,847	100%	\$ 302,308,918	100%	\$ 2,313,929	0.8%

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

- **Intergovernmental** – the significant decrease is primarily due to the final County takeover of Safety Net charges to the Towns and City in 2015.
- **Use of money and property / interfund revenues** – the significant decrease is primarily due to capturing indirect costs more efficiently for federal reimbursement with less reliance on interdepartmental billings during 2015.
- **Miscellaneous local sources** – the significant decrease is primarily due to a decrease in refunds with regard to the committee on special education.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2015

Expenditures for governmental funds totaled \$321,346,978 in the current fiscal year, which represents an increase of 3.0 percent from the previous year.

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

Expenditures by Function
Governmental Funds

Expenditures by Function	FY 2015	FY 2015	FY 2014	FY 2014	Increase	Increase
	Amount	% of Total	Amount	% of Total	(Decrease) Amount	(Decrease) % Change
General government	\$57,867,723	18.0%	\$57,228,476	18.3%	\$ 639,247	1.1%
Education	9,485,726	2.9%	9,795,066	3.1%	(309,340)	(3.2)%
Public safety	41,663,640	13.0%	41,832,133	13.4%	(168,493)	(0.4)%
Public health	17,714,972	5.5%	17,551,254	5.6%	163,718	0.9%
Transportation	28,912,405	9.0%	27,588,082	8.8%	1,324,323	4.8%
Economic assistance	121,141,435	37.7%	124,724,630	40.0%	(3,583,195)	(2.9)%
Culture and recreation	873,728	0.3%	777,611	0.3%	96,117	12.4%
Home and community	2,910,671	0.9%	2,851,490	0.9%	59,181	2.1%
Employee benefits	8,905,861	2.8%	8,894,445	2.9%	11,416	0.1%
Debt (principal and interest)	11,444,837	3.6%	12,989,901	4.2%	(1,545,064)	(11.9)%
Capital outlay	20,425,980	6.3%	7,894,983	2.5%	12,530,997	158.7%
Total	\$321,346,978	100%	\$312,128,071	100%	\$ 9,218,907	3.0%

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

- **Economic assistance** – the significant decrease is primarily due to capturing indirect costs more efficiently for federal reimbursement with less reliance on interdepartmental billings during 2015.
- **Culture and recreation** – the significant increase is primarily due to an increase in expenditures relating to youth programs in 2015.
- **Debt (principal and interest)** – the significant decrease is primarily due to a bond refunding occurring in 2015, reducing the amount of debt principal and interest paid in 2015.
- **Capital outlay** – the significant increase of is primarily due to the Building a Better Ulster Infrastructure program designed to repair, upgrade, and replace county roads and bridges.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2015

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 Fund	Debt Service Fund	Capital Projects Fund	UTASC	Nonmajor Special Revenue Funds	Total
Revenues	\$261,579,442	\$ 8,462,325	\$6,906,316	\$2,420,550	\$25,254,214	\$304,622,847
Expenditures	265,457,999	8,923,588	20,425,980	2,400,002	24,139,409	321,346,978
Other financing sources (uses), net	(198,807)	-	5,859,590	-	-	5,660,783
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(4,077,364)	(461,263)	(7,660,074)	20,548	1,114,805	(11,063,348)
Fund balances (deficit) – beginning	58,367,905	1,724,945	(3,653,748)	2,788,553	5,515,253	64,742,908
Fund balances (deficit) – ending	<u>\$ 54,290,541</u>	<u>\$ 1,263,682</u>	<u>(\$11,313,822)</u>	<u>\$ 2,809,101</u>	<u>\$ 6,630,058</u>	<u>\$ 53,679,560</u>

The fund balance of the County's General Fund decreased by \$4,077,364 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 \$5.4 million increase in appropriations and transfers out, and a \$1.7 million increase in revenues and can be briefly summarized as follows:

- \$3.0 million to fund increases in public safety programs.
- \$1.1 million to fund increases in public health programs.
- \$1.0 million to fund increases to planning and conservation studies in home and community services.
- \$300 thousand to fund redemptions of bond anticipation notes payable in transfers out.

These increases were to be primarily funded out of additional state and federal grants of \$1.7 million, with the remaining \$3.7 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 \$3.4 million, less aid to child care programs of over \$2.7 million, and less aid for civil defense \$1.8 million.
- General government expense savings resulted primarily from computer equipment and contractual savings of approximately \$1.8 million, and general savings across all county departments.
- Public safety expense savings resulted primarily from contractual savings on emergency communications of approximately \$1.8 million, and savings in the Jail of \$1.1 million.
- Economic assistance expense savings resulted primarily from contractual savings on social services administration of nearly \$5.1 million, medicare of \$1.5 million, and child care of approximately \$2.2 million.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2015

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of fiscal year end amounted to \$171,434,695 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, infrastructure and construction in progress. For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. 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>	
	2015	2014 (as restated)
Land and land improvements	\$ 5,451,616	\$ 4,285,788
Buildings and improvements	98,832,046	97,377,598
Machinery and equipment	11,967,981	10,475,900
Infrastructure	52,998,359	46,966,935
Construction in progress	2,184,693	2,831,135
Total	\$171,434,695	\$161,937,356

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)
December 31, 2015

Long-term debt. At the end of the current fiscal year, the primary government of the County had total serial bonded debt outstanding of \$131,144,314, net of unamortized bond premiums. Of this amount, \$83,870,047 comprises debt backed by full faith and credit of the County and \$47,274,267 is backed by the tobacco settlement revenues per the Master Settlement Agreement.

	<u>Governmental Activities</u>		Increase (Decrease)
	2015	2014	
General obligation bonds	\$ 83,870,047	\$ 84,361,752	(\$ 491,705)
Tobacco asset backed bonds	47,274,267	46,510,041	764,226
Total outstanding bonded debt	\$ 131,144,314	\$ 130,871,793	\$ 272,521

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 7.29% of its statutory debt limit at fiscal year end.

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

Economic Factors and Next Year’s Budget and Rates

- The property tax levy was reduced by 1.1% in 2016.
- The County assumed an additional one-third of the election costs previously billed to the towns.
- The County continued an infrastructure improvement program and invested an additional \$15 million in critical road and bridge improvements.
- The County provided an additional \$500,000 to the 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 2016.

During the current fiscal year, fund balance in the General Fund decreased to \$54,290,541. The County elected to appropriate \$15,623,624 of the fund balance in the General Fund for spending in the 2016 fiscal year budget.

Request for Information

The financial report is designed to provide a general overview of the County’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Ulster County Department of Finance, P.O. Box 1800, Kingston, New York, 12402.

Basic Financial Statements

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Government-wide
Financial Statements

County of Ulster, New York
Statement of Net Position
December 31, 2015

	Primary Government			Aggregate Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 33,547,030	\$ 21,819,967	\$ 55,366,997	\$ 10,726,826
Restricted cash and cash equivalents	24,044,596	-	24,044,596	-
Investments	2,638,991	-	2,638,991	11,337,782
Receivables	72,200,683	-	72,200,683	5,407,659
Internal balances	(11,978,015)	11,978,015	-	-
Due from component unit	712,716	-	712,716	-
Due from Agency Fund	47,037	-	47,037	-
Inventories	90,009	-	90,009	-
Prepaid items	6,176,610	-	6,176,610	1,886,964
Assessment receivables	-	5,946,123	5,946,123	-
Deposit with third party administrator	-	1,200,000	1,200,000	-
Capital assets (net of accumulated depreciation)	171,434,695	-	171,434,695	23,356,569
Net pension asset, proportionate share	-	-	-	1,281,129
Total assets	298,914,352	40,944,105	339,858,457	53,996,929
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pensions	11,536,479	-	11,536,479	1,435,165
Deferred charge on refunding	5,028,258	-	5,028,258	85,417
Total deferred outflows of resources	16,564,737	-	16,564,737	1,520,582
LIABILITIES				
Accounts payable and other accrued liabilities	9,053,043	1,515,923	10,568,966	4,157,412
Intergovernmental payables	35,948,644	-	35,948,644	360,962
Due to Agency Fund	9,277	-	9,277	-
Other liabilities	-	-	-	73,007
Unearned revenue	605,966	1,046,182	1,652,148	13,200
Bond anticipation notes payable	18,766,784	-	18,766,784	-
Noncurrent liabilities:				
Due within one year	9,777,926	24,036,909	33,814,835	3,800,664
Due in more than one year	249,989,775	14,345,091	264,334,866	26,122,786
Total liabilities	324,151,415	40,944,105	365,095,520	34,528,031
DEFERRED INFLOWS OF RESOURCES				
Deferred tuition received	-	-	-	5,673,844
Deferred inflows of resources - pensions	1,667,395	-	1,667,395	1,053,384
Unavailable revenue - loans	39,000	-	39,000	-
Total deferred inflows of resources	1,706,395	-	1,706,395	6,727,228
NET POSITION				
Net investment in capital assets	53,684,436	-	53,684,436	21,795,291
Restricted for:				
Student activities, scholarships, and grants	-	-	-	4,705,608
Nonexpendable	-	-	-	2,789,446
Debt service	4,072,783	-	4,072,783	3,395,776
Other purposes	7,090,223	-	7,090,223	96,145
Unrestricted	(75,226,163)	-	(75,226,163)	(18,520,014)
Total net position	\$ (10,378,721)	\$ -	\$ (10,378,721)	\$ 14,262,252

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Activities
For the Year Ended December 31, 2015

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	
Primary government:								
Governmental activities:								
General government	\$ 58,892,138	\$ 6,034,364	\$ 813,336	\$ -	\$ (52,044,438)	\$ -	\$ (52,044,438)	\$ -
Education	9,823,272	180,326	-	2,999,441	(6,643,505)	-	(6,643,505)	-
Public safety	49,239,187	2,440,549	2,134,097	-	(44,664,541)	-	(44,664,541)	-
Public health	18,967,235	481,024	9,392,305	-	(9,093,906)	-	(9,093,906)	-
Transportation	28,915,480	820,054	5,351,152	6,204,480	(16,539,794)	-	(16,539,794)	-
Economic assistance	124,925,171	4,694,142	57,290,015	436,151	(62,504,863)	-	(62,504,863)	-
Culture and recreation	1,271,955	118,588	268,764	-	(884,603)	-	(884,603)	-
Home and community	3,096,083	169,734	1,053,624	-	(1,872,725)	-	(1,872,725)	-
Interest on long-term debt	6,236,915	-	-	-	(6,236,915)	-	(6,236,915)	-
Total governmental activities	<u>301,367,436</u>	<u>14,938,781</u>	<u>76,303,293</u>	<u>9,640,072</u>	<u>(200,485,290)</u>	<u>-</u>	<u>(200,485,290)</u>	<u>-</u>
Business-type activities:								
Workers' Compensation Pool	9,603,353	8,917,057	646,916	-	-	(39,380)	(39,380)	-
Total business-type activities	<u>9,603,353</u>	<u>8,917,057</u>	<u>646,916</u>	<u>-</u>	<u>-</u>	<u>(39,380)</u>	<u>(39,380)</u>	<u>-</u>
Total primary government	<u>\$ 310,970,789</u>	<u>\$ 23,855,838</u>	<u>\$ 76,950,209</u>	<u>\$ 9,640,072</u>	<u>(200,485,290)</u>	<u>(39,380)</u>	<u>(200,524,670)</u>	<u>-</u>
Component units:								
Community College	\$ 32,079,834	\$ 7,265,855	\$ 12,582,023	\$ -				(12,231,956)
Resource Recovery Agency	10,454,362	14,200,326	38,889	-				3,784,853
Industrial Development Agency	65,383	96,131	-	-				30,748
Capital Resource Corporation	74,061	-	-	-				(74,061)
Golden Hill Local Development Corporation	2,022	-	-	-				(2,022)
Total component units	<u>\$ 42,675,662</u>	<u>\$ 21,562,312</u>	<u>\$ 12,620,912</u>	<u>\$ -</u>				<u>(8,492,438)</u>
General revenues:								
Real property taxes and tax items					79,898,277	-	79,898,277	-
Sales taxes					107,996,028	-	107,996,028	-
Off-track betting distribution					76,761	-	76,761	-
Hotel room occupancy tax					1,310,887	-	1,310,887	-
Emergency telephone E-911 surcharge					688,810	-	688,810	-
Automobile use tax					1,144,107	-	1,144,107	-
Investment earnings					272,410	14,041	286,451	419,337
Tobacco settlement proceeds					4,113,420	-	4,113,420	-
Premium on sale of obligations					317,153	-	317,153	-
Contribution from other governments					-	-	-	5,781,659
County contribution					-	25,339	25,339	6,282,885
Chargeback revenue					-	-	-	802,091
Gain on disposals					-	-	-	50,390
Total general revenues					<u>195,817,853</u>	<u>39,380</u>	<u>195,857,233</u>	<u>13,336,362</u>
Change in net position					<u>(4,667,437)</u>	<u>-</u>	<u>(4,667,437)</u>	<u>4,843,924</u>
Net position - beginning, as restated (Note 3M)					<u>(5,711,284)</u>	<u>-</u>	<u>(5,711,284)</u>	<u>9,418,328</u>
Net position - ending					<u>\$ (10,378,721)</u>	<u>\$ -</u>	<u>\$ (10,378,721)</u>	<u>\$ 14,262,252</u>

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Fund Financial
Statements

County of Ulster, New York
Balance Sheet
Governmental Funds
December 31, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>UTASC</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash, cash equivalents and investments	\$ 27,124,634	\$ -	\$ -	\$ -	\$ 6,422,396	\$ 33,547,030
Restricted cash, cash equivalents and investments	7,218,583	1,263,682	14,907,930	2,815,786	477,606	26,683,587
Receivables	65,045,073	-	1,980,600	-	687,758	67,713,431
Due from other funds	8,508,941	-	-	-	76,500	8,585,441
Due from fiduciary fund	47,037	-	-	-	-	47,037
Due from component units - UCCC	712,716	-	-	-	-	712,716
Inventories	90,009	-	-	-	-	90,009
Prepaid items	6,156,610	-	-	-	20,000	6,176,610
Total assets	<u>\$ 114,903,603</u>	<u>\$ 1,263,682</u>	<u>\$ 16,888,530</u>	<u>\$ 2,815,786</u>	<u>\$ 7,684,260</u>	<u>\$ 143,555,861</u>
LIABILITIES						
Accounts payable and other accrued liabilities	\$ 7,233,497	\$ -	\$ 933,312	\$ -	\$ 359,065	\$ 8,525,874
Intergovernmental payables	35,610,924	-	-	-	337,720	35,948,644
Due to other funds	37,500	-	8,502,256	6,685	39,000	8,585,441
Due to fiduciary fund	9,277	-	-	-	-	9,277
Bond anticipation notes payable	-	-	18,766,784	-	-	18,766,784
Other unearned revenues	326,549	-	-	-	279,417	605,966
Total liabilities	<u>43,217,747</u>	<u>-</u>	<u>28,202,352</u>	<u>6,685</u>	<u>1,015,202</u>	<u>72,441,986</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	17,395,315	-	-	-	-	17,395,315
Unavailable revenue - loans	-	-	-	-	39,000	39,000
Total deferred inflows of resources	<u>17,395,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,000</u>	<u>17,434,315</u>
FUND BALANCES						
Nonspendable:						
Inventories	90,009	-	-	-	-	90,009
Prepaid items	6,156,610	-	-	-	20,000	6,176,610
Restricted for:						
Debt service	-	1,263,682	-	2,809,101	-	4,072,783
Future capital projects	3,500,000	-	-	-	-	3,500,000
Risk retention	125,998	-	-	-	-	125,998
Tax stabilization	1,503,109	-	-	-	-	1,503,109
Other purposes	1,762,927	-	-	-	198,189	1,961,116
Assigned to:						
Encumbrances	3,829,539	-	-	-	53,913	3,883,452
Subsequent years' expenditures	15,623,624	-	-	-	250,000	15,873,624
Specific use	-	-	-	-	6,107,956	6,107,956
Other purposes	692,864	-	-	-	-	692,864
Unassigned	21,005,861	-	(11,313,822)	-	-	9,692,039
Total fund balances	<u>54,290,541</u>	<u>1,263,682</u>	<u>(11,313,822)</u>	<u>2,809,101</u>	<u>6,630,058</u>	<u>53,679,560</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 114,903,603</u>	<u>\$ 1,263,682</u>	<u>\$ 16,888,530</u>	<u>\$ 2,815,786</u>	<u>\$ 7,684,260</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.	171,434,695
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,487,252
Deferred outflows of resources represent a consumption of net position in the future period and, therefore, are not reported in the funds.	5,028,258
Deferred property tax revenue is not available to pay for current-period expenditures and, therefore, are deferred in the funds.	17,395,315
Pension related deferred outflows of resources represent a consumption of net position in the future period and, therefore, are not reported in the funds.	11,536,479
Pension related deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(1,667,395)
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.	(527,169)
Claims and judgments for workers' compensation liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(11,978,015)
Long-term liabilities, including bonds payable, claims and judgments, retirement, OPEB, net pension liability, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(259,767,701)
Net position of governmental activities	<u>\$ (10,378,721)</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended December 31, 2015

	General	Debt Service	Capital Projects	UTASC	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 54,146,794	\$ 8,461,964	\$ -	\$ -	\$ 14,226,011	\$ 76,834,769
Other real property tax items	5,877,276	-	-	-	-	5,877,276
Sales	107,996,028	-	-	-	-	107,996,028
Tax on hotel room occupancy	1,310,887	-	-	-	-	1,310,887
Off track betting	76,761	-	-	-	-	76,761
E-911 surcharge	688,810	-	-	-	-	688,810
Automobile use tax	1,144,107	-	-	-	-	1,144,107
State aid	36,874,139	-	3,630,626	-	3,679,028	44,183,793
Federal aid	37,266,038	-	2,587,696	-	1,863,915	41,717,649
Departmental income	9,196,246	-	-	-	151,200	9,347,446
Intergovernmental	2,460,468	-	96,835	-	109,363	2,666,666
Use of money and property	667,768	361	-	152,638	32,441	853,208
Licenses and permits	122,283	-	-	-	-	122,283
Fines and forfeitures	502,427	-	-	-	-	502,427
Sale of property and compensation for loss	1,059,625	-	-	-	88,944	1,148,569
Tobacco settlement proceeds	-	-	-	2,267,912	-	2,267,912
Miscellaneous local sources	568,654	-	-	-	43,861	612,515
Interfund revenues	1,621,131	-	591,159	-	5,059,451	7,271,741
Total revenues	<u>261,579,442</u>	<u>8,462,325</u>	<u>6,906,316</u>	<u>2,420,550</u>	<u>25,254,214</u>	<u>304,622,847</u>
EXPENDITURES						
Current:						
General government	57,837,857	-	-	29,866	-	57,867,723
Education	9,485,726	-	-	-	-	9,485,726
Public safety	41,663,640	-	-	-	-	41,663,640
Public health	17,714,972	-	-	-	-	17,714,972
Transportation	6,973,593	-	-	-	21,938,812	28,912,405
Economic assistance	119,528,822	-	-	-	1,612,613	121,141,435
Culture and recreation	873,728	-	-	-	-	873,728
Home and community	2,326,408	-	-	-	584,263	2,910,671
Employee benefits	8,905,861	-	-	-	-	8,905,861
Debt service:						
Principal	-	5,956,300	-	535,000	-	6,491,300
Interest	147,392	2,967,288	-	1,835,136	3,721	4,953,537
Capital outlay	-	-	20,425,980	-	-	20,425,980
Total expenditures	<u>265,457,999</u>	<u>8,923,588</u>	<u>20,425,980</u>	<u>2,400,002</u>	<u>24,139,409</u>	<u>321,346,978</u>
Excess (deficiency) of revenues over expenditures	<u>(3,878,557)</u>	<u>(461,263)</u>	<u>(13,519,664)</u>	<u>20,548</u>	<u>1,114,805</u>	<u>(16,724,131)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	311,300	-	-	311,300
Transfers out	(311,300)	-	-	-	-	(311,300)
Payments to refunded bond escrow agent	-	(6,260,627)	-	-	-	(6,260,627)
Issuance of refunding bonds	-	5,505,000	-	-	-	5,505,000
Issuance of bonds	-	-	5,548,290	-	-	5,548,290
Premium on obligations	112,493	755,627	-	-	-	868,120
Total other financing sources (uses)	<u>(198,807)</u>	<u>-</u>	<u>5,859,590</u>	<u>-</u>	<u>-</u>	<u>5,660,783</u>
Net change in fund balances	<u>(4,077,364)</u>	<u>(461,263)</u>	<u>(7,660,074)</u>	<u>20,548</u>	<u>1,114,805</u>	<u>(11,063,348)</u>
Fund balances (deficit) - beginning	<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>
Fund balances (deficit) - ending	<u>\$ 54,290,541</u>	<u>\$ 1,263,682</u>	<u>\$ (11,313,822)</u>	<u>\$ 2,809,101</u>	<u>\$ 6,630,058</u>	<u>\$ 53,679,560</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 (Deficit) - Governmental Funds
To the Government-wide Statement of Activities
For the Year Ended December 31, 2015

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)	\$	(11,063,348)
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 capital outlays, net of disposals, exceeded depreciation expense, in the current period.		9,497,339
Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:		
Direct pension contributions		9,379,082
Cost of benefits earned, net of employee contributions		<u>(6,247,081)</u>
		3,132,001
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(968,260)
Accrued bond interest is not due and payable in the current period and, therefore, is not reported in the funds.		20,698
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.		(7,462,497)
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>2,176,630</u>
Change in net position of governmental activities	\$	<u><u>(4,667,437)</u></u>

See accompanying notes to the financial statements.

**County of Ulster, New York
Statement of Net Position
Proprietary Funds
December 31, 2015**

	Business-Type Activities Workers' Compensation Pool
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 21,819,967
Due from other funds	11,978,015
Total current assets	33,797,982
Noncurrent assets:	
Assessment receivables	5,946,123
Deposit with third party administrator	1,200,000
Total noncurrent assets	7,146,123
Total assets	40,944,105
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	1,513,315
Accrued salaries and benefits	2,608
Unearned revenue	1,046,182
Workers' compensation claims payable	24,036,909
Total current liabilities	26,599,014
Noncurrent liabilities:	
Workers' compensation claims payable	14,345,091
Total noncurrent liabilities	14,345,091
Total liabilities	40,944,105
NET POSITION	
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, 2015

	Business-Type Activities
	Workers'
	Compensation
	Pool
OPERATING REVENUES	
Charges for services	\$ 8,917,057
Other operating revenue	646,916
Total operating revenues	9,563,973
OPERATING EXPENSES	
Administrative	1,991,706
Claimants	7,611,647
Total operating expenses	9,603,353
Operating loss	(39,380)
NONOPERATING REVENUES	
On behalf contribution from Ulster County for other post-employment benefits	25,339
Interest earnings	14,041
Total nonoperating revenues	39,380
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, 2015

	<u>Business-Type Activities</u> <u>Workers'</u> <u>Compensation</u> <u>Pool</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 9,563,973
Payments to suppliers and service providers	(1,783,420)
Payments to employees	(208,286)
Payments to claimants	(6,568,358)
Net cash provided by operating activities	<u>1,003,909</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash contributions from Ulster County	25,339
Net cash provided by noncapital financing activities	<u>25,339</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	14,041
Net cash provided by investing activities	<u>14,041</u>
Net increase (decrease) in cash and cash equivalents	1,043,289
Total cash and cash equivalents - beginning	20,776,678
Total cash and cash equivalents - ending	<u>\$ 21,819,967</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (39,380)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Decrease (increase) in:	
Assessment receivables	571,234
Due from other funds	1,992,205
Increase (decrease) in:	
Accounts payable	(74,355)
Accrued salaries and benefits	(2,959)
Workers' compensation claims	(1,498,640)
Unearned revenue	55,804
Total adjustments	<u>1,043,289</u>
Net cash used for operating activities	<u>\$ 1,003,909</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Fiduciary Net Position
Agency Fund
December 31, 2015

	Agency
ASSETS	
Cash and cash equivalents	\$ 11,944,432
Receivables	16,354
Due from other funds	9,277
Total assets	\$ 11,970,063
LIABILITIES	
Due to other funds	\$ 47,037
Agency fund liabilities	11,923,026
Total liabilities	\$ 11,970,063

See accompanying notes to the financial statements.

Notes to the Financial
Statements

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

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 – The following blended component units are legal separate entities from the County, but are, in substance, part of the County's operations and therefore data from the entities are combined with data of the primary government.

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, 2015

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

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.

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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 2015, the County adopted the provisions of GASB Statements No. 68, *Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of GASB Statement No. 68 is to establish 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 objective of GASB Statement No. 71 is to address an issue regarding application of the transition provisions of Statement No. 68. GASB Statements No. 68 and 71 had a material impact on the County's financial position and results from operations, and is reflected in greater detail in Note 3C.

COUNTY OF ULSTER, NEW YORK
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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 major revenue sources of the General Fund are real property taxes, sales tax, and State and Federal aid.
- The *Debt Service Fund* is used to account for and report the financial resources that are restricted, committed or assigned to expenditures for principal and interest on long-term general obligation debt of governmental funds not accounted for in the General Fund, Capital Projects Fund and the component units. The major revenue source of the Debt Service Fund is real property taxes.
- The *Capital Projects Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition, construction or improvement of capital facilities and other capital assets, other than those financed by proprietary funds or assets held in trust. The major revenue sources of the Capital Projects Fund are State and Federal Aid, and proceeds of obligations.
- The *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 major revenue source of UTASC is tobacco settlement proceeds.

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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.

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 accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic 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, sixty days for property taxes and 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, claims and judgments, and net pension liability 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.

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D. Cash, Cash Equivalents, and Investments

For the purposes of the accompanying statement of cash flows, the proprietary 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, unspent proceeds of debt, and unearned revenues.

F. Receivables, Payables, and Property Taxes

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 \$23,870,970. 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.

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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 net 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 two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the County’s proportion of the collective net pension asset or liability, difference between expected and actual experience, net difference between projected and actual investment earnings on pension plan investments, and the County contributions to the pension system subsequent to the measurement date. The second represents deferred charges on refunding bonds that are being amortized over the life of the refunded debt.

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In addition to liabilities, the statement of net 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 four types of items, two 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 County reports pensions in the government-wide statement of net position, and this represents the effect of the net change in the County's proportion of the collective net pension liability and the difference during the measurement periods between the County's contributions and its proportionate share of total contributions to the pension system not included in pension expense. 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.

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 cash receipts have not met the revenue recognition criteria for government-wide or fund financial purposes. At December 31, 2015, the County reported unearned revenues within the General Fund and the Ulster County Economic Development Alliance in the amounts of \$326,549 and \$279,417, respectively. The County recorded tax overpayments, and grant money in advance but has not performed the services, and therefore recognizes a liability.

L. Pensions

The County is mandated by New York State law to participate in the New York State Local Employees' Retirement System and New York State Teachers' Retirement System. For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 3C.

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.

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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 \$16,387,970 classified as a long-term liability in the accompanying financial statements, which includes \$1,638,797 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, 2015, Ulster County has recorded \$730,000 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, 2015, was \$38,382,000, of which \$12.0 million is due and payable from governmental activities for the County's portion of the liability.

P. Other Post-employment Benefits ("OPEB")

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 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.

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(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.

	2015	2014
<u>(e) Annual OPEB cost at December 31,</u>		
Normal Cost	\$ 6,316,645	\$ 7,301,390
Amortization of unamortized actuarial liability (UAL)	6,993,999	6,526,775
Annual required contribution (ARC)	13,310,644	13,828,165
Interest on OPEB obligation	3,698,618	2,522,668
Adjustment to ARC	(5,141,621)	(4,165,199)
OPEB expense	\$11,867,641	\$12,185,634
 <u>(f) Reconciliation of Net OPEB obligation at December 31,</u>		
Net OPEB obligation at the beginning of the year	\$92,465,449	\$84,088,936
OPEB expense	11,867,641	12,185,634
Net OPEB contributions made during the fiscal year	(3,315,826)	(3,809,121)
Net OPEB obligation at the end of the year	101,017,264	\$92,465,449
Percentage of expense contributed	27.94%	31.26%
 <u>(g) Schedule of funding process</u>		
Currently retired liability	\$ 38,824,216	\$ 34,906,141
Actives	82,116,250	93,021,526
Total actuarial accrued liability	120,940,466	127,927,667
Additional obligation attributable to future service	71,118,778	79,447,705
Present value of total future liability	\$192,059,244	\$207,375,372
Actuarial value of assets	\$ -	\$ -
Unfunded actuarial liability	\$120,940,466	\$127,927,667
Funded Ratio	0.00%	0.00%

(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 - \$25,339

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(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, 2015, UCCC's liability for postemployment benefits was \$11,246,768.

	2015	2014
<u>(e) Annual OPEB cost at August 31.</u>		
Normal Cost	\$ 519,754	\$ 418,758
Amortization of unamortized actuarial liability (UAL)	979,985	966,978
Interest	29,701	-
Annual required contribution (ARC)	1,529,440	1,385,736
Interest on OPEB obligation	410,189	378,113
Adjustment to ARC	(581,515)	(619,980)
OPEB expense	\$ 1,358,114	\$ 1,143,869
 <u>(f) Reconciliation of Net OPEB obligation at August 31.</u>		
Net OPEB obligation at the beginning of the year	\$ 10,254,721	\$ 9,452,830
OPEB expense	1,358,114	1,143,869
Net OPEB contributions made during the fiscal year	(366,067)	(341,978)
Net OPEB obligation at the end of the year	\$ 11,246,768	\$ 10,254,721
Percentage of expense contributed	26.95%	29.90%
 <u>(g) Schedule of funding process</u>		
Currently retired liability	\$ 5,926,191	\$ 7,220,827
Actives	11,697,573	8,012,171
Total actuarial accrued liability	17,623,764	15,232,998
Actuarial value of assets	-	-
Unfunded actuarial liability	\$ 17,623,764	\$ 15,232,998
Funded Ratio	0.00%	0.00%

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 received 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.

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 \$11,313,822 resultant from expenditures made for the reconstruction of roads and bridges from the Building a Better Ulster Infrastructure 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.

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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 \$93,995,016, which included \$2,815,786 of UTASC cash and cash equivalent balances, and the bank balance was \$99,078,858. Of the bank balance, \$3,566,856 was covered by federal depository insurance with the remaining balance, \$95,512,002, 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.

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

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

	Category		Reported Amount/ Fair Value
	1	2	
Governmental activities			
Cash and cash equivalents	\$57,591,626	\$ -	\$57,591,626
Commercial paper	2,638,991	-	2,638,991
Total governmental activities	60,230,617	-	60,230,617
Business-type activities			
Cash and cash equivalents	21,819,967	-	21,819,967
Total business-type activities	21,819,967	-	21,819,967
Total primary government			
	82,050,584	-	82,050,584
Component units			
UCCC-Cash and cash equivalents	4,900,280	-	4,900,280
UCCC-Commercial paper	8,794,833	-	8,794,833
UCRRA-Cash and cash equivalents	3,640,533	1,632,834	5,273,367
UCRRA-U.S. Government securities	-	2,542,949	2,542,949
UCIDA-Cash and cash equivalents	437,541	-	437,541
UCCRC-Cash and cash equivalents	84,684	-	84,684
GHLDC-Cash and cash equivalents	30,954	-	30,954
Total component units	17,888,825	4,175,783	22,064,608
Agency Fund			
Cash and cash equivalents	11,944,432	-	11,944,432
Total agency fund	11,944,432	-	11,944,432
Total cash, cash equivalents and investments	\$111,883,841	\$4,175,783	\$116,059,624

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	Total
	General	Capital Projects	Special Revenue	Governmental Activities
Receivables - Governmental Activities:				
Taxes	\$46,589,323	\$ -	\$ -	\$ 46,589,323
Accounts	772,431	-	674,463	1,446,894
State and federal	25,513,611	1,786,931	-	27,300,542
Due from other governments	785,444	193,669	13,295	992,408
Gross receivables	73,660,809	1,980,600	687,758	76,329,167
Less: allowance for uncollectibles	(8,615,736)	-	-	(8,615,736)
Net receivables	\$65,045,073	\$ 1,980,600	\$ 687,758	\$ 67,713,431

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

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 proprietary 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
Governmental Funds:		
Deferred property taxes receivable	\$17,395,315	\$ -
UCEDA – deferred community development loan receivable	39,000	-
Other unearned revenues	-	605,966
Total governmental funds	\$17,434,315	\$ 605,966

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	\$ 8,502,256
	UTASC	6,685
	Agency Fund	47,037
Nonmajor governmental funds	General Fund	37,500
	Nonmajor governmental funds	39,000
Agency Fund	General Fund	9,277
Total		\$ 8,641,755

In addition, as of December 31, 2015, UCCC’s liability for retirement owed to the County was \$712,716. This receivable is recorded as a due from component unit on the County’s financial statements, and a related expense and payable on UCCC’s financial statements.

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	\$ 311,300

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

E. Capital Assets

Capital asset activity for the fiscal year was as follows:

Primary Government	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets:				
Land and land improvements	\$ 7,958,198	\$ 1,372,141	\$ -	\$ 9,330,339
Buildings and improvements	166,000,426	6,638,297	-	172,638,723
Machinery and equipment	40,877,481	4,036,432	265,408	44,648,505
Infrastructure	93,238,993	13,704,183	13,415,160	93,528,016
Construction in progress	2,831,135	1,808,580	2,455,022	2,184,693
Total capital assets	<u>310,906,233</u>	<u>27,559,633</u>	<u>16,135,590</u>	<u>322,330,276</u>
Less accumulated depreciation for:				
Land and land improvements	3,672,410	206,313	-	3,878,723
Buildings and improvements	68,622,828	5,183,849	-	73,806,677
Machinery and equipment	30,401,581	2,544,351	265,408	32,680,524
Infrastructure	46,272,058	3,714,938	9,457,339	40,529,657
Total accumulated depreciation	<u>148,968,877</u>	<u>11,649,451</u>	<u>9,722,747</u>	<u>150,895,581</u>
Total governmental activities capital assets, net	<u>161,937,356</u>	<u>15,910,182</u>	<u>6,412,843</u>	<u>171,434,695</u>
Total primary government	<u>\$161,937,356</u>	<u>\$15,910,182</u>	<u>\$ 6,412,843</u>	<u>\$171,434,695</u>

* Capital assets were restated as of December 31, 2014. See Note 3M for more information.

Depreciation

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

	Amount
Governmental activities:	
General government	\$ 917,345
Education	333,665
Public safety	3,776,982
Public health	197,732
Transportation	5,778,781
Economic assistance	294,760
Culture and recreation	350,186
Total governmental activities	<u>\$ 11,649,451</u>

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
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Component Units	Beginning Balance	Increases	Decreases	Ending Balance
Ulster County Community College:				
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	<u>810,674</u>	<u>-</u>	<u>-</u>	<u>810,674</u>
Capital assets, being depreciated:				
Buildings and improvements	32,148,394	351,240	-	32,499,634
Machinery and equipment	4,555,845	545,109	368,102	4,732,852
Total capital assets, being depreciated	<u>36,704,239</u>	<u>896,349</u>	<u>368,102</u>	<u>37,232,486</u>
Less accumulated depreciation	23,330,416	1,044,826	362,213	24,013,029
Total capital assets, being depreciated, net	<u>13,373,823</u>	<u>(148,477)</u>	<u>5,889</u>	<u>13,219,457</u>
Total Ulster County Community College capital assets, net	<u>14,184,497</u>	<u>(148,477)</u>	<u>5,889</u>	<u>14,030,131</u>
Ulster County Resource Recovery Agency:				
Capital assets, not being depreciated:				
Land	683,172	-	-	683,172
Construction in progress	74,191	-	-	74,191
Total capital assets, not being depreciated	<u>757,363</u>	<u>-</u>	<u>-</u>	<u>757,363</u>
Capital assets, being depreciated:				
Buildings and improvements	10,577,587	77,101	-	10,654,688
Machinery and equipment	5,578,952	394,301	341,208	5,632,045
Infrastructure	19,751	2,665	-	22,416
Total capital assets, being depreciated	<u>16,176,290</u>	<u>474,067</u>	<u>341,208</u>	<u>16,309,149</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	2,917,855	277,125	-	3,194,980
Machinery and equipment	4,633,124	242,141	333,630	4,541,635
Infrastructure	2,404	1,055	-	3,459
Total accumulated depreciation and amortization	<u>7,553,383</u>	<u>520,321</u>	<u>333,630</u>	<u>7,740,074</u>
Total capital assets, being depreciated, net	<u>8,622,907</u>	<u>(46,254)</u>	<u>7,578</u>	<u>8,569,075</u>
Total Ulster County Resource Recovery Agency capital assets, net	<u>9,380,270</u>	<u>(46,254)</u>	<u>7,578</u>	<u>9,326,438</u>
Total component units	<u>\$ 23,564,767</u>	<u>\$ (194,731)</u>	<u>\$ 13,467</u>	<u>\$ 23,356,569</u>

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

F. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are reported on the government-wide financial statements in their entirety. Business-type activities and proprietary fund accounts payable and accrued liabilities are recognized when incurred and payable. Governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred, if measurable.

G. Leases

Operating Leases

The County leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$1,200,460 at fiscal year-end. The future minimum lease payments for these leases are as follows:

Year ending December 31:	Amount
2016	\$1,307,421
2017	1,040,001
2018	753,959
2019	236,474
2020	122,995
Thereafter	70,519
Total	\$3,531,369

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
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H. 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, 2015 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Town of Lloyd bridge	\$ 299,000	\$ 287,000	\$ 299,000	\$ 287,000
UCCC phase 1	193,000	185,000	193,000	185,000
South Putt Corners Road	71,000	66,000	71,000	66,000
Additional for South Putt Corners Road	163,000	163,000	163,000	163,000
ADA Compliance – Mental Health	157,000	152,800	157,000	152,800
ADA Compliance – UC Fairgrounds	91,000	88,700	91,000	88,700
ADA Compliance – Trudy Resnick	46,000	44,800	46,000	44,800
ADA Compliance – PW Admin	119,000	115,800	119,000	115,800
ADA Compliance – UC Court Exterior	57,000	55,300	57,000	55,300
ADA Compliance – UC Office Building	134,000	130,800	134,000	130,800
ADA Compliance – 911 Emerg Mgt	20,000	18,800	20,000	18,800
Tropical Storm Irene reconstruction	2,225,000	-	2,225,000	-
Land for flood remediation	2,460,000	1,415,000	2,460,000	1,415,000
UCCC – HVAC, generator	620,000	555,000	620,000	555,000
Highway equipment	547,340	-	547,340	-
Rehabilitation of Sauer Bridge	2,000,000	2,000,000	2,000,000	2,000,000
Mud Tavern Bridge	-	1,278,000	-	1,278,000
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	345,000	425,000	345,000
VOIP telephone system	-	671,959	-	671,959
Sophie Finn Elementary	-	1,500,000	-	1,500,000
County vehicles	-	234,000	-	234,000
Cargo vans	-	50,000	-	50,000
Pick-up trucks	-	35,000	-	35,000
Highway equipment	-	2,740,000	-	2,740,000
Highway equipment	-	50,000	-	50,000
Reconstruction of roads	-	425,000	-	425,000
Retaining wall on Elting Road	-	85,000	-	85,000
Mountain Road slope stabilization	-	310,000	-	310,000
Mount Marion bridge	-	900,000	-	900,000
Reconstruction of roads	-	4,268,825	-	4,268,825
Various bridges	-	455,000	-	455,000
Police vehicles	-	141,000	-	141,000
Total governmental activities short-term debt	\$12,090,740	\$18,766,784	\$ 12,090,740	\$18,766,784

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

I. 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, premiums, and unamortized accretion at fiscal year end are as follows:

Governmental Activities:	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
General obligation:			
Public improvements, refunded 2009	04/15/17	2.5 - 5.0%	\$ 1,632,974
Public improvements, 2007	11/15/22	3.9 - 4.0%	201,500
Public improvements, 2008	11/15/23	4.3 - 5.0%	377,500
Public improvements, 2009	11/15/24	2.0 - 4.0%	2,320,000
Public improvements, 2010	11/15/25	3.0 - 3.5%	2,195,000
Public improvements, 2011	11/15/22	2.0 - 2.8%	690,000
Public improvements, refunded 2012	11/15/24	2.0 - 5.0%	14,900,000
Public improvements, refunded 2012	11/15/29	2.0 - 5.0%	35,552,388
Public improvements, 2012	11/15/27	2.0 - 3.0%	1,808,800
Public improvements, 2013	11/15/28	2.0 - 3.3%	2,830,000
Public improvements, 2014	11/15/27	1.5 - 2.8%	3,585,000
Public improvements, refunded 2015	11/15/23	2.0 - 4.5%	4,476,940
Public improvements, 2015	11/15/28	2.0 - 2.5%	5,779,401
Total general obligation			<u>76,349,503</u>
Debt issued for UCCC:			
Public improvements, refunded 2009	4/15/17	2.5 - 5.0%	177,026
Public improvements, 2007	11/15/22	3.8 - 4.0%	103,500
Public improvements, 2008	11/15/23	4.3 - 5.0%	12,500
Public improvements, 2012	11/15/27	2.0 - 3.0%	1,216,200
Public improvements, refunded 2015	11/15/23	2.0 - 4.5%	983,060
Total debt issued for UCCC			<u>2,492,286</u>
UTASC:			
Tobacco settlement asset-backed bonds, 2001	06/01/40	6.12 - 6.45%	28,582,748
Subordinate capital appreciation bonds	06/01/39	6.00 - 7.85%	18,691,519
Total UTASC			<u>47,274,267</u>
Total governmental activities			<u>\$126,116,056</u>
Component Units:			
	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
UCRRA:			
Serial bonds	03/01/18	2.00 - 3.00%	\$ 3,978,070
Capital appreciation bonds	03/01/25	4.96 - 5.29%	5,448,745
Serial bonds	03/01/21	4.50 - 5.00%	1,035,000
Serial bond	03/01/18	3.75-5.25%	970,000
Term bonds	03/01/17	2.20%	405,000
Term note	03/01/17	2.82%	275,000
Term bonds	08/01/16	2.23%	75,000
Total UCRRA			<u>\$ 12,186,815</u>

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

The annual debt service requirements to maturity for bonds are as follows:

Year	General Obligations	UCCC	UTASC	UCRRA	Total
Principal:					
2016	\$ 6,138,643	\$ 324,647	\$ 1,055,000	\$ 2,130,000	\$ 9,648,290
2017	6,284,572	330,428	1,155,000	2,130,000	9,900,000
2018	5,612,674	247,326	1,555,000	1,850,000	9,265,000
2019	5,824,506	255,494	1,665,000	985,566	8,730,566
2020	6,027,238	262,762	1,785,000	946,538	9,021,538
2021-2025	28,887,571	842,429	16,898,703	4,066,641	50,695,344
2026-2030	14,995,800	229,200	20,948,705	-	36,173,705
2031-2035	-	-	25,420,967	-	25,420,967
2036-2040	-	-	15,891,013	-	15,891,013
Less unamortized accretion	-	-	(39,177,869)	-	(39,177,869)
Less net deferred charge	(5,028,258)	-	-	-	(5,028,258)
Plus deferred premium	7,606,757	-	77,748	78,070	7,762,575
Total	<u>76,349,503</u>	<u>2,492,286</u>	<u>47,274,267</u>	<u>12,186,815</u>	<u>138,302,871</u>
Interest:					
2016	2,882,398	77,439	1,700,549	202,178	4,862,564
2017	2,669,944	66,738	1,628,236	129,360	4,494,278
2018	2,468,349	58,776	1,539,411	59,825	4,126,361
2019	2,270,328	50,736	1,433,736	992,709	4,747,509
2020	2,062,932	42,406	1,320,511	1,037,362	4,463,211
2021-2025	6,332,231	91,977	4,979,128	7,336,898	18,740,234
2026-2030	1,314,900	9,951	2,231,032	-	3,555,883
2031-2031	-	-	28,216	-	28,216
Total interest	<u>20,001,082</u>	<u>398,023</u>	<u>14,860,819</u>	<u>9,758,332</u>	<u>45,018,256</u>
Total requirements	<u>\$ 96,350,585</u>	<u>\$2,890,309</u>	<u>\$62,135,086</u>	<u>\$21,945,147</u>	<u>\$183,321,127</u>

On November 24, 2015, Ulster County issued a serial bond totaling \$5,548,290 for various public improvement projects. The bond will mature in 2028, and bears interest of 2.0 – 2.5%.

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

Changes in Long-Term Liabilities

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

	Beginning Balance (as restated)	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	\$120,493,576	\$ 11,363,959	\$ 10,890,012	\$120,967,523	\$ 7,193,643
Bonds payable – UCCC	2,866,833	991,741	1,366,288	2,492,286	324,647
Bond premiums	7,511,384	755,627	582,506	7,684,505	582,506
Claims and judgments*	775,000	-	45,000	730,000	38,333
Retirement payable	235,790	-	235,790	-	-
OPEB liability	92,465,449	11,867,641	3,315,826	101,017,264	-
Net pension liability*	14,029,326	-	3,541,173	10,488,153	-
Compensated absences*	17,469,019	-	1,081,049	16,387,970	1,638,797
Total governmental activities	<u>\$255,846,377</u>	<u>\$ 24,978,968</u>	<u>\$ 21,057,644</u>	<u>\$259,767,701</u>	<u>\$ 9,777,926</u>
Business-type Activities:					
Workers' compensation pool claims	\$ 39,880,640	\$ 15,091,242	\$ 16,589,882	\$ 38,382,000	\$24,036,909
Total business-type activities	<u>\$39,880,640</u>	<u>\$ 15,091,242</u>	<u>\$ 16,589,882</u>	<u>\$ 38,382,000</u>	<u>\$24,036,909</u>
Component Units:					
UCCC:					
Capital lease obligations	\$ 1,642,667	\$ 60,157	\$ 164,172	\$ 1,538,652	\$ 168,428
OPEB liability	10,254,721	1,358,114	366,067	11,246,768	607,669
Net pension liability*	729,065	-	184,025	545,040	-
Total UCCC	<u>\$ 12,626,453</u>	<u>\$ 1,418,271</u>	<u>\$ 714,264</u>	<u>\$ 13,330,460</u>	<u>\$ 776,097</u>
UCRRA:					
Bonds payable	\$14,178,745	\$ -	\$ 2,070,000	\$12,108,745	\$ 2,130,000
Bond premiums	109,300	-	31,230	78,070	31,230
Capital lease obligations	126,384	234,111	90,634	269,861	86,097
Workers' compensation	56,746	-	9,636	47,110	10,512
Compensated absences	520,931	23,854	-	544,785	544,785
Landfill post-closure liability	2,825,746	-	392,978	2,432,768	187,136
Long-term pension	875,103	-	32,229	842,874	34,807
Net pension liability*	359,526	-	90,749	268,777	-
Total UCRRA	<u>19,052,481</u>	<u>257,965</u>	<u>2,717,456</u>	<u>16,592,990</u>	<u>3,024,567</u>
Total component units	<u>\$31,678,934</u>	<u>\$ 1,676,236</u>	<u>\$ 3,431,720</u>	<u>\$29,923,450</u>	<u>\$ 3,800,664</u>

* Deletions to the claims and judgments liability, net pension liability, and compensated absences are shown net of additions.

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 OF ULSTER, NEW YORK
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County's or the UCCC's financial statements. The advance refunding of these bonds resulted in an increase to its total debt service payments over the next 16 years by approximately \$42.8 million and to obtain an economic gain of approximately \$1.1 million.

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 2 years by approximately \$5 thousand and to obtain an economic gain of approximately \$3 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 14 years by approximately \$3.0 million and to obtain an economic gain of approximately \$225 thousand.

On March 1, 2015 the County issued a refunding bond in the amount of \$5.5 million refunding three outstanding serial bonds from 2007, 2008, and 2009 with outstanding principal totaling \$5.8 million. The refunding obtained a gain of \$260 thousand and a deferred charge of \$756 thousand, resulting in a net deferred charge of \$496 thousand to be amortized over the life of the new bond. The refunding also resulted in a decrease in total debt service over the next 8 years by approximately \$1.1 million and obtaining an economic gain of approximately \$902 thousand.

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

Issue	Amount Outstanding
Governmental Activities:	
Public Improvements, 1999	\$ 585,000
Public Improvements, 2001	1,795,000
Public Improvements, 2005	16,025,000
Public Improvements, 2006	34,455,000
Public Improvements, 2006	2,225,000
Public Improvements, 2007	2,115,000
Public Improvements, 2008	1,425,000
Total governmental activities refunded	\$58,625,000

Legal Debt Limit

The County's general obligation bonded debt, inclusive of Bond Anticipation Notes, of \$95,030,074 as of fiscal year end, was below the legal limit of approximately \$1,209,195,897. This amount represents approximately 7.29% of the constitutional debt limit.

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)	\$ 171,434,695
Less related debt:	
Bond anticipation notes	(18,766,784)
Serial bonds – general obligations, net	(76,349,503)
Tobacco asset backed bonds	(37,541,902)
Plus unspent debt proceeds	14,907,930
Total net investment in capital assets	\$ 53,684,436

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- *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 future capital projects reserves of \$3,500,000, risk retention reserves of \$125,998, tax stabilization reserves of \$1,503,109, drug forfeiture reserves of \$101,682, E-911 emergency telephone reserves of \$491,159, Stop DWI reserves of \$232,667, probation reserves of \$912,967, child safety seat reserves of \$5,860, traffic safety board reserves of \$3,598, handicapped parking education reserves of \$14,994, and community development of \$198,189.
- *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, \$90,009, that were committed for the purchase of inventories and supplies.
- *Prepaid items* – to reflect the portion of assets, \$6,176,610, 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 \$4,072,783. These funds are not available for general operations.
- *Future capital projects* – to reflect funds established for future capital projects in the amount of \$3,500,000.
- *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 \$125,998.
- *Tax stabilization* – to reflect funds to finance certain unanticipated revenue losses or unanticipated expenditures and to lessen or prevent excessive increases of the real property tax levy in the amount of \$1,503,109.
- *Civil and DA forfeitures* – to reflect unused portions of forfeited crime proceeds that must be spent on law enforcement in the amount of \$101,682.
- *Emergency telephone (E-911)* – to reflect unused portions of telephone surcharges that must be spent on the emergency telephone system in the amount of \$491,159.
- *Stop DWI* – to reflect unused portions of DWI fines that must be spent on Stop DWI programs in the amount of \$232,667.
- *Probation administration fees* – to reflect unused portions of probation fees that must be spent on probation programs in the amount of \$912,967.

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- *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 \$14,994.
- *Community development* – to provide funds for job growth, economic development, and community revitalization in the amount of \$198,189.

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, 2015.

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 \$3,829,539 in the General Fund, \$35,538 in the County Road Fund, and \$18,375 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 \$15,623,624 of the General Fund fund balance, and \$250,000 of the County Road Fund 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 \$116,323 in the Special Grant Fund, \$1,015,208 in the County Road Fund, \$3,623,630 in the Road Machinery Fund, and \$1,352,795 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 \$276,465.
- *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 \$621.
- *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 \$97,605.

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.

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

The pool is open to participation by any eligible municipality or any public entity. Under local law participants are responsible for their share of total pool liabilities. All funds of the County, and sixty one 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 \$38,382,000 is recorded in the workers' compensation pool at fiscal year end and is based on the requirements of GASB, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities are partially offset by assessment receivables recorded in accordance with Article 5 in the amount of \$17,924,138, of which \$11,978,015 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 three years were:

Year	Balance at January 1	Current Year Claims & Changes in Estimates	Claims Payments	Balance at December 31
2015	\$39,880,640	\$15,091,242	(\$16,589,882)	\$38,382,000
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

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 \$730,000. The County has not had significant reductions in insurance coverage from the provider in all categories of risk. Settled claims have not exceeded insurance coverage in the past three fiscal years.

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

Year	Balance at January 1	Current Year Claims & Changes in Estimates	Balance at December 31
2015	\$775,000	(45,000)	\$730,000
2014	450,000	325,000	775,000
2013	615,000	(165,000)	450,000

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C. Pension Plans

New York State and Local Employee's Retirement System

The County, and the County's discretely presented component units, the Ulster County Community College, and the Ulster County Resource Recovery Agency, participate 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 3-3.5% 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.

The County is required to contribute at an actuarially determined rate. The required contributions at December 15 for the years 2015, 2014 and 2013 were \$13,733,997, \$14,740,535, and \$17,132,581, respectively. The County's contributions made to the ERS were equal to 100 percent of the contributions required for each year.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2015, the County reported a liability of \$10,488,153 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2014. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2015, the County's proportion was 0.31046170%.

For the year ended December 31, 2015, the County recognized pension expense of \$10,368,329. At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 335,738	\$ -
Net difference between projected and actual investment earnings on pension plan investments	1,821,659	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,667,395
County contributions subsequent to the measurement date	9,379,082	-
Total	\$11,536,479	\$ 1,667,395

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The County reported \$9,379,082 as deferred outflows of resources related to pensions resulting from the County's contributions made subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending December 31,	
2016	\$122,500
2017	122,500
2018	122,500
2019	122,502
	\$490,002

Actuarial Assumptions

The total pension liability at March 31, 2015 was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. The actuarial valuation used the following actuarial assumptions:

- Inflation*** – 2.7%
- Salary increases*** – 4.9%
- Investment rate of return*** – 7.5%, compounded annually, net of investment expenses
- Discount rate*** – 7.5%

Annuitant mortality rates are based on April 1, 2005 – March 31, 2010 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

Investment Asset Allocation

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 are summarized below:

Asset Type	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	38%	7.30%
International equity	13	8.55
Private equity	10	11.00
Real estate	8	8.25
Absolute return strategies	3	6.75
Opportunistic portfolio	3	8.65
Real assets	3	8.65
Bonds and mortgages	18	4.00
Cash	2	2.25
Inflation-indexed bonds	2	4.00
Total	100%	

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Discount Rate

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Assumption

The following presents the County's proportionate share of the net pension liability, calculated using the discount rate of 7.5% as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.5%), or 1% point higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
County's proportionate share of the net pension liability (asset)	\$ 69,908,084	\$ 10,488,153	(\$ 39,677,001)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the valuation date were as follows:

Valuation date	March 31, 2015
Employers' total pension liability	\$ 164,591,504,000
Plan fiduciary net position	161,213,259,000
Employers' net pension liability	\$ 3,378,245,000
System fiduciary net position as a percentage of total pension liability	97.95%

Ulster County Community College

The UCCC participates in the ERS and the Teachers' Retirement System (TRS)

Plan Descriptions and Benefits Provided

Teachers' Retirement System – UCCC participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. TRS provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and Retirement and the New York State Retirement and Social Security Law (NYSRSSL). TRS is governed by a 10 member Board of Trustees. TRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York State Public Schools and BOCES who elect to participate in TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding TRS may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial Report which can be found on TRS' website at www.nystrs.org. Plan members who joined the TRS before July 27, 1976, are not required to make contributions. Those joining after July 27, 1976 are required to contribute between 0% and 6% of their annual salary depending on their tier. Pursuant to Article 11 of the Education Law, rates are established annually by the New York State Teachers' Retirement Board.

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Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At August 31, 2015, the College reported the following asset (liability) for its proportionate share of the net pension asset (liability) for each of the Systems. The net pension asset (liability) was measured as of March 31, 2015 for ERS and June 30, 2014 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The College's proportionate share of the net pension asset (liability) was based on a projection of the College's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the College.

	ERS	TRS
Actuarial valuation date	April 1, 2014	June 30, 2013
Net proportionate pension liability (asset)	\$545,040	(\$1,281,129)
College's proportion of the Plan's net Pension asset (liability)	0.0161338%	0.011501%

For the year ended August 31, 2015, the College recognized pension expense of \$24,375 for ERS and no actuarially determined expense for TRS. At August 31, 2015 the College's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 17,447	\$ -	\$ -	\$ 18,734
Net difference between projected and actual earnings on pension plan investments	94,667	-	-	860,417
Changes in proportion and differences between the College's contributions and proportionate share of contributions	-	-	86,650	6,415
Payments and accruals subsequent to the measurement date	616,005	362,766	-	-
Total	\$ 728,119	\$ 362,766	\$ 86,650	\$ 885,566

College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Years ending August 31,	Net Outflow	Net Inflow
2016	\$6,366	\$ (218,029)
2017	6,366	(218,029)
2018	6,366	(218,029)
2019	6,366	(218,029)
2010	-	(2,924)
Thereafter	-	(10,526)
	\$25,464	\$ (885,566)

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the following table, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

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Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2015	June 30, 2014
Actuarial valuation date	April 1, 2014	June 30, 2013
Interest rate	7.5%	8%
Salary scale	4.9% Average	4.01% - 10.91%
Decrement tables	April 1, 2015 – March 31, 2010	July 1, 2005 – August 31, 2010
	System's Experience	System's Experience
Inflation rate	2.7%	3.0%

For ERS, annuitant mortality rates are based on April 1, 2005 - March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on July 1, 2005 - August 30, 2010 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale AA.

For ERS, the actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010. For TRS, the actuarial assumptions used in the June 30, 2013 valuation are based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2015	June 30, 2014
Asset type:		
Domestic equity	7.30%	7.30%
International equity	8.55	8.50
Real estate	8.25	5.00
Domestic fixed income securities	-	1.50
Global fixed income securities	-	1.40
Mortgages	-	3.40
Short-term	-	0.80
Private equity	11.00	-
Absolute return strategies	6.75	-
Opportunistic portfolio	8.60	-
Real assets	8.65	-
Bonds and mortgages	4.00	-
Cash	2.25	-
Inflation-indexed bonds	4.00	-
Alternative	-	11.00

Discount Rate

The discount rate used to calculate the total pension liability was 7.5% for ERS and 8.0% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Assumption

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.5% for ERS and 8.0% for TRS, as well as what the College's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is I-percentage point lower (6.5% for ERS and 7.0% for TRS) or I-percentage point higher (8.5% for ERS and 9.0% for TRS) than the current rate:

ERS:	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability (asset)	\$ 3,632,926	\$ 545,040	\$ 2,061,902
TRS:	1% Decrease (7.0%)	Current Discount (8.0%)	1% Increase (9.0%)
Employer's proportionate share of the net pension liability (asset)	\$ (27,636)	\$ (1,281,129)	\$ (2,349,280)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (asset) of the employers, as of the respective valuation dates, were as follows:

	(Dollars in Millions)		Total
	ERS March 31, 2015	TRS June 30, 2014	
Valuation date			
Employers' total pension liability	\$ 164,592	\$97,016	\$261,608
Plan fiduciary net position	161,213	108,155	269,368
Employers' net pension liability (asset)	<u>\$ 3,379</u>	<u>\$ (11,139)</u>	<u>\$ (7,760)</u>
System fiduciary net position as a percentage of total pension liability (asset)	97.95%	111.48%	97.12%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of August 31, 2015 represent the projected employer contribution for the period of April 1, 2015 through August 31, 2015 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of August 31, 2015 amounted to \$616,005. This amount has been recorded as a deferred cost in accordance with the guidance contained in GASB Statement No. 71.

For TRS, employer and employee contributions for the fiscal year ended August 31, 2015 are paid to the System in September, October, and November 2015 through state aid intercept. Accrued retirement contributions as of August 31, 2015 represent employee and employer contributions for the fiscal year ended August 31, 2015 based on paid TRS wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of August 31, 2015 amounted to \$362,766. This amount has been recorded as a deferred outflow in accordance with the guidance contained in GASB Statement No. 71.

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Ulster County Resource Recovery Agency

The UCRRA also participates in the ERS.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2015, the Agency reported a liability of \$268,777 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2015, the Agency's proportion was 0.0079561 percent.

For the year ended December 31, 2015, the Agency recognized pension expense of \$65,405. At December 31, 2015, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,604	\$ -
Net difference between projected and actual investment earnings on pension plan investments	46,683	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	81,168
Agency contributions subsequent to the measurement date	288,993	-
Total	\$ 344,280	\$ 81,168

Agency contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending December 31,	
2016	\$ (6,470)
2017	(6,470)
2018	(6,470)
2019	(6,471)
	\$(25,881)

Actuarial Assumptions

The total pension liability at March 31, 2015 was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. The actuarial valuation used the following actuarial assumptions:

- Inflation*** – 2.7%
- Salary increases*** – 4.9%
- Decrement tables*** – April 1, 2005 – March 31, 2010 System's Experience
- Discount rate*** – 7.5%

Annuitant mortality rates are based on April 1, 2005 – March 31, 2010 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010.

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The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 are summarized below:

Asset Type	Long Term Expected Real Rate of Return
Domestic equity	7.30%
International equity	8.55
Private equity	11.00
Real estate	8.25
Absolute return strategies	6.75
Opportunistic portfolio	8.60
Real assets	8.65
Bonds and mortgages	4.00
Cash	2.25
Inflation-indexed bonds	4.00

Discount Rate

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Assumption

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability (asset)	\$ 1,791,515	\$ 268,777	(\$ 1,016,791)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the valuation date were as follows:

Valuation date	March 31, 2015
Employers' total pension liability	\$ 164,591,504,000
Plan fiduciary net position	161,213,259,000
Employers' net pension liability	\$ 3,378,245,000
System fiduciary net position as a percentage of total pension liability	97.95%

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

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

The County had active construction projects at year end. The projects include roads and bridges, roof reconstructions, upgrades to campus facilities, and repairs to infrastructure. At year end the County had \$26,304,917 in construction commitments with contractors. These commitments are being financed by serial bonds, state and federal aid, donations and current appropriations.

On September 15, 2015 the County was authorized to enter into an agreement with the Ulster County Police Benevolent Association and the Ulster County Superior Officers Unit, providing retroactive 2% wage increases per year for 2010 through 2017, and retroactive payments made back to July 1, 2013. The financial impact of these negotiations amounted to approximately \$2.6 million.

F. Contingencies

The County has received grants in excess of \$85.9 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 2015 the County participated with Rural Ulster Preservation Company (RUPCO) as sub-recipient for a \$500,000 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 purchase and rehabilitate owner-occupied housing. Total monies received in 2015 were \$366,656. 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, a nonmajor fund in the County's financial statements.

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

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, 2015:

	Balance at 1/1/2015	Increases	Decreases	Balance at 12/31/15
ASSETS				
Cash and cash equivalents	\$ 10,635,239	\$ 126,205,986	\$ 124,896,793	\$ 11,944,432
Receivables	16,523	2,000,881	2,001,050	16,354
Due from other funds	9,277	26,134	26,134	9,277
Total assets	<u>10,661,039</u>	<u>128,233,001</u>	<u>126,923,977</u>	<u>11,970,063</u>
LIABILITIES				
Due to other funds	47,037	-	-	47,037
Agency fund liabilities	10,614,002	86,709,285	85,400,261	11,923,026
Total liabilities	<u>\$ 10,661,039</u>	<u>\$ 86,709,285</u>	<u>\$ 85,400,261</u>	<u>\$ 11,970,063</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 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 2015 without the assistance of a County subsidy.

State and Federal laws required UCRRA to place a final cover on its landfill sites when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. UCRRA is currently in the post closure phase at each of the landfills. The post closure period goes throughout the year 2028. Current projections prepared by UCRRA of annual post closure monitoring and maintenance costs for all three landfills are \$187,136 for each of the remaining 13 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 2014 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, 2015 is \$7.13 million. As of year-end this trapping requirement was funded at \$4,083.

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

K. Accounting Standards Issued But Not Yet Implemented

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.

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.

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

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.

GASB Statement No. 78 – *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such

pensions. 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.

GASB Statement No. 79 – *Certain External Investment Pools and Pool Participants*

This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The requirements of this Statement are effective for reporting 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. 80 – *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*

The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The requirements of this Statement are effective for reporting 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, 2015

GASB Statement No. 81 – Irrevocable Split-Interest Agreements

The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 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.

GASB Statement No. 82 – Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73

The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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*. The requirements of this Statement are effective for reporting 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.

L. Subsequent Events

Management has evaluated subsequent events through September 22, 2016, 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.

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. While the casino is not yet operational, Ulster County received \$918 thousand in 2016 in commercial gaming revenue.

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. In 2016, this fund was increased by \$500 thousand.

Local Municipality Election Costs

With the adoption of the 2016 Ulster County Budget, the County continued the 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.

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. The program is ongoing and continues in 2016.

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2015

UCSEA Negotiations

The Ulster County Civil Services Employees Association (UCSEA), which represents approximately 165 correction officers and jail personnel, are currently in negotiations with the County after their previous contract expired December 31, 2015. At this time, the future financial impact cannot be obtained until an agreement is in place.

M. Restatement of Net Position

Effective for the fiscal year ended December 31, 2014, the County and its component units adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. These statements address accounting and financial reporting for pensions provided to County employees that are administered by ERS. The statements also require various note disclosures (Note 3C) and required supplementary information. As a result, net position at December 31, 2014 has been restated in the table below.

During 2015, it was identified that five capital assets were either misclassified or not recognized during the year ended December 31, 2014. Therefore, in order to properly present capital assets and net position for the County, it was necessary to increase net position by \$5,394,147 at December 31, 2014, as noted in the following table:

	Primary Government	Component Units	
	Governmental Activities	UCCC	UCRRA
Net position – December 31, 2014 (August 31, 2014 for UCCC), as previously stated	(\$ 7,354,361)	\$ 11,013,934	(\$1,433,945)
Beginning system asset – TRS	-	1,281,129	-
Beginning system liability – ERS	(14,029,326)	(729,065)	(359,526)
Beginning deferred outflow (inflow) of resources for contributions subsequent to the measurement date:			
Employees’ Retirement System	10,278,256	3,802	-
Teachers’ Retirement System	-	(885,566)	-
Capital assets	5,394,147	-	-
Net position – December 31, 2014 (August 31, 2014 for UCCC), as restated	(\$ 5,711,284)	\$10,684,234	(\$1,793,471)

Required Supplementary
Information

**County of Ulster, New York
Schedule of Funding Progress
Other Post-Employment Benefits Plan
Last Nine Fiscal Years**

Governmental Activities:

Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2015	1/1/2015	\$ -	\$ 120,940,466	\$ 120,940,466	0.0%	\$ 76,560,260	158.0%
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:

Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
8/31/2015	9/1/2014	\$ -	\$ 17,623,764	\$ 17,623,764	0.0%	\$ 9,939,456 *	177.3%
8/31/2014	9/1/2013	-	15,232,998	\$ 15,232,998	0.0%	9,855,469 *	154.6%
8/31/2013	9/1/2012	-	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%

* - estimated

See accompanying notes to the required supplementary information.

County of Ulster, New York
Schedule of Local Government's Proportionate Share of the Net Pension Liability
Employees' Retirement System
Last Two Fiscal Years*

Governmental Activities	Year Ended	
	2015	2014
Measurement date	March 31, 2015	March 31, 2014
County's proportion of net pension liability	0.3104617%	0.3104617%
County's proportionate share of the net pension liability	\$ 10,488,153	\$ 14,029,326
County's covered-employee payroll	\$ 76,560,260	\$ 74,717,951
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	13.70%	18.78%
Plan fiduciary net position as a percentage of the total pension liability	97.90%	97.20%

Component Units:	Year Ended	
	2015	2014
UCCC - ERS System (August 31)		
Measurement date	March 31, 2015	March 31, 2014
UCCC's proportion of net pension liability	0.0161338%	0.0161338%
UCCC's proportionate share of the net pension liability	\$ 545,040	\$ 729,065
UCCC's covered-employee payroll	\$ 4,029,055	\$ 3,668,663
UCCC's proportionate share of the net pension liability as a percentage of its covered-employee payroll	13.53%	19.87%
Plan fiduciary net position as a percentage of the total pension liability	97.90%	97.20%

UCRRA

Measurement date	March 31, 2015	March 31, 2014
UCRRA's proportion of net pension liability	0.0079561%	0.0079561%
UCRRA's proportionate share of the net pension liability	\$ 268,777	\$ 359,526
UCRRA's covered-employee payroll	\$ 1,512,837	N/A
UCRRA's proportionate share of the net pension liability as a percentage of its covered-employee payroll	17.77%	N/A
Plan fiduciary net position as a percentage of the total pension liability	97.90%	97.20%

* Information prior to the year ended December 31, 2014 is not available.

See accompanying notes to the required supplementary information.

County of Ulster, New York
Schedule of Local Government's Contributions
Employees' Retirement System
Last Ten Fiscal Years

Year Ended December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Contractually required contribution	\$ 13,733,997	\$ 14,740,535	\$ 17,132,581	\$ 16,940,612	\$ 13,494,253	\$ 10,254,823	\$ 7,545,002	\$ 7,746,831	\$ 8,430,994	\$ 8,741,953
Contribution in relation to the contractually required contribution	<u>(13,733,997)</u>	<u>(14,740,535)</u>	<u>(17,132,581)</u>	<u>(16,940,612)</u>	<u>(13,494,253)</u>	<u>(10,254,823)</u>	<u>(7,545,002)</u>	<u>(7,746,831)</u>	<u>(8,430,994)</u>	<u>(8,741,953)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
County covered-employee payroll	76,560,260	74,717,951	81,702,100	89,720,808	90,999,885	94,008,977	94,553,139	89,698,748	86,409,264	83,016,729
Contributions as a percentage of covered-employee payroll	<u>17.94%</u>	<u>19.73%</u>	<u>20.97%</u>	<u>18.88%</u>	<u>14.83%</u>	<u>10.91%</u>	<u>7.98%</u>	<u>8.64%</u>	<u>9.76%</u>	<u>10.53%</u>
Component Units:										
UCCC - ERS System (August 31):										
Contractually required contribution	\$ 765,058	\$ 739,188	\$ 655,866	\$ 518,256	\$ 405,890	\$ 232,987	\$ 233,086	\$ 265,300	\$ 265,300	\$ 302,600
Contribution in relation to the contractually required contribution	<u>(765,058)</u>	<u>(739,188)</u>	<u>(655,866)</u>	<u>(518,256)</u>	<u>(405,890)</u>	<u>(232,987)</u>	<u>(233,086)</u>	<u>(265,300)</u>	<u>(265,300)</u>	<u>(302,600)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
County covered-employee payroll	4,029,055	3,668,663	3,666,104	3,320,026	3,614,337	3,213,614	2,798,151	2,937,984	2,804,440	2,909,615
Contributions as a percentage of covered-employee payroll	<u>18.99%</u>	<u>20.15%</u>	<u>17.89%</u>	<u>15.61%</u>	<u>11.23%</u>	<u>7.25%</u>	<u>8.33%</u>	<u>9.03%</u>	<u>9.46%</u>	<u>10.40%</u>
UCRRA:										
Contractually required contribution	\$ 288,993	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution in relation to the contractually required contribution	<u>(288,993)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
County covered-employee payroll	1,512,837	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	<u>19.10%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

See accompanying notes to the required supplementary information.

County of Ulster, New York
Schedule of Local Government's Proportionate Share of the Net Pension Liability
Teachers' Retirement System
Last Two Fiscal Years*

Component Units:	Year Ended	
	2015	2014
UCCC - TRS System		
Measurement date	March 31, 2015	March 31, 2014
UCCC's proportion of net pension asset	0.0115010%	0.0104130%
UCCC's proportionate share of the net pension asset	\$ 1,281,129	\$ 1,281,129
UCCC's covered-employee payroll	\$ 1,820,408	\$ 1,698,862
UCCC's proportionate share of the net pension liability		
as a percentage of its covered-employee payroll	70.38%	75.41%
Plan fiduciary net position as a percentage of the total pension liability	111.48%	100.70%

* Information prior to the year ended August 31, 2014 is not available.

See accompanying notes to the required supplementary information.

County of Ulster, New York
Schedule of Local Government's Contributions
Teachers' Retirement System
Last Ten Fiscal Years

Year Ended August 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Component Units										
UCCC - TRS System:										
Contractually required contribution	\$ 319,118	\$ 276,065	\$ 180,595	\$ 140,854	\$ 109,819	\$ 74,927	\$ 73,745	\$ 95,800	\$ 93,800	\$ 75,363
Contribution in relation to the contractually required contribution	<u>(319,118)</u>	<u>(276,065)</u>	<u>(180,595)</u>	<u>(140,854)</u>	<u>(109,819)</u>	<u>(74,927)</u>	<u>(73,745)</u>	<u>(95,800)</u>	<u>(93,800)</u>	<u>(75,363)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
County covered-employee payroll	1,820,408	1,698,862	1,525,296	1,267,813	1,274,002	1,210,452	966,514	1,097,365	1,090,698	945,583
Contributions as a percentage of covered-employee payroll	<u>17.53%</u>	<u>16.25%</u>	<u>11.84%</u>	<u>11.11%</u>	<u>8.62%</u>	<u>6.19%</u>	<u>7.63%</u>	<u>8.73%</u>	<u>8.60%</u>	<u>7.97%</u>

See accompanying notes to the required supplementary information.

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
General Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		
REVENUES				
Taxes:				
Property	\$ 54,255,129	\$ 54,255,129	\$ 54,146,794	\$ (108,335)
Other real property tax items	5,735,000	5,735,000	5,877,276	142,276
Sales	108,002,757	108,002,757	107,996,028	(6,729)
Tax on Hotel Room Occupancy	1,205,000	1,205,000	1,310,887	105,887
Off track betting taxes	100,000	100,000	76,761	(23,239)
E-911 emergency telephone surcharge	709,200	709,200	688,810	(20,390)
Automobile use tax	1,225,200	1,225,200	1,144,107	(81,093)
State aid	40,419,083	41,455,749	36,874,139	(4,581,610)
Federal aid	39,411,226	40,038,737	37,266,038	(2,772,699)
Departmental income	11,210,521	11,214,271	9,196,246	(2,018,025)
Intergovernmental	1,600,434	1,639,168	2,460,468	821,300
Use of money and property	1,405,386	1,405,386	667,768	(737,618)
Licenses and permits	40,000	40,000	122,283	82,283
Fines and forfeitures	447,000	447,000	502,427	55,427
Sale of property and compensation for loss	871,200	885,982	1,059,625	173,643
Miscellaneous local sources	159,100	167,786	568,654	400,868
Interfund revenues	2,504,810	2,520,810	1,621,131	(899,679)
Total revenues	269,301,046	271,047,175	261,579,442	(9,467,733)
EXPENDITURES				
Current:				
General government	64,389,692	64,179,781	57,837,857	6,341,924
Education	10,053,546	10,053,546	9,485,726	567,820
Public safety	42,544,572	45,599,785	41,663,640	3,936,145
Public health	18,521,698	19,698,881	17,714,972	1,983,909
Transportation	7,759,706	7,823,194	6,973,593	849,601
Economic assistance	131,278,490	131,611,151	119,528,822	12,082,329
Culture and recreation	823,691	953,615	873,728	79,887
Home and community	2,869,052	3,942,543	2,326,408	1,616,135
Employee benefits	9,815,999	9,248,899	8,905,861	343,038
Debt service:				
Interest	140,000	147,500	147,392	108
Total expenditures	288,196,446	293,258,895	265,457,999	27,800,896
Excess (deficiency) of revenues over expenditures	(18,895,400)	(22,211,720)	(3,878,557)	18,333,163
OTHER FINANCING SOURCES (USES)				
Transfers out	(210,000)	(587,000)	(311,300)	275,700
Premium on obligations	-	-	112,493	112,493
Total other financing sources (uses)	(210,000)	(587,000)	(198,807)	388,193
Net change in fund balances *	(19,105,400)	(22,798,720)	(4,077,364)	18,721,356
Fund balances - beginning	58,367,905	58,367,905	58,367,905	-
Fund balances - ending	\$ 39,262,505	\$ 35,569,185	\$ 54,290,541	\$ 18,721,356

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

See accompanying notes to the required supplementary information.

COUNTY OF ULSTER, NEW YORK
Notes to the Required Supplementary Information
December 31, 2015

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, 2015. In the General Fund and Special Revenue Funds, encumbrances of \$3,829,539 and \$53,913, respectively, are supported by assigned fund balance. The Capital Projects Fund has \$6,817,814 of outstanding encumbrances. As of December 31, 2015, Ulster County had the following significant encumbrances:

Description	General Fund	Capital Projects Fund
Transportation	\$ -	\$ 4,809,204
Home & Community Services	901,408	-
Total	\$ 901,408	\$ 4,809,204

Supplementary
Information

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		
REVENUES				
Real property taxes	\$ 8,461,964	\$ 8,461,964	\$ 8,461,964	\$ -
Use of money and property	7,500	7,500	361	(7,139)
Total revenues	8,469,464	8,469,464	8,462,325	(7,139)
EXPENDITURES				
Debt service:				
Principal	5,895,000	5,956,300	5,956,300	-
Interest	3,074,464	3,013,164	2,967,288	45,876
Total expenditures	8,969,464	8,969,464	8,923,588	45,876
Excess (deficiency) of revenues over expenditures	(500,000)	(500,000)	(461,263)	38,737
OTHER FINANCING SOURCES (USES)				
Transfers out to escrow agent	-	(6,260,627)	(6,260,627)	-
Proceeds of obligations	-	5,505,000	5,505,000	-
Premium on obligations	-	755,627	755,627	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances *	(500,000)	(500,000)	(461,263)	38,737
Fund balances - beginning	1,724,945	1,724,945	1,724,945	-
Fund balances - ending	\$ 1,224,945	\$ 1,224,945	\$ 1,263,682	\$ 38,737

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

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, 2015**

Special Revenue Funds

	Special Grant	County Road	Road Machinery	Ulster County Economic Development Alliance	Total Nonmajor Funds
ASSETS					
Cash, cash equivalents and investments	\$ 389,984	\$ 1,434,900	\$ 3,767,113	\$ 830,399	\$ 6,422,396
Restricted cash, cash equivalents and investments	-	-	-	477,606	477,606
Receivables	54,450	14,665	-	618,643	687,758
Due from other funds	39,000	-	-	37,500	76,500
Prepaid items	-	-	-	20,000	20,000
Total assets	<u>\$ 483,434</u>	<u>\$ 1,449,565</u>	<u>\$ 3,767,113</u>	<u>\$ 1,984,148</u>	<u>\$ 7,684,260</u>
LIABILITIES					
Accounts payable and other current liabilities	\$ 85,111	\$ 148,819	\$ 125,108	\$ 27	\$ 359,065
Intergovernmental payables	243,000	-	-	94,720	337,720
Due to other funds	-	-	-	39,000	39,000
Other unearned revenues	-	-	-	279,417	279,417
Total liabilities	<u>328,111</u>	<u>148,819</u>	<u>125,108</u>	<u>413,164</u>	<u>1,015,202</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - loans	39,000	-	-	-	39,000
Total deferred inflows of resources	<u>39,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,000</u>
FUND BALANCES					
Nonspendable:					
Prepays	-	-	-	20,000	20,000
Restricted for:					
Community development	-	-	-	198,189	198,189
Assigned to:					
Encumbrances	-	35,538	18,375	-	53,913
Subsequent years' expenditures	-	250,000	-	-	250,000
Specific use	116,323	1,015,208	3,623,630	1,352,795	6,107,956
Total fund balances	<u>116,323</u>	<u>1,300,746</u>	<u>3,642,005</u>	<u>1,570,984</u>	<u>6,630,058</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 483,434</u>	<u>\$ 1,449,565</u>	<u>\$ 3,767,113</u>	<u>\$ 1,984,148</u>	<u>\$ 7,684,260</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, 2015

	Special Revenue Funds				
	Special Grant	County Road	Road Machinery	Ulster County Economic Development Alliance	Total Nonmajor Funds
REVENUES					
Real property taxes	\$ -	\$ 14,226,011	\$ -	\$ -	\$ 14,226,011
State aid	262,269	3,196,819	219,940	-	3,679,028
Federal aid	1,863,915	-	-	-	1,863,915
Departmental income	-	-	-	151,200	151,200
Intergovernmental	-	109,363	-	-	109,363
Use of money and property	631	-	-	31,810	32,441
Sale of property and compensation for loss	-	54,842	34,102	-	88,944
Miscellaneous local sources	-	35,634	-	8,227	43,861
Interfund revenues	3,227	-	5,056,224	-	5,059,451
Total revenues	2,130,042	17,622,669	5,310,266	191,237	25,254,214
EXPENDITURES					
Current:					
Transportation	-	18,207,853	3,730,959	-	21,938,812
Economic assistance	1,466,298	-	-	146,315	1,612,613
Home and community	584,263	-	-	-	584,263
Debt service:					
Interest	3,721	-	-	-	3,721
Total expenditures	2,054,282	18,207,853	3,730,959	146,315	24,139,409
Net change in fund balances	75,760	(585,184)	1,579,307	44,922	1,114,805
Fund balances - beginning	40,563	1,885,930	2,062,698	1,526,062	5,515,253
Fund balances - ending	\$ 116,323	\$ 1,300,746	\$ 3,642,005	\$ 1,570,984	\$ 6,630,058

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
Special Grant Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		
REVENUES				
State aid	\$ 218,780	\$ 218,780	\$ 262,269	\$ 43,489
Federal aid	1,901,194	2,901,194	1,863,915	(1,037,279)
Use of money and property	3,710	3,710	631	(3,079)
Interfund revenues	-	-	3,227	3,227
Total revenues	2,123,684	3,123,684	2,130,042	(993,642)
EXPENDITURES				
Current:				
Economic assistance	1,758,784	1,758,784	1,466,298	292,486
Home and community	300,400	1,300,400	584,263	716,137
Debt service:				
Principal	60,000	60,000	-	60,000
Interest	4,500	4,500	3,721	779
Total expenditures	2,123,684	3,123,684	2,054,282	1,069,402
Net change in fund balances	-	-	75,760	75,760
Fund balances - beginning	40,563	40,563	40,563	-
Fund balances - ending	\$ 40,563	\$ 40,563	\$ 116,323	\$ 75,760

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
County Road Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		
REVENUES				
Real property taxes	\$ 14,226,011	\$ 14,226,011	\$ 14,226,011	\$ -
State aid	3,014,251	3,478,667	3,196,819	(281,848)
Intergovernmental	125,000	125,000	109,363	(15,637)
Use of money and property	1,000	1,000	-	(1,000)
Sale of property and compensation for loss	53,500	53,500	54,842	1,342
Miscellaneous local sources	20,000	20,000	35,634	15,634
Total revenues	17,439,762	17,904,178	17,622,669	(281,509)
EXPENDITURES				
Current:				
Transportation	19,457,065	20,199,180	18,207,853	1,991,327
Total expenditures	19,457,065	20,199,180	18,207,853	1,991,327
Excess (deficiency) of revenues over expenditures	(2,017,303)	(2,295,002)	(585,184)	1,709,818
OTHER FINANCING SOURCES				
Transfers in	2,017,303	2,292,303	-	(2,292,303)
Total financing sources	2,017,303	2,292,303	-	(2,292,303)
Net change in fund balances *	-	(2,699)	(585,184)	(582,485)
Fund balances - beginning	1,885,930	1,885,930	1,885,930	-
Fund balances - ending	\$ 1,885,930	\$ 1,883,231	\$ 1,300,746	\$ (582,485)

* 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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		
REVENUES				
State aid	\$ -	\$ 219,940	\$ 219,940	\$ -
Use of money and property	5,476,000	1,000	-	(1,000)
Sale of property and compensation for loss	41,000	41,000	34,102	(6,898)
Interfund revenues	436,000	5,911,000	5,056,224	(854,776)
Total revenues	5,953,000	6,172,940	5,310,266	(862,674)
EXPENDITURES				
Current:				
Transportation	3,935,697	4,263,757	3,730,959	532,798
Total expenditures	3,935,697	4,263,757	3,730,959	532,798
Excess (deficiency) of revenues over expenditures	2,017,303	1,909,183	1,579,307	(329,876)
OTHER FINANCING SOURCES				
Transfers out	(2,017,303)	(2,017,303)	-	2,017,303
Total financing sources	(2,017,303)	(2,017,303)	-	2,017,303
Net change in fund balances *	-	(108,120)	1,579,307	1,687,427
Fund balances - beginning	2,062,698	2,062,698	2,062,698	-
Fund balances - ending	\$ 2,062,698	\$ 1,954,578	\$ 3,642,005	\$ 1,687,427

* 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, 2015

	Component Units					Total Discretely Presented Component Units
	Community College (August 31, 2015)	Resource Recovery Agency	Industrial Development Agency	Capital Resource Corporation	Golden Hill Local Development Corporation	
ASSETS						
Cash and cash equivalents	\$ 4,900,280	\$ 5,273,367	\$ 437,541	\$ 84,684	\$ 30,954	\$ 10,726,826
Investments	8,794,833	2,542,949	-	-	-	11,337,782
Receivables	3,928,797	1,478,862	-	-	-	5,407,659
Prepaid items	1,463,789	423,175	-	-	-	1,886,964
Capital assets, net of accumulated depreciation	14,030,131	9,326,438	-	-	-	23,356,569
Net pension asset, proportionate share	1,281,129	-	-	-	-	1,281,129
Total assets	<u>34,398,959</u>	<u>19,044,791</u>	<u>437,541</u>	<u>84,684</u>	<u>30,954</u>	<u>53,996,929</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources - pensions	1,090,885	344,280	-	-	-	1,435,165
Deferred charge on refunding	-	85,417	-	-	-	85,417
Total deferred outflows of resources	<u>1,090,885</u>	<u>429,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,520,582</u>
LIABILITIES						
Accounts payable and other current liabilities	3,539,460	592,952	-	25,000	-	4,157,412
Intergovernmental payables	360,962	-	-	-	-	360,962
Due to primary government	-	-	11,065	1,250	30,954	43,269
Other liabilities	-	29,738	-	-	-	29,738
Unearned revenue	400	12,800	-	-	-	13,200
Noncurrent liabilities:						
Due within one year	776,097	3,024,567	-	-	-	3,800,664
Due in more than one year	12,554,363	13,568,423	-	-	-	26,122,786
Total liabilities	<u>17,231,282</u>	<u>17,228,480</u>	<u>11,065</u>	<u>26,250</u>	<u>30,954</u>	<u>34,528,031</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred tuition received	5,673,844	-	-	-	-	5,673,844
Deferred pensions	972,216	81,168	-	-	-	1,053,384
Total deferred inflows of resources	<u>6,646,060</u>	<u>81,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,727,228</u>
NET POSITION						
Net investment in capital assets	12,468,853	9,326,438	-	-	-	21,795,291
Restricted for:						
Student activities	339,221	-	-	-	-	339,221
Scholarships and grants	4,366,387	-	-	-	-	4,366,387
Nonexpendable	2,789,446	-	-	-	-	2,789,446
Debt service	-	3,395,776	-	-	-	3,395,776
Landfill closure	-	96,145	-	-	-	96,145
Unrestricted	(8,351,405)	(10,653,519)	426,476	58,434	-	(18,520,014)
Total net position	<u>\$ 11,612,502</u>	<u>\$ 2,164,840</u>	<u>\$ 426,476</u>	<u>\$ 58,434</u>	<u>\$ -</u>	<u>\$ 14,262,252</u>

County of Ulster, New York
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended December 31, 2015

	Component Units					Total Discretely Presented Component Units
	Community College (August 31, 2015)	Resource Recovery Agency	Industrial Development Agency	Capital Resource Corporation	Golden Hill Local Development Corporation	
OPERATING EXPENSES						
Instruction	\$ 13,627,755	\$ -	\$ -	\$ -	\$ -	13,627,755
Public service	429,155	-	-	-	-	429,155
Academic support	794,992	-	-	-	-	794,992
Student services	2,968,702	-	-	-	-	2,968,702
General administration	2,696,949	561,122	43,821	5,000	2,022	3,308,914
General institution	2,221,194	-	-	-	-	2,221,194
Operation and maintenance of plant	3,127,622	-	-	-	-	3,127,622
Student aid	3,877,748	-	-	-	-	3,877,748
Auxiliary	243,246	-	-	-	-	243,246
Day care	371,609	-	-	-	-	371,609
Costs of sales and services	-	6,903,327	-	-	-	6,903,327
Salaries and wages	-	1,643,282	-	-	-	1,643,282
Benefits	-	500,912	-	-	-	500,912
Grant expense	-	-	-	-	-	-
Contractual expenses	-	-	-	65,000	-	65,000
Professional fees	-	-	13,291	3,529	-	16,820
Office expense	-	-	-	532	-	532
Depreciation	1,047,177	520,321	-	-	-	1,567,498
Interest expense	-	325,398	-	-	-	325,398
Other operating expenses	673,685	-	8,271	-	-	681,956
Total operating expenses	<u>32,079,834</u>	<u>10,454,362</u>	<u>65,383</u>	<u>74,061</u>	<u>2,022</u>	<u>42,675,662</u>
PROGRAM REVENUES						
Student tuition and fees	6,276,883	-	-	-	-	6,276,883
Auxiliary	251,150	-	-	-	-	251,150
Sale of recyclable materials	-	343,459	-	-	-	343,459
Solid waste service fees	-	13,583,309	-	-	-	13,583,309
Fees	-	-	96,131	-	-	96,131
Landfill post closure care reduction	-	205,842	-	-	-	205,842
Operating grants and contributions	12,582,023	38,889	-	-	-	12,620,912
Other operating revenue	737,822	67,716	-	-	-	805,538
Total program revenues	<u>19,847,878</u>	<u>14,239,215</u>	<u>96,131</u>	<u>-</u>	<u>-</u>	<u>34,183,224</u>
Net program revenue (expense)	<u>(12,231,956)</u>	<u>3,784,853</u>	<u>30,748</u>	<u>(74,061)</u>	<u>(2,022)</u>	<u>(8,492,438)</u>
GENERAL REVENUES						
Contribution from other governments	5,781,659	-	-	-	-	5,781,659
County contribution	6,280,863	-	-	-	2,022	6,282,885
Chargeback revenue	802,091	-	-	-	-	802,091
Investment income	301,500	117,179	554	104	-	419,337
Gain/(Loss) on disposals	(5,889)	56,279	-	-	-	50,390
Total general revenues	<u>13,160,224</u>	<u>173,458</u>	<u>554</u>	<u>104</u>	<u>2,022</u>	<u>13,336,362</u>
Net change in net position	928,268	3,958,311	31,302	(73,957)	-	4,843,924
Net position - beginning, as restated (Note 3M)	10,684,234	(1,793,471)	395,174	132,391	-	9,418,328
Net position - ending	<u>\$ 11,612,502</u>	<u>\$ 2,164,840</u>	<u>\$ 426,476</u>	<u>\$ 58,434</u>	<u>\$ -</u>	<u>\$ 14,262,252</u>

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Statistical Section (Unaudited)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Governmental Activities:										
Net investment in capital assets	\$ 40,827,163	\$ 37,988,577	\$ 32,239,663	\$ 31,715,641	\$ 37,390,565	\$ 20,864,249	\$ 65,377,760	\$ 67,892,165	\$ 82,086,962	\$ 53,684,436
Restricted	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	11,163,006
Unrestricted	19,036,640	15,627,851	9,616,987	2,302,802	(9,600,040)	(11,261,448)	(65,430,305)	(64,672,740)	(94,196,105)	(75,226,163)
Total governmental activities net position	\$ 73,998,709	\$ 70,817,402	\$ 59,020,706	\$ 46,733,455	\$ 37,393,713	\$ 18,612,429	\$ 9,963,570	\$ 10,197,757	\$ (5,711,284)	\$ (10,378,721)
Business-type Activities:										
Net investment in capital assets	\$ 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	(329,207)	41,734	2,164,989	2,829,444	555,836	(4,934,896)	(5,427,967)	-	-	-
Total business-type activities net position	\$ 5,198,339	\$ 5,033,663	\$ 6,683,461	\$ 6,785,090	\$ 4,136,663	\$ (1,871,110)	\$ (2,802,578)	\$ -	\$ -	\$ -
Total Primary Government:										
Net investment in capital assets	\$ 46,354,709	\$ 42,980,506	\$ 36,758,135	\$ 35,671,287	\$ 40,971,392	\$ 23,889,005	\$ 67,964,119	\$ 67,892,165	\$ 82,086,962	\$ 53,684,436
Restricted	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	11,163,006
Unrestricted	18,707,433	15,669,585	11,781,976	5,132,246	(9,044,204)	(16,196,344)	(70,858,272)	(64,672,740)	(94,196,105)	(75,226,163)
Total primary government net position	\$ 79,197,048	\$ 75,851,065	\$ 65,704,167	\$ 53,518,545	\$ 41,530,376	\$ 16,741,319	\$ 7,160,992	\$ 10,197,757	\$ (5,711,284)	\$ (10,378,721)

Source: Ulster County Annual Financial Reports

* The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transitions for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. As a result, net position has been restated at December 31, 2014.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses								
Governmental activities:								
General government	\$ 57,795,151	\$ 58,327,082	\$ 60,836,813	\$ 64,421,405	\$ 64,452,481	\$ 58,018,900	\$ 69,544,611	\$ 58,892,138
Education	11,594,288	14,630,803	10,734,010	10,449,170	9,598,123	10,127,951	8,533,495	9,823,272
Public safety	41,821,492	43,423,235	43,177,212	46,596,897	47,566,433	51,988,875	50,016,317	49,239,187
Public health	31,360,625	31,360,469	29,495,696	28,088,636	25,578,995	20,982,356	19,262,838	18,967,235
Transportation	23,873,111	22,436,100	22,616,510	26,973,401	22,963,323	24,670,675	25,423,875	28,915,480
Economic assistance	120,893,695	121,241,346	117,923,542	120,653,740	129,609,798	133,857,675	128,723,809	124,925,171
Culture and recreation	1,508,943	1,289,205	1,122,212	1,040,315	993,089	962,783	1,127,564	1,271,955
Home and community	3,967,149	5,005,546	5,689,953	4,190,840	5,883,149	2,878,042	2,793,990	3,096,083
Interest on long-term debt	8,373,081	6,695,993	7,180,086	6,884,754	6,778,572	6,575,763	6,431,867	6,236,915
Total governmental activities expenses	<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>	<u>301,367,436</u>
Business-type activities:								
Long-Term Care	31,368,337	28,995,372	31,782,832	32,906,238	33,247,837	13,047,766	-	-
Workers' Compensation Pool	13,636,831	7,710,107	6,040,004	14,795,165	10,283,758	9,508,560	9,333,330	9,603,353
Total business-type activities expenses	<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>	<u>9,603,353</u>
Total primary government expenses	<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>	<u>310,970,789</u>
Program Revenues								
Governmental activities:								
Charges for services:								
General government	5,245,458	8,758,831	6,813,541	6,222,816	8,122,012	20,681,114	5,964,237	6,034,364
Education	1,665,975	3,386,000	148,108	83,195	80,996	78,916	90,158	180,326
Public safety	3,398,790	3,957,333	3,245,780	3,177,387	2,981,076	3,512,981	3,306,178	2,440,549
Public health	9,904,260	10,002,413	6,451,909	6,419,484	4,623,652	3,061,771	618,318	481,024
Transportation	1,058,360	971,219	1,022,546	1,389,205	1,236,969	1,037,490	861,642	820,054
Economic assistance	11,347,145	7,188,227	7,579,039	8,536,093	13,251,138	9,294,951	7,531,266	4,694,142
Culture and recreation	120,274	163,410	133,422	129,181	129,530	109,553	113,547	118,588
Home and community	254,703	581	241	4,789	59,759	4,228	6,019	169,734
Operating grants and contributions	77,365,503	83,623,613	79,767,515	77,940,934	87,945,815	76,283,382	74,399,760	76,303,293
Capital grants and contributions	2,308,376	2,591,900	4,004,267	2,288,331	5,420,598	1,450,701	7,420,320	9,640,072
Total governmental activities program revenues	<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>	<u>100,882,146</u>
Business-type activities:								
Charges for services:								
Long-Term Care	22,815,253	23,253,216	22,830,322	21,911,315	20,604,780	9,032,186	-	-
Workers' Compensation Pool	12,637,989	6,870,549	5,055,842	13,968,979	9,475,157	8,785,686	8,631,330	8,917,057
Operating grants and contributions	5,426,674	3,270,059	2,816,881	1,083,841	2,894,328	10,506,554	655,347	646,916
Total business-type activities program revenues	<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>	<u>9,563,973</u>
Total primary government program revenues	<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>	<u>110,446,119</u>
Net revenues (expenses)								
Governmental activities	(188,518,691)	(183,766,252)	(189,609,666)	(203,107,743)	(189,572,418)	(194,547,933)	(211,546,921)	(200,485,290)
Business-type activities	(4,125,252)	(3,311,655)	(7,119,791)	(10,737,268)	(10,557,330)	5,768,100	(46,653)	(39,380)
Total net revenues (expenses)	<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>	<u>(200,524,670)</u>
General revenues and other changes in net position								
Governmental activities:								
Real property taxes and tax items	76,245,122	78,116,082	81,904,942	81,738,478	84,650,275	83,438,006	82,839,933	79,898,277
Sales tax	98,941,156	90,966,778	96,799,073	100,922,906	103,582,388	102,010,008	104,667,661	107,996,028
Other nonproperty tax items	2,177,438	1,909,465	1,999,120	1,965,232	2,068,023	2,868,519	2,969,834	3,220,565
Investment earnings	1,607,710	496,097	356,297	261,354	344,514	303,376	271,701	272,410
Tobacco settlement proceeds	2,741,654	3,396,692	1,840,699	2,059,780	2,282,617	2,342,517	2,991,903	4,113,420
Premium on sale of obligations	59,205	83,519	211,012	71,314	189,519	265,025	253,771	317,153
Gain (loss) on dispositions of assets	(3,106,174)	(2,969,363)	(1,641,219)	(1,654,937)	(2,612,324)	(1,678,114)	-	-
Transfers/county contribution to GHCC	(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>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>	<u>195,817,853</u>
Business-type activities:								
Interest and earnings	497,986	192,814	172,134	48,793	53,378	36,799	19,099	14,041
Premium on sale of obligations	-	-	-	-	54,641	-	-	-
Public facility grant program	256,769	56,612	-	-	-	-	-	-
Gain (loss) on dispositions of assets	-	-	-	-	(422)	(696,757)	-	-
Transfers	(17,093)	(1,552)	(363)	(1,537)	-	-	-	-
County contribution	5,037,388	3,165,410	4,299,593	4,682,239	9,518,265	5,882,075	27,554	25,339
Residual equity transfer	-	-	-	-	-	(8,187,639)	-	-
Total business-type activities general revenues	<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>	<u>39,380</u>
Total primary government general revenues	<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>	<u>195,857,233</u>
Change in Net Position								
Governmental activities	(11,796,696)	(12,287,251)	(9,339,742)	(18,781,284)	(4,626,439)	234,187	(17,552,118)	(4,667,437)
Business-type activities	1,649,798	101,629	(2,648,427)	(6,007,773)	(931,468)	2,802,578	-	-
Total primary government change in net position	<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>	<u>\$ (4,667,437)</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Nonspendable	\$ 6,250,783	\$ 7,167,453	\$ 6,898,517	\$ 6,212,276	\$ 6,246,619
Restricted	4,071,687	2,838,244	1,528,356	1,687,044	6,892,034
Assigned	17,648,319	15,443,983	18,693,928	22,645,622	20,146,027
Unassigned	<u>17,483,296</u>	<u>20,186,316</u>	<u>35,634,611</u>	<u>27,822,963</u>	<u>21,005,861</u>
Total General Fund	<u>\$ 45,454,085</u>	<u>\$ 45,635,996</u>	<u>\$ 62,755,412</u>	<u>\$ 58,367,905</u>	<u>\$ 54,290,541</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ 1,827	\$ -	\$ 20,000
Restricted	3,341,582	4,318,618	5,449,976	4,710,815	4,270,972
Assigned	4,898,389	8,826,293	6,605,331	5,317,936	6,411,869
Unassigned	<u>(12,471,578)</u>	<u>(4,674,978)</u>	<u>(4,180,095)</u>	<u>(3,653,748)</u>	<u>(11,313,822)</u>
Total all Other Governmental Funds	<u>\$ (4,231,607)</u>	<u>\$ 8,469,933</u>	<u>\$ 7,877,039</u>	<u>\$ 6,375,003</u>	<u>\$ (610,981)</u>
Total Fund Balances	<u>\$ 41,222,478</u>	<u>\$ 54,105,929</u>	<u>\$ 70,632,451</u>	<u>\$ 64,742,908</u>	<u>\$ 53,679,560</u>

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

Source: Ulster County Annual Financial Reports

Table 4

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

	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:								
Real property taxes	\$ 70,139,384	\$ 71,398,228	\$ 75,200,899	\$ 73,478,690	\$ 78,922,796	\$ 76,543,789	\$ 76,324,942	\$ 76,834,769
Real property tax items	4,305,615	4,332,223	5,009,619	5,369,653	5,834,255	5,472,943	6,333,802	5,877,276
Non-property taxes	101,118,594	92,876,243	98,798,193	102,888,138	105,650,411	104,878,527	107,637,495	111,216,593
State aid	46,591,664	43,082,799	40,595,774	39,964,640	44,799,731	37,183,391	44,533,486	44,183,793
Federal aid	32,907,336	43,029,364	43,052,854	40,264,625	48,566,682	40,530,616	37,210,280	41,717,649
Departmental income	19,963,605	20,351,962	17,527,001	17,685,371	17,169,138	14,818,894	10,904,121	9,347,446
Intergovernmental revenue	4,249,736	5,248,585	4,617,934	4,903,658	9,304,585	7,835,410	4,280,472	2,666,666
Use of money and property	2,639,687	1,577,817	1,487,138	1,429,721	1,519,776	1,985,925	1,488,067	853,208
Licenses and permits	24,480	23,020	25,080	1,569	29,320	43,314	25,607	122,283
Fines and forfeitures	447,367	519,512	730,193	812,708	783,664	477,741	455,829	502,427
Sale of property and compensation for loss	674,209	2,273,710	1,136,334	1,137,137	1,208,745	12,014,790	935,428	1,148,569
Tobacco settlement proceeds	2,641,654	2,913,103	2,424,288	2,298,424	2,343,973	2,342,517	2,650,159	2,267,912
Miscellaneous local sources	421,048	1,647,627	350,357	253,340	814,418	928,382	749,856	612,515
Interfund revenues	10,094,829	9,707,316	10,808,054	12,569,586	14,465,749	15,018,861	8,779,374	7,271,741
Total revenues	296,219,208	298,981,509	301,763,718	303,057,260	331,413,243	320,075,100	302,308,918	304,622,847
Expenditures:								
Current:								
General government	47,678,129	47,809,479	48,323,781	49,143,957	51,086,825	46,705,234	57,228,476	57,867,723
Education	9,183,868	9,566,195	9,435,733	9,151,931	9,490,787	9,830,905	9,795,066	9,485,726
Public safety	26,193,824	27,227,620	26,930,573	27,420,300	27,712,159	29,127,814	41,832,133	41,663,640
Public health	23,389,171	23,393,390	21,796,446	19,923,701	18,217,111	14,744,280	17,551,254	17,714,972
Transportation	23,244,021	21,912,699	23,704,699	22,358,390	22,499,919	21,656,690	27,588,082	28,912,405
Economic assistance	106,807,024	111,864,712	107,704,316	109,343,898	119,435,033	125,254,103	124,724,630	121,141,435
Culture and recreation	1,092,001	967,224	850,271	752,001	685,188	750,097	777,611	873,728
Home and community	3,543,871	3,257,691	3,404,346	3,452,833	4,722,410	2,121,429	2,851,490	2,910,671
Employee benefits	34,434,331	34,087,256	39,806,712	40,102,026	45,749,685	49,251,747	8,894,445	8,905,861
Debt service:								
Principal	6,073,340	26,567,559	8,057,730	8,517,500	9,350,823	7,019,392	7,753,500	6,491,300
Interest	6,607,206	7,913,159	6,345,977	6,160,689	5,823,268	5,506,138	5,236,401	4,953,537
Capital outlay	6,143,452	5,747,696	9,127,887	11,590,919	5,059,664	7,930,651	7,894,983	20,425,980
Total expenditures	294,390,238	320,314,680	305,488,471	307,918,145	319,832,872	319,898,480	312,128,071	321,346,978
Excess (deficiency) of revenues over expenditures	1,828,970	(21,333,171)	(3,724,753)	(4,860,885)	11,580,371	176,620	(9,819,153)	(16,724,131)
Other financing sources (uses):								
Transfers in	10,358,296	9,701,178	7,035,991	9,969,136	12,397,391	7,703,535	98,483	311,300
Transfers out	(12,302,412)	(9,701,178)	(8,235,991)	(11,006,804)	(17,956,424)	(10,658,391)	(98,483)	(311,300)
Payments to refunded bond escrow agent	-	(520,269)	-	-	(58,430,447)	-	-	(6,260,627)
Issuance of obligations	2,954,923	17,185,434	5,027,500	3,064,885	56,688,888	3,318,500	3,851,300	11,053,290
Premium on obligations	44,631	68,945	196,438	56,740	8,603,672	89,998	78,310	868,120
Capital leases	443,254	-	57,811	-	-	-	-	-
Residual equity transfer	-	-	-	-	-	14,702,185	-	-
Total other financing sources (uses)	1,498,692	16,734,110	4,081,749	2,083,957	1,303,080	15,155,827	3,929,610	5,660,783
Net change in fund balance	\$ 3,327,662	\$ (4,599,061)	\$ 356,996	\$ (2,776,928)	\$ 12,883,451	\$ 15,332,447	\$ (5,889,543)	\$ (11,063,348)
Debt Service as a percentage of noncapital expenditures	4.40%	10.96%	4.86%	4.95%	4.82%	4.02%	4.27%	3.80%

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

Source: Ulster County Annual Financial Reports

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

Year	General Government	Education	Public Safety	Public Health	Transportation	Economic Assistance	Culture and Recreation
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
2015	57,867,723	9,485,726	41,663,640	17,714,972	28,912,405	121,141,435	873,728

(1) Includes General, Special Revenue, Debt Service, UTASC, and Capital Projects Funds.

Source: Ulster County Annual Financial Reports

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

Year	Real Property Taxes	Other Tax Items	Non-Property Tax Items	State Aid	Federal Aid	Departmental Income	Inter-Governmental
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
2015	76,834,769	5,877,276	111,216,593	44,183,793	41,717,649	9,347,446	2,666,666

(1) Includes General, Special Revenue, Debt Service, UTASC, and Capital Projects Funds.

Source: Ulster County Annual Financial Reports

Table 5

Home and Community Services	Employee Benefits	Debt Service (Principal & Interest)	Capital Outlay	Total
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
2,910,671	8,905,861	11,444,837	20,425,980	321,346,978

Table 6

Use of Money and Property	Licenses and Permits	Fines and Forfeitures	Sale of Property and Compensation for Loss	Tobacco Settlement	Miscellaneous	Interfund Revenues	Total
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
853,208	122,283	502,427	1,148,569	2,267,912	612,515	7,271,741	304,622,847

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)
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%
2015	201,629,920	(913,403)	104,008	200,820,525	192,854,252	8,775,668	95.65%

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	County Taxable Value	Equalized Apportionment Value	Ratio of Total County Taxable Value to Total Equalized Apportionment Value
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%
2015	15,034,766,917	17,879,387,278	84.09%

Source: Ulster County Real Property Tax Service Agency Annual Reports

Table 9

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

Fiscal Year	County Millage	Town Millage	School District Millage	Total
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
2015	18.65	24.76	90.59	134.00

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, 2015

Taxpayer	Type of Business	Equalized Taxable Value	Percentage of Total Equalized Taxable Value
City of New York	Water Supply Facilities	\$ 1,198,874,123	6.7%
New York State	State Properties	344,698,703	1.9%
Central Hudson Gas & Electric	Public Utility	338,602,522	1.9%
PCK Enterprises	Shopping Mall	88,373,494	0.5%
Tech City	Business Park	63,765,060	0.4%
Hudson Valley 2011, LLC	Retail	50,946,289	0.3%
Verizon	Public Utility	44,738,433	0.3%
Smiley Brothers, Inc.	Hotel Resort Complex	29,720,000	0.2%
CSX Transportation, Inc.	Railroad	19,710,368	0.1%
Criterion Atlantic	Warehouse	17,179,800	0.1%
		\$ 2,196,608,792	12.4%

Equalized 2015 Full Valuation = \$ 17,879,387,278

Source: Ulster County Real Property Tax Service Agency Annual Report

Table 11

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

Year	Population (1)	Equalized Apportionment Value (2)	Net Bonded Debt (3)	Ratio of Net Bonded Debt to Equalized Apportionment Value	Net Bonded Debt Per Capita
2006	177,749	16,583,471,592	110,780,127	0.6680%	623.24
2007	177,749	18,988,287,662	113,187,622	0.5961%	636.78
2008	177,749	20,935,729,372	110,475,359	0.5277%	621.52
2009	177,749	21,484,261,701	109,664,734	0.5104%	616.96
2010	182,493	20,945,147,626	100,597,500	0.4803%	551.24
2011	182,493	19,938,963,280	112,820,199	0.5658%	618.22
2012	182,493	18,857,224,609	100,523,573	0.5331%	550.84
2013	182,493	18,509,048,159	93,464,059	0.5050%	512.15
2014	182,493	17,974,374,613	91,537,122	0.5093%	501.59
2015	182,493	17,879,387,278	95,030,074	0.5315%	520.73

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, 2015

Year	Equalized Value of Real Property
2011	\$ 19,938,963,280
2012	18,857,224,609
2013	18,509,048,159
2014	17,974,374,613
2015	17,879,387,278
Total	<u><u>\$ 93,158,997,939</u></u>

Average equalized value of taxable real property \$ 18,631,799,588

Debt Limit - 7% thereof \$ 1,304,225,971

Net Bonded Debt \$ 95,030,074

Percentage of debt - contracting power exhausted 7.29%

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, 2015

Jurisdiction	Outstanding Indebtedness	Exclusions (1)	Net Indebtedness
Direct:			
County of Ulster	\$ 142,226,593	\$ 47,196,519	\$ 95,030,074
Overlapping:			
Towns	57,271,528	11,926,138	45,345,390
Villages	22,631,978	11,152,092	11,479,886
City	33,629,293	14,349,293	19,280,000
School Districts	187,422,119	108,368,414	79,053,705
Fire Districts	6,074,666	567,133	5,507,533
Total Overlapping	307,029,584	146,363,070	160,666,514
Total	\$ 449,256,177	\$ 193,559,589	\$ 255,696,588

(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 11/24/15)
and Latest New York State Comptroller's Report on Municipal Affairs.

Table 14

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

Year	Debt Service (Principal & Interest)	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
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%
2015	11,756,137	321,658,278	3.65%

*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 Income (2)	School Enrollment (3)	Unemployment Rate (4)
2006	177,749	\$ 33,258	27,667	4.1%
2007	177,749	34,801	27,001	4.3%
2008	177,749	36,850	26,591	5.5%
2009	177,749	36,260	26,053	7.7%
2010	182,493	37,042	25,643	7.8%
2011	182,493	38,456	24,901	7.8%
2012	182,493	39,577	24,332	8.3%
2013	182,493	39,866	23,878	7.1%
2014	182,493	41,648	23,372	5.7%
2015	182,493	N/A	22,871	4.9%

Source: (1) US Census Bureau - 2010 Decennial US Census
(2) US Bureau of Economic Analysis. Regional Economic Accounts
(3) NYS Education Department - Student Repository Information System
(4) NYS Department of Labor - Local Area Unemployment Statistics Program

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

Table 16

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

Year	County Taxable			Units of	Average	Construction
	Value (1)	Exemptions (1)	Total	Construction (2)	Value	Value (2)
2006	\$ 11,192,165,536	\$ 190,692,399	\$ 11,382,857,935	602	\$ 191,937	\$ 115,546,000
2007	13,599,852,966	197,345,307	13,797,198,273	596	186,886	111,384,000
2008	14,042,946,120	188,283,589	14,231,229,709	518	153,176	79,345,000
2009	16,341,240,966	219,156,780	16,560,397,746	287	168,118	48,250,000
2010	16,246,087,904	219,107,591	16,465,195,495	334	129,659	43,306,000
2011	16,335,383,709	225,560,778	16,560,944,487	230	202,504	46,576,000
2012	15,755,567,732	222,764,397	15,978,332,129	214	163,215	34,928,000
2013	15,522,809,385	216,961,169	15,739,770,554	151	250,967	37,896,000
2014	15,097,755,694	245,043,338	15,342,799,032	285	238,740	68,041,000
2015	15,034,766,917	238,129,112	15,272,896,029	307	235,046	72,159,000

Note: County Taxable Values includes all classifications of taxable real property

Source: (1) Ulster County Real Property Tax Service Agency Annual Reports
(2) US Census Bureau - Building Permits Survey, Permits by Metropolitan Area (Kingston, NY MSA)

Table 17

COUNTY OF ULSTER, NEW YORK
Miscellaneous Statistics
December 31, 2015

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

