

COUNTY OF ULSTER, NEW YORK



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2018

Patrick K. Ryan
County Executive
(As of September 24, 2019)

Michael P. Hein
County Executive
(As of December 31, 2018)



Burton Gulnick, Jr.
Commissioner of Finance

COUNTY OF ULSTER, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2018



PREPARED BY:

THE ULSTER COUNTY DEPARTMENT OF FINANCE
Burton Gulnick, Jr., Commissioner

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Introductory Section (Unaudited)

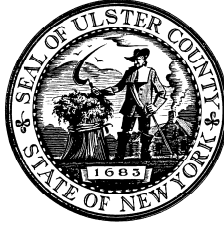
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ULSTER COUNTY DEPARTMENT OF FINANCE

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Burton Gulnick, Jr.
Commissioner of Finance



C. J. Rioux, CPA
Deputy Commissioner of Finance

Lena Serrano
Deputy Commissioner of Finance

Tracey Williams
Deputy Commissioner of Finance
Director of Real Property Tax Service

September 24, 2019

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, 2018. 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, 2018, 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, 2018, 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 1,161 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, 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), the Ulster County Economic Development Alliance (UCEDA), and the Ulster County Capital Resource Corporation (UCCRC), all blended component units, which are included in the financial statements of the primary government, and the Ulster County Community College (UCCC), the Ulster County Resource Recovery Agency (UCRRA), and the Ulster County Industrial Development Agency (UCIDA), which are reported as discretely presented component units. Additional information on all six of these legally separate entities can be found in Note 1A in the notes to the financial statements.

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

Factors Affecting Financial Condition

Local Economy

The average annual unemployment rate for Ulster County in 2018 was 3.9% and has remained under 5.0% since 2015.

The annual labor force figure increased from 2017 into 2018, going from 87,900 to 88,700. Since 2014, the average labor force has been around 88,000 people. Ulster County is seeing a smaller unemployment rate with roughly the same number of people in the labor force.

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 steadily from 2012 to 2017, when average unemployment went from 43,705 to 47,619. Data for 2018 is preliminary, but with average annual employment at 48,052, this shows private sector pay rolls in Ulster County continue to increase. The most recent data from the U.S Census Bureau's American Community Survey shows the trend of Ulster County residents finding employment in other areas reversing. For the five-year period from 2013 to 2017, 67% of Ulster County workers remained in the County for employment, with 66% for the next comparable period from 2008 to 2012. A larger share of Ulster county residents can find employment in the County than in the past.

Per capita personal income data for the County shows an increase of 5.6% from 2016 to 2017, rising from \$46,225 to \$48,811, respectively. The current median family income as estimated by the United States Department of Housing and Urban Development (HUD) increased to \$83,300 for 2019 from \$79,200 in 2018. 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 figures from the New York State Association of Realtors has the County's 2018 median sale price for residential properties at \$230,000, up from \$216,748 in 2017. The New York State Department of Taxation and Finance has a residential median sale price of \$215,000 for 2016, and \$218,000 in 2017. Rental housing data collected by the County Planning Department for 2018 has a vacancy rate of 3.16%.

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 2018, the County was aggressive with vacancy budget savings of \$1,643,455.
- 2) Tax Overlay - The County provided \$1,000,000 of accumulated fund balance in the 2018 tax levy for debt reduction and cash flow purposes.
- 3) Real Property Tax Levy - In 2018, the County Executive delivered a County Operating Budget for 2019 with a 0.25% tax decrease to protect the taxpayers from the increasing cost of government.

For the Future

In 2019, 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 \$149.6 million of outstanding obligations, \$81.0 million of serial bonds and \$32.1 million of bond anticipation notes were issued for general purposes, \$34.8 million was issued for the Ulster Tobacco Asset Securitization Corporation (UTASC), a blended component unit of the County, and \$1.7 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. 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, 2018, the County's general obligation bonded debt of \$114.9 million was well below the legal limit of approximately \$1.260 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 2018 was 0.97%, which led to interest earnings of \$1.1 million.

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

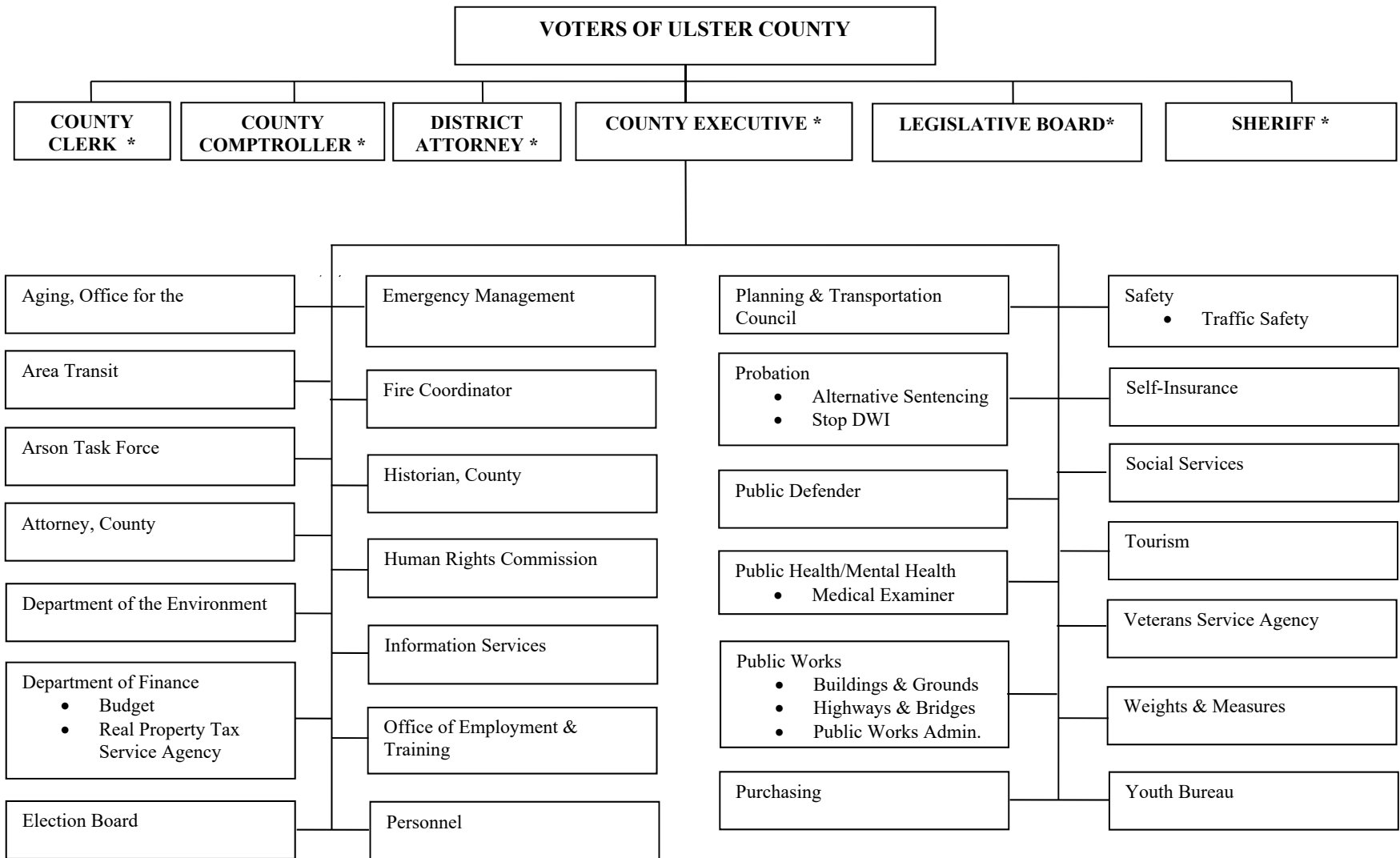
Preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. I would like to express my appreciation to all members of the department and to our independent auditor, Drescher & 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 "B. Gulnick, Jr.", with a stylized flourish at the end.

Burton Gulnick, Jr.
Commissioner of Finance



* Elected official

COUNTY OF ULSTER, NEW YORK
LIST OF PRINCIPAL OFFICIALS, ULSTER COUNTY LEGISLATURE
AS OF DECEMBER 31, 2018

Kenneth J. Ronk, Jr.– Chairman

Mary Beth Maio - Majority Leader
Hector S. Rodriguez - Minority Leader

District No. 1 – Town of Saugerties
Mary Wawro

District No. 2 – Town of Saugerties, Village of Saugerties
Joseph K. Maloney

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
Lynn M. Eckert

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

District No. 7 – City of Kingston
Brian J. Woltman

District No. 8 – Town of Esopus
Laura Petit

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
Julius A. Collins

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

District No. 17 – Town of Esopus, Town of New Paltz
James H. Delaune

District No. 18 – Town of Hurley, Town of Marbletown
Heidi L. Haynes

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 M. Archer

District No. 22 – Town of Denning, Town of Hardenburgh,
Town of Olive, Town of Shandaken
Kathy Nolan

District No. 23 – Town of Hurley, Town of Woodstock
Jonathan R. Heppner

COUNTY OF ULSTER, NEW YORK
List of County Departments
As of December 31, 2018

Executive Michael P. Hein
Aging, Office for the..... Shelly Wagar
Arson Task Force..... Wayne Freer
Attorney Mark Longtoe
Budget Office Burton Gulnick, Jr.
Clerk Nina Postupack
Comptroller..... Elliott Auerbach
County Court Hon. Donald Williams
District Attorney D. Holley Carnright
Election Board Ashley E. Dittus, 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..... Steven Peterson
Health Department..... Carol Smith, MD, MPH
Human Rights Commission Christina Dawson
Information Services..... Jose M. DeLeon
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..... Nancy Schmidt
Public Defender Andrew Kossover
Public Works Thomas H. Jackson
Purchasing Edward Jordan
Real Property Tax Service Agency..... Burton Gulnick, Jr.
Safety Diane Beitel
Sheriff..... Paul Van Blarcum
Social Services..... Michael Iapocce
Soil and Water Conservation District Leonard Tantillo
Stop DWI..... Nancy Schmidt
Supreme Court..... Hon. Christopher Cahill,
..... Hon. James Gilpatric, Hon. Julian Schreiber
Surrogate's Court Hon. Sara W. McGinty
Tourism..... Richard Remsnyder
Traffic Safety Board Diane Beitel
Ulster County Community College Alan P. Roberts
Ulster County Resource Recovery Agency Timothy P. Rose
Ulster County Area Transportation..... Carol Hargrove
Veterans Service Agency..... Steven Massee
Weights and Measures James DeGasperi
Youth Bureau..... Christina Dawson

Financial Section

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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable 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, 2018 (with the Ulster County Community College for the fiscal year ended August 31, 2018), 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 Economic Development Alliance ("UCEDA"), or the Ulster County Capital Resource Corporation ("UCCRC"), which represent 5.37 percent and 1.78 percent, respectively, of the assets, and 11.05 percent and 0.05 percent, respectively, of the revenues of the business-type activities. We also did not audit the financial statements of Ulster County Community College ("UCCC"), the Ulster County Resource Recovery Agency ("UCRRA"), or the Ulster County Industrial Development Agency ("UCIDA"), which represent 61.16 percent, 37.50 percent and 1.34 percent, respectively, of the assets, and 66.39 percent, 32.55 percent and 1.06 percent, respectively, of the revenues of the aggregate discretely presented component units. 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 the UCEDA, UCCRC, UCCC, UCRRA, and UCIDA, is based solely on the reports of 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, 2018, 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 3M to the financial statements, the County has restated net position of governmental activities as of December 31, 2017. Our opinion is not modified with respect to this matter.

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—Combining Financial Statements and Discretely Presented Component Units, as listed in the table of contents, are the responsibility of management and were derived from and relate 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—Combining Financial Statements and Discretely Presented Component Units, as listed in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Supplementary Information—Budgetary Comparison Schedules, 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 & Malecki LLP

September 24, 2019

County of Ulster, New York

Management's Discussion and Analysis

December 31, 2018

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, 2018. For comparative purposes, certain data from the prior year has been reclassified to conform with the current year presentation. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

Financial Highlights

- The liabilities and deferred inflows of resources of the primary government of the County exceeded assets and deferred outflows of resources at the close of the fiscal year by \$52,937,586 (*net position deficit*). This consists of \$57,245,671 net investment in capital assets, and restricted net position of \$10,154,601, offset by an unrestricted net position deficit of \$120,337,858.
- The primary government's total net position increased by \$6,384,315.
- At year end, the County governmental funds reported combined fund balances of \$42,685,614, a decrease of \$12,251,894 in comparison with the fund balances in the prior year of \$54,937,508.
- At the end of the fiscal year, the General Fund fund balance increased by \$2,188,768 to a total fund balance of \$57,990,008. Unassigned fund balance for the General Fund was \$34,454,035, or 12.59% of total General Fund expenditures and operating transfers out. An assignment from the fund balance of \$7,082,711 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, and two blended component units, the Ulster County Economic Development Alliance (UCEDA), and the Ulster County Capital Resource Corporation (UCCRC).

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), and the Ulster County Industrial Development Agency (UCIDA). The Ulster Tobacco Asset Securitization Corporation (UTASC), the Ulster County Economic Development Alliance (UCEDA), and the Ulster County Capital Resource Corporation (UCCRC), although 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 76-77 of this report.

County of Ulster, New York
Management's Discussion and Analysis (*Continued*)
December 31, 2018

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 seven 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 three 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 and UTASC. 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 funds to account for the Workers' Compensation Pool, UCEDA, and UCCRC.

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. Data from the other two proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of *combining statements* in the Supplementary Information section of this report.

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 23-59 of this report.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2018

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 net pension liability, its obligation to provide postemployment benefits, budgetary comparison schedules, and combining and individual fund statements and schedules to provide information for the nonmajor governmental and proprietary funds.

Required supplementary information can be found on pages 60-66 of this report.

Other supplementary information can be found on pages 67-77 of this report.

Finally, the statistical section can be found on pages 78-89 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 \$52,937,586 at fiscal year-end.

County of Ulster's Net Position – Primary Government

	Governmental Activities		Business-type Activities		Total	
	2018	2017 (as restated)	2018	2017	2018	2017 (as restated)
Current and other assets	\$ 135,792,850	\$ 128,285,347	\$ 36,654,974	\$ 40,301,113	\$172,447,824	\$168,586,460
Capital assets	210,363,206	186,379,066	-	-	210,363,206	186,379,066
Total assets	346,156,056	314,664,413	36,654,974	40,301,113	382,811,030	354,965,526
Deferred outflows of resources	47,462,321	29,684,535	-	-	47,462,321	29,684,535
Current and other liabilities	79,291,953	53,963,521	1,782,320	2,641,045	81,074,273	56,604,566
Long-term liabilities	329,124,758	337,503,764	32,488,811	35,167,661	361,613,569	372,671,425
Total liabilities	408,416,711	391,467,285	34,271,131	37,808,706	442,687,842	429,275,991
Deferred inflows of resources	40,523,095	14,695,971	-	-	40,523,095	14,695,971
Net position:						
Net investment in						
capital assets	57,245,671	48,855,391	-	-	57,245,671	48,855,391
Restricted	9,955,686	11,004,588	198,915	199,656	10,154,601	11,204,244
Unrestricted	(122,522,786)	(121,674,287)	2,184,928	2,292,751	(120,337,858)	(119,381,536)
Total net position	\$(55,321,429)	\$(61,814,308)	\$ 2,383,843	\$ 2,492,407	\$(52,937,586)	\$(59,321,901)

A large portion of the County's net position, in the amount of \$57,245,671, 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 \$10,154,601, represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the County's net position, \$(120,337,858), is considered to be an unrestricted deficit. This deficit does not mean that the County does not have resources available to meet its obligations in the ensuing year. Rather, it reflects liabilities not related to the County's capital assets and are not expected to be repaid from current resources. These long-term liabilities including compensated absences, other post-employment benefits ("OPEB") obligations, claims payable, and net pension liability are funded annually within the funds.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2018

The County's primary government net position increased by \$6,384,315 as a result of operations during the current fiscal year.

The following table presents 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	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$16,448,289	\$16,777,357	\$ 10,001,371	\$ 10,496,699	\$26,449,660	\$27,274,056
Operating grants and contributions	78,071,951	77,044,272	335,960	567,380	78,407,911	77,611,652
Capital grants and contributions	14,453,570	9,777,416	-	-	14,453,570	9,777,416
General revenues:						
Property taxes	74,232,712	81,509,742	-	-	74,232,712	81,509,742
Sales taxes	120,322,069	115,339,913	-	-	120,322,069	115,339,913
County contribution	-	-	32,200	21,007	32,200	21,007
Other	7,905,671	5,828,843	236,710	77,436	8,142,381	5,906,279
Total revenues	311,434,262	306,277,543	10,606,241	11,162,522	322,040,503	317,440,065
Expenses:						
General government	64,380,838	65,270,653	-	-	64,380,838	65,270,653
Education	10,774,993	11,376,376	-	-	10,774,993	11,376,376
Public safety	49,661,770	53,384,200	-	-	49,661,770	53,384,200
Public health	18,773,270	19,555,576	-	-	18,773,270	19,555,576
Transportation	26,465,766	29,398,429	-	-	26,465,766	29,398,429
Economic assistance	124,214,173	126,979,436	-	-	124,214,173	126,979,436
Culture and recreation	2,973,672	1,324,144	-	-	2,973,672	1,324,144
Home and community	2,976,740	4,013,375	-	-	2,976,740	4,013,375
Interest on long-term debt	4,720,161	4,872,295	-	-	4,720,161	4,872,295
Workers' Compensation Pool	-	-	10,219,727	10,007,661	10,219,727	10,007,661
UCEDA	-	-	360,401	297,719	360,401	297,719
UCCRC	-	-	134,677	9,238	134,677	9,238
GHLDC	-	-	-	2,100	-	2,100
Total expenses	304,941,383	316,174,484	10,714,805	10,316,718	315,656,188	326,491,202
Changes in net position	6,492,879	(9,896,941)	(108,564)	845,804	6,384,315	(9,051,137)
Net position, restated – beginning (see Note 3M)	(61,814,308)	(51,917,367)	2,492,407	1,646,603	(59,321,901)	(50,270,764)
Net position – ending	<u>\$(55,321,429)</u>	<u>\$(61,814,308)</u>	<u>\$ 2,383,843</u>	<u>\$ 2,492,407</u>	<u>\$(52,937,586)</u>	<u>\$(59,321,901)</u>

County of Ulster, New York
Management's Discussion and Analysis (*Continued*)
December 31, 2018

Key elements of the primary government's increase in net position during the year ended December 31, 2018 of \$6,384,315 are as follows:

Governmental Activities: Governmental activities increased the County's net position by \$6,492,879 primarily due to decreases in allocable employee benefit costs related to pension, compensated absences, and other postemployment benefits, and an increase in sales tax and state and federal funding in 2018.

Business-type Activities: Business-type activities decreased the County's net position by \$108,564 primarily due to increased contractual expenses of the Ulster County Capital Resource Corporation.

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 \$34,454,035, while total fund balance was \$57,990,008. 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 12.59 percent of total fund expenditures and operating transfers out, while total fund balance represents 21.19 percent of that same amount.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2018

Revenues for governmental funds totaled \$318,337,385 in the current fiscal year, which represents an increase of 3.7 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 2018 Amount	FY 2018 % of Total	FY 2017 Amount	FY 2017 % of Total	Increase (Decrease) Amount	Increase (Decrease) % Change
Taxes	\$ 204,698,134	64.3%	\$ 199,088,725	64.9%	\$ 5,609,409	2.8%
State and federal aid	91,059,072	28.6%	86,624,736	28.2%	4,434,336	5.1%
Departmental income	9,688,696	3.0%	10,038,653	3.3%	(349,957)	(3.5)%
Intergovernmental	3,926,621	1.2%	2,003,130	0.6%	1,923,491	96.0%
Use of money and property	1,542,283	0.5%	1,073,943	0.3%	468,340	43.6%
Tobacco settlement proceeds	2,172,027	0.7%	2,005,770	0.7%	166,257	8.3%
Miscellaneous local sources	762,745	0.2%	1,514,070	0.5%	(751,325)	(49.6)%
Interfund revenues	1,471,659	0.5%	1,525,191	0.5%	(53,532)	(3.5)%
Other	3,016,148	1.0%	3,026,300	1.0%	(10,152)	(0.3)%
Total	\$ 318,337,385	100%	\$ 306,900,518	100%	\$ 11,436,867	3.7%

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

- **Taxes** – the significant increase is primarily due to increased sales tax revenue received in 2018.
- **State and federal aid** – the significant increase is due to funding for rail trail and other culture and recreation projects.
- **Intergovernmental** – the significant increase is primarily due to funding for the Ashokan Rail Trail project from the New York City Department of Environmental Protection in 2018.
- **Use of money and property** – the significant increase is primarily due to an additional investment income earned on County deposits in 2018.
- **Miscellaneous local sources** – the significant decrease is primarily due to funds received in 2017 for prior year rate reconciliations for various special education providers.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2018

Expenditures for governmental funds totaled \$338,472,792 in the current fiscal year, which represents an increase of 5.6 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 2018 Amount	FY 2018 % of Total	FY 2017 Amount	FY 2017 % of Total	Increase (Decrease) Amount	Increase (Decrease) % Change
General government	\$62,737,612	18.5%	\$60,713,941	18.9%	\$ 2,023,671	3.3%
Education	10,116,863	3.0%	9,942,883	3.1%	173,980	1.7%
Public safety	44,280,976	13.1%	42,769,080	13.3%	1,511,896	3.5%
Public health	18,151,961	5.4%	17,836,415	5.6%	315,546	1.8%
Transportation	23,610,117	7.0%	25,020,587	7.8%	(1,410,470)	(5.6)%
Economic assistance	121,840,980	36.0%	118,542,971	37.0%	3,298,009	2.8%
Culture and recreation	1,105,000	0.3%	971,737	0.3%	133,263	13.7%
Home and community	2,910,415	0.8%	3,671,222	1.1%	(760,807)	(20.7)%
Employee benefits	7,831,406	2.3%	9,512,926	3.0%	(1,681,520)	(17.7)%
Debt (principal, interest, and issuance costs)	12,763,887	3.8%	13,638,666	4.3%	(874,779)	(6.4)%
Capital outlay	33,123,575	9.8%	17,862,861	5.6%	15,260,714	85.4%
Total	\$338,472,792	100%	\$320,483,289	100%	\$ 17,989,503	5.6%

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

- **General government** – the significant increase is due to increased sales tax distribution in 2018.
- **Public safety** – the significant increase is due to increased spending on emergency communications equipment in 2018.
- **Transportation** – the significant decrease is due to bus purchases in 2017 not purchased in 2018.
- **Economic assistance and opportunity** – the significant increase is due to increased spending on preschool and child care.
- **Home and community services** – the significant decrease is primarily due to a decrease in assistance to residents purchasing and rehabilitating owner occupied housing in 2018.
- **Employee benefits** – the significant decrease is primarily due to a decrease in the cost of retiree health insurance premiums in 2018.
- **Capital outlay** – the significant increase is primarily due to the construction of a new Family Court facility, as well as a new Restorative Justice Center in 2018.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2018

The current year overall deficiency of revenues and other financing sources under 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	\$274,844,593	\$10,446,760	\$10,738,991	\$2,229,699	\$20,077,342	\$318,337,385
Expenditures	273,089,565	10,238,927	33,123,575	2,214,065	19,806,660	338,472,792
Other financing sources (uses), net	433,740	2,908,477	4,610,881	-	(69,585)	7,883,513
Net change in fund balances (deficit)	2,188,768	3,116,310	(17,773,703)	15,634	201,097	(12,251,894)
Fund balances (deficit) – beginning	55,801,240	1,351,651	(10,920,708)	2,381,057	6,324,268	54,937,508
Fund balances (deficit) – ending	\$ 57,990,008	\$ 4,467,961	(\$28,694,411)	\$ 2,396,691	\$ 6,525,365	\$ 42,685,614

The fund balance of the County's General Fund increased by \$2,188,768 during the fiscal year.

Proprietary funds. The County's proprietary funds provide the same type of information found in the business-type activities of 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 \$4.2 million increase in appropriations and transfers out, and a \$1.6 million increase in revenues and can be briefly summarized as follows:

- \$1.0 million to fund increases in sales tax distribution, legal expenses, and medical expenses in the general government.
- \$1.0 million to fund increases in public safety programs.
- \$500 thousand to fund increases in public health programs.
- \$800 thousand to fund increases to economic assistance.
- \$200 thousand to fund increases in culture and recreational programs.
- \$1.0 million to fund increases to planning and conservation studies in home and community services.
- \$100 thousand to fund increases in interest expense.
- \$300 thousand to fund increases in transfer out for principal payments on bond anticipation notes.

These increases were to be primarily funded out of decreases in appropriations of employee benefits \$700 thousand, as well as additional state and federal grants of \$1.1 million, additional sales tax revenue of \$400 thousand, and sale of property and additional miscellaneous funding of \$100 thousand, with the remaining \$2.6 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:

- Sales tax revenue was \$2.3 million higher than budgeted due to increased consumer spending in 2018.
- State aid was \$2.4 million higher than budgeted due to a funding change from federal to state aid in 2018.
- Federal aid was \$4.0 million lower than budgeted due to a funding change from federal to state aid in 2018.
- Sale of property and compensation for loss was higher than budgeted primarily due to a \$900 thousand sale of County owned real estate.
- General government expense savings resulted primarily from property related contractual savings of approximately \$700 thousand, and general savings across all county departments.
- Public safety expense savings resulted primarily from less than expected emergency communications equipment spending of \$950 thousand, and general savings across all public safety departments.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2018

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 \$210,363,206 (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.

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

	<u>Governmental Activities</u>	
	2018	2017
Land and land improvements	\$ 6,094,889	\$ 4,867,956
Buildings and improvements	84,562,089	89,642,026
Machinery and equipment	17,842,290	17,637,731
Infrastructure	74,302,557	60,311,378
Construction in progress	27,561,381	13,919,975
Total	<u>\$210,363,206</u>	<u>\$186,379,066</u>

Additional information on the County's capital assets can be found in Note 2E on pages 34-35 of this report.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2018

Long-term debt. At the end of the current fiscal year, the primary government of the County had total serial bonded debt outstanding of \$124,704,653, net of unamortized bond premiums. Of this amount, \$88,607,791 comprises debt backed by full faith and credit of the County and \$36,096,862 is backed by the tobacco settlement revenues per the Master Settlement Agreement.

	Governmental Activities		Increase
	2018	2017	(Decrease)
General obligation bonds	\$ 86,874,206	\$ 87,476,954	(\$ 602,748)
Bonds issued on behalf of UCCC	1,733,585	1,997,711	(264,126)
Tobacco asset backed bonds	36,096,862	36,311,859	(214,997)
Total outstanding bonded debt	\$ 124,704,653	\$ 125,786,524	(\$ 1,081,871)

The County maintains a "AA" rating from Standard & Poor'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 9.12% 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 37-40 of this report.

Economic Factors and Next Year's Budget and Rates

- The property tax levy was reduced by 0.25% in 2019.
- The County continued an infrastructure improvement program and invested an additional \$25 million in critical road and bridge improvements, which also included the County's Rail Trail network.

All of these factors were considered in preparing the County's budget for fiscal year 2019.

During the current fiscal year, fund balance in the General Fund increased to \$57,990,008. The County elected to appropriate \$7,082,711 of the fund balance in the General Fund for spending in the 2019 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, 2018

	Primary Government			Aggregate Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 31,841,846	\$ 27,277,402	\$ 59,119,248	\$ 12,303,288
Restricted cash and cash equivalents	16,025,648	1,300,451	17,326,099	-
Investments	-	-	-	11,525,790
Receivables	83,362,057	788,923	84,150,980	7,298,504
Internal balances	(1,945,628)	1,945,628	-	-
Due from Agency Fund	6,143	-	6,143	-
Due from component units	477,484	-	477,484	-
Inventories	70,553	-	70,553	-
Prepaid items	5,954,747	-	5,954,747	375,909
Other assets	-	-	-	1,495,468
Assessment receivables	-	4,142,570	4,142,570	-
Deposit with third party administrator	-	1,200,000	1,200,000	-
Net pension asset - proportionate share	-	-	-	100,998
Capital assets (net of accumulated depreciation)	210,363,206	-	210,363,206	23,399,244
Total assets	346,156,056	36,654,974	382,811,030	56,499,201
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pensions	33,050,955	-	33,050,955	3,705,936
Deferred outflows of resources - OPEB	10,531,325	-	10,531,325	4,513,961
Deferred charge on refunding	3,880,041	-	3,880,041	-
Total deferred outflows of resources	47,462,321	-	47,462,321	8,219,897
LIABILITIES				
Accounts payable and other accrued liabilities	15,084,215	479,617	15,563,832	3,262,671
Intergovernmental payables	31,713,611	20,413	31,734,024	430
Due to primary government	-	-	-	477,484
Unearned revenue	380,151	1,282,290	1,662,441	4,883,637
Bond anticipation notes payable	32,113,976	-	32,113,976	-
Noncurrent liabilities:				
Due within one year	11,762,532	22,516,819	34,279,351	2,837,485
Due in more than one year	317,362,226	9,971,992	327,334,218	33,456,490
Total liabilities	408,416,711	34,271,131	442,687,842	44,918,197
DEFERRED INFLOWS OF RESOURCES				
Deferred tuition received	-	-	-	710,927
Deferred inflows of resources - pensions	32,279,478	-	32,279,478	2,710,000
Deferred gain on refunding	8,243,617	-	8,243,617	-
Total deferred inflows of resources	40,523,095	-	40,523,095	3,420,927
NET POSITION				
Net investment in capital assets	57,245,671	-	57,245,671	22,294,968
Restricted for:				
Board designated, scholarships, and grants	-	-	-	6,076,150
Nonexpendable	-	-	-	2,862,085
Debt service	2,396,691	-	2,396,691	2,704,900
Other purposes	7,558,995	198,915	7,757,910	-
Unrestricted	(122,522,786)	2,184,928	(120,337,858)	(17,558,129)
Total net position	\$ (55,321,429)	\$ 2,383,843	\$ (52,937,586)	\$ 16,379,974

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Activities
For the Year Ended December 31, 2018

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		Program Revenues			Net (Expense) Revenue and Changes in Net Position			Aggregate Discretely Presented Component Units
Functions/Programs	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	\$ 64,380,838	\$ 6,451,107	\$ 1,855,522	\$ 110,370	\$ (55,963,839)	\$ -	\$ (55,963,839)	\$ -
Education	10,774,993	81,518	-	629,758	(10,063,717)	-	(10,063,717)	-
Public safety	49,661,770	2,707,737	2,284,538	-	(44,669,495)	-	(44,669,495)	-
Public health	18,773,270	572,909	11,867,761	-	(6,332,600)	-	(6,332,600)	-
Transportation	26,465,766	1,032,547	4,744,241	8,682,031	(12,006,947)	-	(12,006,947)	-
Economic assistance	124,214,173	5,274,861	56,423,382	528,599	(61,987,331)	-	(61,987,331)	-
Culture and recreation	2,973,672	190,153	232,307	4,502,812	1,951,600	-	1,951,600	-
Home and community	2,976,740	137,457	664,200	-	(2,175,083)	-	(2,175,083)	-
Interest	4,720,161	-	-	-	(4,720,161)	-	(4,720,161)	-
Total governmental activities	304,941,383	16,448,289	78,071,951	14,453,570	(195,967,573)	-	(195,967,573)	-
Business-type activities:								
Workers' Compensation Pool	10,219,727	9,621,224	335,960	-	-	(262,543)	(262,543)	-
Economic Development Alliance	360,401	380,147	-	-	-	19,746	19,746	-
Capital Resource Corporation	134,677	-	-	-	-	(134,677)	(134,677)	-
Total business-type activities	10,714,805	10,001,371	335,960	-	-	(377,474)	(377,474)	-
Total primary government	\$ 315,656,188	\$ 26,449,660	\$ 78,407,911	\$ 14,453,570	(195,967,573)	(377,474)	(196,345,047)	-
Component units:								
Community College	\$ 35,018,580	\$ 8,343,862	\$ 6,406,680	\$ -				(20,268,038)
Resource Recovery Agency	14,181,578	15,984,910	45,558	-				1,848,890
Industrial Development Agency	171,855	522,749	-	-				350,894
Total component units	\$ 49,372,013	\$ 24,851,521	\$ 6,452,238	\$ -				(18,068,254)
General revenues:								
Taxes:								
Property and other real property tax items					74,232,712	-	74,232,712	-
Sales					120,322,069	-	120,322,069	-
Tax on hotel room occupancy					1,805,747	-	1,805,747	-
Off track betting					22,146	-	22,146	-
E-911 surcharge					666,659	-	666,659	-
Automobile use tax					1,174,680	-	1,174,680	-
Use of money and property					1,189,899	236,710	1,426,609	148,755
Tobacco settlement proceeds					2,157,027	-	2,157,027	-
Contribution from other governments					-	-	-	5,826,978
County contribution					-	32,200	32,200	6,400,863
Chargeback revenue					-	-	-	942,400
Federal and state nonoperating revenues					-	-	-	5,105,846
Sale of property					-	889,513	889,513	-
Transfers					889,513	(889,513)	-	-
Total general revenues					202,460,452	268,910	202,729,362	18,424,842
Change in net position					6,492,879	(108,564)	6,384,315	356,588
Net position - beginning, as restated (Note 3M)					(61,814,308)	2,492,407	(59,321,901)	16,023,386
Net position - ending					\$ (55,321,429)	\$ 2,383,843	\$ (52,937,586)	\$ 16,379,974

See accompanying notes to the financial statements.

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Fund Financial
Statements

County of Ulster, New York
Balance Sheet - Governmental Funds and Reconciliation of the Balance Sheet - Governmental Funds
To the Government-wide Statement of Net Position
December 31, 2018

	General	Debt Service	Capital Projects	UTASC	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash, cash equivalents and investments	\$ 24,944,772	\$ -	\$ -	\$ -	\$ 6,897,074	\$ 31,841,846
Restricted cash, cash equivalents and investments	7,939,146	4,467,961	1,207,618	2,410,923	-	16,025,648
Receivables	76,161,231	-	4,870,606	-	157,720	81,189,557
Due from other funds	23,343	-	-	-	-	23,343
Due from component units - UCCC	464,984	-	-	-	-	464,984
Inventories	70,553	-	-	-	-	70,553
Prepaid items	5,840,051	-	114,696	-	-	5,954,747
Total assets	<u>\$ 115,444,080</u>	<u>\$ 4,467,961</u>	<u>\$ 6,192,920</u>	<u>\$ 2,410,923</u>	<u>\$ 7,054,794</u>	<u>\$ 135,570,678</u>
LIABILITIES						
Accounts payable and other accrued liabilities	\$ 10,803,681	\$ -	\$ 2,771,637	\$ -	\$ 529,429	\$ 14,104,747
Intergovernmental payables	31,713,611	-	-	-	-	31,713,611
Due to other funds	52,124	-	1,718	14,232	-	68,074
Bond anticipation notes payable	-	-	32,113,976	-	-	32,113,976
Unearned revenues	380,151	-	-	-	-	380,151
Total liabilities	<u>42,949,567</u>	<u>-</u>	<u>34,887,331</u>	<u>14,232</u>	<u>529,429</u>	<u>78,380,559</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	14,504,505	-	-	-	-	14,504,505
Total deferred inflows of resources	<u>14,504,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,504,505</u>
FUND BALANCES (DEFICIT)						
Nonspendable:						
Inventories	70,553	-	-	-	-	70,553
Prepaid items	5,840,051	-	114,696	-	-	5,954,747
Restricted for:						
Debt service	-	4,467,961	-	2,396,691	-	6,864,652
Future capital projects	2,900,000	-	-	-	-	2,900,000
Risk retention	127,857	-	-	-	-	127,857
Tax stabilization	2,547,827	-	-	-	-	2,547,827
Other purposes	1,983,311	-	-	-	-	1,983,311
Assigned to:						
Encumbrances	2,365,074	-	-	-	14,943	2,380,017
Subsequent years' expenditures	7,082,711	-	-	-	850,000	7,932,711
Specific use	-	-	-	-	5,660,422	5,660,422
Other purposes	618,589	-	-	-	-	618,589
Unassigned	34,454,035	-	(28,809,107)	-	-	5,644,928
Total fund balances (deficit)	<u>57,990,008</u>	<u>4,467,961</u>	<u>(28,694,411)</u>	<u>2,396,691</u>	<u>6,525,365</u>	<u>42,685,614</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 115,444,080</u>	<u>\$ 4,467,961</u>	<u>\$ 6,192,920</u>	<u>\$ 2,410,923</u>	<u>\$ 7,054,794</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.	210,363,206
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,185,000
Pension related deferred outflows of resources represent a consumption of net position in the future period and, therefore, are not reported in the funds.	33,050,955
OPEB related deferred outflows represent a consumption of net position in the future period and, therefore, are not reported in the funds.	10,531,325
Deferred charge on bond refunding represent a consumption of net position in the future period and, therefore, are not reported in the funds.	3,880,041
Deferred property tax revenue is not available to pay for current-period expenditures and, therefore, are deferred in the funds.	14,504,505
Retainage payable is not due and payable in the current period and, therefore, is not reported in the funds.	(494,200)
Pension related deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(32,279,478)
Tobacco refunding related deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(8,243,617)
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.	(485,268)
Claims and judgments for workers' compensation liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(1,894,754)
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.	(329,124,758)
Net position of governmental activities	<u>\$ (55,321,429)</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, 2018

	General	Debt Service	Capital Projects	UTASC	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 51,046,118	\$ 10,112,877	\$ -	\$ -	\$ 13,923,204	\$ 75,082,199
Other real property tax items	5,624,634	-	-	-	-	5,624,634
Sales	120,322,069	-	-	-	-	120,322,069
Tax on hotel room occupancy	1,805,747	-	-	-	-	1,805,747
Off track betting	22,146	-	-	-	-	22,146
E-911 surcharge	666,659	-	-	-	-	666,659
Automobile use tax	1,174,680	-	-	-	-	1,174,680
State aid	45,173,062	281,619	4,055,970	-	4,261,515	53,772,166
Federal aid	30,666,130	-	5,051,154	-	1,569,622	37,286,906
Departmental income	9,688,696	-	-	-	-	9,688,696
Intergovernmental	2,367,475	-	1,399,928	-	159,218	3,926,621
Use of money and property	1,365,373	52,264	-	57,672	66,974	1,542,283
Licenses and permits	463,119	-	-	-	-	463,119
Fines and forfeitures	469,645	-	-	-	-	469,645
Sale of property and compensation for loss	1,825,463	-	205,000	-	52,921	2,083,384
Tobacco settlement proceeds	-	-	-	2,172,027	-	2,172,027
Miscellaneous local sources	692,518	-	26,939	-	43,288	762,745
Interfund revenues	1,471,059	-	-	-	600	1,471,659
Total revenues	<u>274,844,593</u>	<u>10,446,760</u>	<u>10,738,991</u>	<u>2,229,699</u>	<u>20,077,342</u>	<u>318,337,385</u>
EXPENDITURES						
Current:						
General government	62,694,042	-	-	43,570	-	62,737,612
Education	10,116,863	-	-	-	-	10,116,863
Public safety	44,280,976	-	-	-	-	44,280,976
Public health	18,151,961	-	-	-	-	18,151,961
Transportation	5,331,484	-	-	-	18,278,633	23,610,117
Economic assistance	120,542,481	-	-	-	1,298,499	121,840,980
Culture and recreation	1,105,000	-	-	-	-	1,105,000
Home and community	2,681,488	-	-	-	228,927	2,910,415
Employee benefits	7,831,406	-	-	-	-	7,831,406
Debt service:						
Principal	-	7,281,552	-	405,000	-	7,686,552
Interest	353,864	2,957,375	-	1,765,495	601	5,077,335
Capital outlay	-	-	33,123,575	-	-	33,123,575
Total expenditures	<u>273,089,565</u>	<u>10,238,927</u>	<u>33,123,575</u>	<u>2,214,065</u>	<u>19,806,660</u>	<u>338,472,792</u>
Excess (deficiency) of revenues over expenditures	<u>1,755,028</u>	<u>207,833</u>	<u>(22,384,584)</u>	<u>15,634</u>	<u>270,682</u>	<u>(20,135,407)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	73,727	2,908,477	529,500	-	4,142	3,515,846
Transfers from proprietary funds	889,513	-	-	-	-	889,513
Transfers out	(529,500)	-	(2,912,619)	-	(73,727)	(3,515,846)
Issuance of bonds	-	-	6,994,000	-	-	6,994,000
Total other financing sources (uses)	<u>433,740</u>	<u>2,908,477</u>	<u>4,610,881</u>	<u>-</u>	<u>(69,585)</u>	<u>7,883,513</u>
Net change in fund balances (deficit)	2,188,768	3,116,310	(17,773,703)	15,634	201,097	(12,251,894)
Fund balances (deficit) - beginning	55,801,240	1,351,651	(10,920,708)	2,381,057	6,324,268	54,937,508
Fund balances (deficit) - ending	<u>\$ 57,990,008</u>	<u>\$ 4,467,961</u>	<u>\$ (28,694,411)</u>	<u>\$ 2,396,691</u>	<u>\$ 6,525,365</u>	<u>\$ 42,685,614</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, 2018

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

Net change in fund balances (deficit) - total governmental funds (page 17)	\$	(12,251,894)
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.		23,984,140
Deferred outflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. This amount is shown net of current year amortizations.		10,531,325
Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:		
Direct pension contributions	\$ 12,304,270	
Cost of benefits earned, net of employee contributions	<u>(11,755,848)</u>	548,422
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(6,489,121)
Accrued bond interest is not due and payable in the current period and, therefore, is not reported in the funds.		31,351
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.		(10,895,565)
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>1,034,221</u>
Change in net position of governmental activities	<u>\$</u>	<u>6,492,879</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Net Position
Proprietary Funds
December 31, 2018

	Business-Type Activities		
	Workers' Compensation Pool	Total Nonmajor Proprietary Funds	Total Proprietary Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 25,696,416	\$ 1,580,986	\$ 27,277,402
Restricted cash	1,101,536	198,915	1,300,451
Receivables	-	95,230	95,230
Due from other funds	1,894,754	52,124	1,946,878
Total current assets	28,692,706	1,927,255	30,619,961
Noncurrent assets:			
Receivables	4,142,570	693,693	4,836,263
Deposit with third party administrator	1,200,000	-	1,200,000
Total noncurrent assets	5,342,570	693,693	6,036,263
Total assets	34,035,276	2,620,948	36,656,224
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	441,332	34,688	476,020
Accrued salaries and benefits	3,597	-	3,597
Intergovernmental payables	-	20,413	20,413
Due to other funds	-	1,250	1,250
Workers' compensation claims payable	22,516,819	-	22,516,819
Total current liabilities	22,961,748	56,351	23,018,099
Noncurrent liabilities:			
Unearned revenue	1,101,536	180,754	1,282,290
Workers' compensation claims payable	9,971,992	-	9,971,992
Total noncurrent liabilities	11,073,528	180,754	11,254,282
Total liabilities	34,035,276	237,105	34,272,381
NET POSITION			
Restricted	-	198,915	198,915
Unrestricted	-	2,184,928	2,184,928
Total net position	\$ -	\$ 2,383,843	\$ 2,383,843

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, 2018

	Business-Type Activities		
	Workers' Compensation Pool	Total Nonmajor Proprietary Funds	Total Proprietary Funds
OPERATING REVENUES			
Charges for services	\$ 9,621,224	\$ 336,860	\$ 9,958,084
Other operating revenue	335,960	43,287	379,247
Total operating revenues	9,957,184	380,147	10,337,331
OPERATING EXPENSES			
Administrative	2,219,539	36,931	2,256,470
Contractual	-	453,744	453,744
Claimants	8,000,188	-	8,000,188
Provision for loan recoveries	-	3,348	3,348
Total operating expenses	10,219,727	494,023	10,713,750
Operating income (loss)	(262,543)	(113,876)	(376,419)
NONOPERATING REVENUES (EXPENSES)			
Contribution from General Fund for other postemployment benefits	32,200	-	32,200
Interest earnings	230,343	6,367	236,710
Sale of property	-	889,513	889,513
Transfer to General Fund	-	(889,513)	(889,513)
Interest expense	-	(1,055)	(1,055)
Total nonoperating revenues	262,543	5,312	267,855
Change in net position	-	(108,564)	(108,564)
Total net position - beginning	-	2,492,407	2,492,407
Total net position - ending	\$ -	\$ 2,383,843	\$ 2,383,843

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities		
	Workers' Compensation Pool	Total Nonmajor Proprietary Funds	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from services provided	\$ 9,957,184	\$ 262,569	\$ 10,219,753
Payments to suppliers and service providers	(1,974,932)	(530,316)	(2,505,248)
Payments to employees	(244,607)	-	(244,607)
Payments to claimants	(5,706,106)	-	(5,706,106)
Net cash provided (used) by operating activities	2,031,539	(267,747)	1,763,792
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash contributions from General Fund	32,200	-	32,200
Interest expense	-	(1,055)	(1,055)
Payments on long-term debt	-	(38,016)	(38,016)
Net cash provided (used) by noncapital financing activities	32,200	(39,071)	(6,871)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	230,343	6,367	236,710
Sale of property	-	840,763	840,763
Transfer to General Fund	-	(864,513)	(864,513)
Net cash provided (used) by investing activities	230,343	(17,383)	212,960
Net increase (decrease) in cash and cash equivalents	2,294,082	(324,201)	1,969,881
Total cash and cash equivalents - beginning	24,503,870	2,104,102	26,607,972
Total cash and cash equivalents - ending	\$ 26,797,952	\$ 1,779,901	\$ 28,577,853
Reconciliation of operating (loss) to net cash provided by (used) operating activities:			
Operating (loss)	\$ (262,543)	\$ (113,876)	\$ (376,419)
Adjustments to reconcile operating loss to net cash provided by (used) operating activities:			
Provision for loan recoveries	-	3,348	3,348
Decrease (increase) in:			
Receivables	(2,006,055)	(230,102)	(2,236,157)
Due from other funds	7,727,653	109,176	7,836,829
Increase (decrease) in:			
Accounts payable and accrued expenses	(747,536)	(32,234)	(779,770)
Accrued salaries and benefits	(1,130)	-	(1,130)
Workers' compensation claims payable	(2,678,850)	-	(2,678,850)
Unearned revenue	-	(4,059)	(4,059)
Net cash provided (used) by operating activities	\$ 2,031,539	\$ (267,747)	\$ 1,763,792

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Fiduciary Net Position
Agency Fund
December 31, 2018

	<u>Agency</u>
ASSETS	
Restricted cash and cash equivalents	\$ 12,221,248
Receivables	<u>266,508</u>
Total assets	<u><u>\$ 12,487,756</u></u>
 LIABILITIES	
Due to other funds	\$ 6,143
Agency fund liabilities	<u>12,481,613</u>
Total liabilities	<u><u>\$ 12,487,756</u></u>

See accompanying notes to the financial statements.

Notes to the Financial
Statements

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

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, 2018

In September 2016, the County and UTASC participated in the New York Counties Tobacco Trust VI (NYCTT VI) whereby the Corporation issued new Series 2016 bonds.

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 proprietary 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.

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 as a nonmajor proprietary fund of the County.

Separate financial statements may be obtained from the Ulster County Capital Resource Corporation, P.O. Box 4265, 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 21). 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.

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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 2018 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.

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.

Excluded from the Financial Reporting Entity – Although the following are related to the County, they are not included in the County reporting entity for the reasons noted.

Ulster County Soil and Water Conservation District (UCSWCD)

The County Legislature has declared the County to be a Soil and Water Conservation District in accordance with the provisions of the Soil and Water Conservation District Law. Members of the Board of Directors have been appointed by the County governing body and the District is allotted County appropriations to administer various projects. However, the County cannot impose its will upon the District, nor is there a financial benefit/burden relationship with the County to require it to be presented as a component unit.

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 excluded from the financial reporting entity due to a lack of activity for the year ended December 31, 2018. Had GHLDC had activity, it would be presented as a proprietary fund of the County.

COUNTY OF ULSTER, NEW YORK

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December 31, 2018

B. Basis of Presentation

Beginning in 2018, the County adopted the provisions of GASB Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, No. 85, *Omnibus 2017*, and No. 86, *Certain Debt Extinguishment Issues*. The objective of GASB Statement No. 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). The objective of GASB Statement No. 85 is to address issues that have been identified during implementation and application of certain GASB Statements. The objective of GASB Statement No. 86 is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. Other than as discussed in Note 3M, the implementation of GASB Statements No. 75, 85, and 86 did not have a material impact on the County's financial position or results from operations.

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 proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

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.

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- 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.

The County reports the following additional governmental funds:

- 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 New York State Highway Laws, respectively.

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 63 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 proprietary funds:

- 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 *Ulster County Capital Resource Corporation* (UCCRC) accounts for and reports on the financial activity related to the promotion of community and economic development and the creation of jobs in the non-profit sector.

The County reports the following additional fund types:

- 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.

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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.

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, unearned revenues, and amounts held on behalf of others.

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.

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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 \$17,913,737. 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.

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).

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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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 three items that qualify for reporting in this category, and are reported in the government-wide statement of net position. The first item is related to pensions and 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 the effects of the change in the County's proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The third represents deferred charges on refunding bonds that are being amortized over the life of the refunded debt.

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 items, three of which are reported under the accrual basis of accounting and are reported in the government-wide statement of net position, and one of which arises under the modified accrual basis of accounting, that qualify for reporting in this category. The first item 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 UTASC reports a deferred inflow of resources related to a deferred gain on refunding which will be amortized over the life of the UTASC bonds. 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 property taxes that will more than likely not be realized within sixty days. 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, 2018, the County reported unearned revenues within the General Fund of \$380,151, the Worker's Compensation Fund in the amount of \$1,101,536, and the Ulster County Economic Development Alliance in the amount of \$180,754. The County recorded in the General Fund tax overpayments, and grant money received in advance but has not performed the services, and therefore recognizes a liability. The County recorded in the Worker's Compensation Fund advance payments from participants for future workers' compensation claims in which a liability has not yet been incurred, and in the Ulster County Economic Development Alliance recorded advances for program initiatives in which services have not yet been performed, therefore recognizing liabilities.

L. Pensions

The County and its component units are 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/(asset), deferred outflows of resources related to pensions, deferred inflows 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 2J.

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M. Long-Term Obligations

In the government-wide financial statements, and proprietary 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 straight line method. Bonds payable are reported net of the applicable bond premium or discount.

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

N. Compensated Absences

It is the County's policy to permit employees to accumulate vacation, sick leave and compensatory absences in varying amounts as services are provided. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. The cost of these unused benefits for governmental funds is maintained separately and represents a reconciling item between the government-wide and fund financial statements presentation. The value recorded in the government-wide financial statements for compensated absences at December 31, 2018 is \$17,271,304 classified as a long-term liability in the governmental activities, which includes \$1,727,130 estimated to be 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, 2018, Ulster County has recorded \$1,238,000 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, 2018, was \$32,488,811, of which \$1.9 million is due and payable from governmental activities for the County's portion of the liability.

P. 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.

Q. 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 \$28,694,411 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.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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R. 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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 and Agency Fund total carrying amount of deposits and investments was \$88,666,595, which included \$2,410,923 of UTASC cash and cash equivalents, \$1,128,667 of UCEDA cash and cash equivalents, and \$651,234 of UCCRC cash and cash equivalents, while the total bank balance was \$92,739,678. Of the bank balance, \$3,280,634 was covered by federal depository insurance with the remaining balance, \$89,459,044, 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, unearned revenue, custodial funds, and amounts to support restricted fund balances.

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	\$47,867,494	\$ -	\$47,867,494
Total governmental activities	47,867,494	-	47,867,494
Business-type activities			
Cash and cash equivalents	28,577,853	-	28,577,853
Total business-type activities	28,577,853	-	28,577,853
Total primary government	76,445,347	-	76,445,347
Discretely presented component units			
UCCC-Cash and cash equivalents	5,099,149	-	5,099,149
UCCC-Commercial paper	8,982,841	-	8,982,841
UCRRA-Cash and cash equivalents	5,119,967	1,346,560	6,466,527
UCRRA-U.S. Government securities	-	2,542,949	2,542,949
UCIDA-Cash and cash equivalents	737,612	-	737,612
Total discretely presented component units	19,939,569	3,889,509	23,829,078
Agency Fund			
Cash and cash equivalents	12,221,248	-	12,221,248
Total agency fund	12,221,248	-	12,221,248
Total cash, cash equivalents and investments	\$108,606,164	\$3,889,509	\$112,495,673

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

B. Receivables

Receivables and amounts due from other governments at year end of the County's governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	Major		Nonmajor	Total
	General	Capital Projects	Special Revenue	Governmental Funds
Receivables -				
Taxes	\$ 51,096,675	\$ -	\$ -	\$ 51,096,675
Accounts	804,884	-	54,766	859,650
State and federal	39,612,744	4,870,606	72,444	44,555,794
Due from other governments	1,025,668	-	30,510	1,056,178
Gross receivables	92,539,971	4,870,606	157,720	97,568,297
Less: allowance for uncollectibles	(16,378,740)	-	-	(16,378,740)
Net receivables	\$ 76,161,231	\$ 4,870,606	\$ 157,720	\$ 81,189,557

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 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:

	Deferred Inflows	Unearned Revenue
Governmental Funds:		
Deferred property taxes receivable	\$14,504,505	\$ -
Other unearned revenues	-	380,151
Total governmental funds	\$14,504,505	\$ 380,151

D. Interfund Transactions

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 1,718
	UTASC	14,232
	Nonmajor proprietary funds	1,250
	Agency	6,143
Nonmajor proprietary funds	General Fund	52,124
Total		\$ 75,467

As of December 31, 2018, the Workers' Compensation Fund had a receivable from the governmental activities of the County in the amount of \$1,894,754, which represents the actuarially calculated liability of the County for workers' compensation.

In addition, as of December 31, 2018, UCCC had a liability for retirement owed to the County of \$464,984, and UCIDA had a liability for administrative services owed to the County of \$12,500. These receivables are recorded as receivables on the County's financial statements, and a related expense and payable on UCCC's and UCIDA's financial statements.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

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.

Transfer From	Transfer To	Amount
General Fund	Capital Projects Fund	\$ 529,500
Capital Projects Fund	Debt Service Fund	2,908,477
Capital Projects Fund	Nonmajor governmental funds	4,142
Nonmajor governmental funds	General Fund	73,727
Proprietary funds	General Fund	889,513
Total		<u>\$ 4,405,359</u>

E. Capital Assets

Capital asset activity for the fiscal year was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets:				
Land and land improvements	\$ 9,330,339	\$ 1,499,170	\$ 369,344	\$ 10,460,165
Buildings and improvements	173,847,724	-	-	173,847,724
Machinery and equipment	55,790,822	3,953,143	937,619	58,806,346
Infrastructure	99,679,349	19,000,488	2,207,945	116,471,892
Construction in progress	13,919,975	21,202,870	7,561,464	27,561,381
Total capital assets	<u>352,568,209</u>	<u>45,655,671</u>	<u>11,076,372</u>	<u>387,147,508</u>
Less accumulated depreciation for:				
Land and land improvements	4,462,383	272,237	369,344	4,365,276
Buildings and improvements	84,205,698	5,079,937	-	89,285,635
Machinery and equipment	38,153,091	3,735,724	924,759	40,964,056
Infrastructure	39,367,971	4,537,212	1,735,848	42,169,335
Total accumulated depreciation	<u>166,189,143</u>	<u>13,625,110</u>	<u>3,029,951</u>	<u>176,784,302</u>
Total governmental activities capital assets, net	<u>\$186,379,066</u>	<u>\$ 32,030,561</u>	<u>\$ 8,046,421</u>	<u>\$210,363,206</u>

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

	Amount
Governmental activities:	
General government	\$ 833,766
Education	598,674
Public safety	4,054,440
Public health	75,245
Transportation	7,337,062
Economic assistance	349,166
Culture and recreation	368,550
Home and community services	8,207
Total governmental activities	<u>\$ 13,625,110</u>

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

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	90,500	-	-	90,500
Total capital assets, not being depreciated	834,674	-	-	834,674
Capital assets, being depreciated:				
Buildings and improvements	33,796,989	122,069	-	33,919,058
Machinery and equipment	5,088,878	659,745	284,501	5,464,122
Total capital assets, being depreciated	38,885,867	781,814	284,501	39,383,180
Less accumulated depreciation	25,772,334	1,207,269	267,390	26,712,213
Total capital assets, being depreciated, net	13,113,533	(425,455)	17,111	12,670,967
Total Ulster County Community College capital assets, net	13,948,207	(425,455)	17,111	13,505,641
Ulster County Resource Recovery Agency:				
Capital assets, not being depreciated:				
Land	683,172	555,000	-	1,238,172
Construction in progress	-	78,938	-	78,938
Total capital assets, not being depreciated	683,172	633,938	-	1,317,110
Capital assets, being depreciated:				
Buildings and improvements	10,714,846	90,110	-	10,804,956
Machinery and equipment	6,380,334	447,283	328,965	6,498,652
Infrastructure	58,370	3,394	-	61,764
Total capital assets, being depreciated	17,153,550	540,787	328,965	17,365,372
Less accumulated depreciation and amortization for:				
Buildings and improvements	3,678,628	286,539	-	3,965,167
Machinery and equipment	4,719,872	342,601	249,931	4,812,542
Infrastructure	8,167	3,003	-	11,170
Total accumulated depreciation and amortization	8,406,667	632,143	249,931	8,788,879
Total capital assets, being depreciated, net	8,746,883	(91,356)	79,034	8,576,493
Total Ulster County Resource Recovery Agency capital assets, net	9,430,055	542,582	79,034	9,893,603
Total component units	\$ 23,378,262	\$ 117,127	\$ 96,145	\$ 23,399,244

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.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

G. Leases

Operating Leases

The County leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$1,341,257 at fiscal year-end. The future minimum lease payments for these leases are as follows:

Year ending December 31:	Amount
2019	\$1,769,153
2020	1,160,120
2021	530,874
2022	302,204
2023	79,701
Thereafter	48,567
Total	<u>\$3,890,619</u>

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.

The County has BAN's outstanding of \$32,113,976, maturing on November 20, 2019 with an interest rate of 3.25%. Short-term obligation activity during the year ended December 31, 2018, was as follows:

	Beginning Balance	Issues	Redemptions	Ending Balance
Governmental Activities:				
Roofs – various county facilities	\$ 675,000	\$ -	\$ 675,000	\$ -
HVAC – various county facilities	172,000	626,000	172,000	626,000
Reconstruction of roads	240,000	120,000	240,000	120,000
New Paltz Pool repairs	1,100,000	658,000	1,100,000	658,000
Wallkill Bridge	250,000	2,150,000	250,000	2,150,000
Aegis Mobile Software System – Sheriff	312,970	-	312,970	-
HV Rail Trail West	-	375,000	-	375,000
UCLEC Data Center HVAC	229,000	-	229,000	-
DPW fuel tank replacement	425,500	-	425,500	-
Road reconstruction	425,000	320,000	425,000	320,000
Western Avenue stormwater	267,495	-	267,495	-
Various shoulders	195,000	-	195,000	-
Various parking lots	300,000	-	300,000	-
Bridge replacement	673,000	-	673,000	-
Slope stabilization – various roads	600,000	1,000,000	600,000	1,000,000
UCCC technology upgrade	-	50,000	-	50,000
Public Safety Training Center	-	250,000	-	250,000
Public Safety enterprise software	-	3,000,000	-	3,000,000
BRC renovation for Family Court	460,000	8,000,000	460,000	8,000,000
Springtown Road culvert	105,000	-	105,000	-
Road reconstruction	425,000	390,000	425,000	390,000
Fleet vehicles	675,000	-	675,000	-
Highway equipment	3,100,000	-	3,100,000	-

(continued)

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

	Beginning Balance	Issues	Redemptions	Ending Balance
Governmental Activities: (continued)				
New Paltz Road realignment	-	320,000	-	320,000
DPW Admin Building renovations	-	148,000	-	148,000
Frost Valley S-Turn	-	750,000	-	750,000
Roof replacements	-	1,250,000	-	1,250,000
Watson Hollow slope stabilization	-	593,976	-	593,976
Restorative Justice Center	-	3,262,000	-	3,262,000
Fleet Vehicles	-	717,000	-	717,000
Highway equipment	-	2,424,000	-	2,424,000
Highway safety program	-	400,000	-	400,000
Asphalt overlay – various roads	-	4,685,000	-	4,685,000
Port Jackson Bridge	-	100,000	-	100,000
Mundy Bridge	-	100,000	-	100,000
Various road reconstruction	-	425,000	-	425,000
Total governmental activities short-term debt	\$10,629,965	\$32,113,976	\$10,629,965	\$32,113,976

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, deferred gains, premiums, and unamortized accretion at fiscal year end are as follows:

Governmental Activities:	Maturity Date	Interest Rate	Amount
General obligation:			
Public improvements, 2009	11/15/24	2.0 - 4.0%	\$ 1,620,000
Public improvements, 2010	11/15/25	3.0 - 3.5%	1,610,000
Public improvements, 2011	11/15/22	2.0 – 2.8%	410,000
Public improvements, refunded 2012	11/15/24	2.0 – 5.0%	10,555,000
Public improvements, refunded 2012	11/15/29	2.0 – 5.0%	29,584,306
Public improvements, 2012	11/15/27	2.0 – 3.0%	1,405,300
Public improvements, 2013	11/15/28	2.0 – 3.3%	2,205,000
Public improvements, 2014	11/15/27	1.5 – 2.8%	2,770,000
Public improvements, refunded 2015	11/15/23	2.0 - 4.5%	3,154,259
Public improvements, 2015	11/15/28	2.0 – 2.5%	4,410,000
Public improvements, 2016	11/1/26	1.0 – 2.0%	751,300
Public improvements, 2016	11/15/31	2.0 – 3.0%	10,300,000
Public improvements, 2017	11/15/28	2.0 – 2.1%	7,225,000
Public improvements, 2018	11/15/33	3.0 – 3.5%	6,994,000
Total general obligation			<u>82,994,165</u>
Debt issued for UCCC:			
Public improvements, 2012	11/15/27	2.0 – 3.0%	944,700
Public improvements, refunded 2015	11/15/23	2.0 - 4.5%	645,185
Public improvements, 2016	11/1/26	1.0 – 2.0%	143,700
Total debt issued for UCCC			<u>1,733,585</u>

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

Governmental Activities: (continued)	Maturity Date	Interest Rate	Amount
UTASC:			
Subordinate capital appreciation bonds	6/1/39	6.00 - 7.85%	4,192,578
Tobacco settlement asset-backed bonds, 2016	6/1/34	2.0 – 6.75%	40,147,901
Total UTASC			<u>44,340,479</u>
Total governmental activities			<u>\$129,068,229</u>
Component Units:	Maturity Date	Interest Rate	Amount
UCRRA:			
Serial bonds	3/1/25	4.96 - 5.29%	\$ 5,448,755
Total UCRRA			<u>\$ 5,448,755</u>

On November 20, 2018, Ulster County issued serial bonds totaling \$6,994,000, for various public improvement projects. These bonds will mature in 2033, and bear interest of 3.0 – 3.5%.

Advance Refunding

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 11 years by approximately \$2.3 million and to obtain an economic gain of approximately \$256 thousand in 2018.

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 5 years by approximately \$216 thousand and obtaining an economic gain of approximately \$56 thousand in 2018.

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

Issue	Amount Outstanding
Governmental Activities:	
Public Improvements, 2005	\$ 11,335,000
Public Improvements, 2006	28,765,000
Public Improvements, 2006	1,175,000
Public Improvements, 2007	1,470,000
Public Improvements, 2008	1,215,000
Total governmental activities refunded	<u>\$ 43,960,000</u>

Legal Debt Limit

The County's general obligation bonded debt, inclusive of Bond Anticipation Notes, of \$114,852,976 as of fiscal year end, was below the legal limit of approximately \$1,259,669,848. This amount represents approximately 9.12% of the constitutional debt limit.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

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

Year	General Obligations	UCCC	UTASC	UCRRA	Total
Principal:					
2019	\$ 7,636,706	\$ 272,294	\$ 1,295,000	\$ 810,566	\$ 10,014,566
2020	7,875,438	279,562	1,145,000	761,537	10,061,537
2021	8,196,971	293,029	1,230,000	714,371	10,434,371
2022	8,156,900	253,100	1,305,000	669,066	10,384,066
2023	8,109,000	131,000	1,400,000	628,129	10,268,129
2024-2028	32,525,400	504,600	8,665,000	1,865,086	43,560,086
2029-2033	8,505,000	-	11,910,000	-	20,415,000
2034-2038	-	-	16,678,584	-	16,678,584
2039	-	-	788,003	-	788,003
Less unamortized accretion	-	-	(9,649,009)	-	(9,649,009)
Less net deferred charge	(3,880,041)	-	-	-	(3,880,041)
Plus deferred gain	-	-	8,243,617	-	8,243,617
Plus deferred premium	5,868,791	-	1,329,284	-	7,198,075
Total	82,994,165	1,733,585	44,340,479	5,448,755	134,516,984
Interest:					
2019	2,890,193	53,610	1,731,920	979,434	5,655,157
2020	2,645,838	44,944	1,664,889	1,028,463	5,384,134
2021	2,348,546	35,192	1,585,870	1,075,629	5,045,237
2022	2,035,768	24,909	1,500,314	1,120,934	4,681,925
2023	1,723,639	16,269	1,409,020	1,161,871	4,310,799
2024-2028	4,550,980	33,364	5,453,757	3,969,914	14,008,015
2029-2033	545,557	-	2,473,175	-	3,018,732
2034	-	-	90,625	-	90,625
Total interest	16,740,521	208,288	15,909,570	9,336,245	42,194,624
Total requirements	\$ 99,734,686	\$1,941,873	\$60,250,049	\$14,785,000	\$176,711,608

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	\$115,928,336	\$ 7,267,083	\$ 7,422,426	\$115,772,993	\$ 8,931,706
Bonds payable – UCCC	1,997,711	-	264,126	1,733,585	272,294
Bond premiums	7,860,477	-	662,402	7,198,075	662,402
Claims and judgments*	1,272,000	-	34,000	1,238,000	169,000
OPEB liability, as restated	163,348,113	17,769,370	5,034,144	176,083,339	-
Net pension liability*	29,102,033	-	19,274,571	9,827,462	-
Compensated absences*	17,995,094	-	723,790	17,271,304	1,727,130
Total governmental activities	\$337,503,764	\$ 25,036,453	\$ 33,415,459	\$329,124,758	\$11,762,532
Business-type Activities:					
Workers' compensation pool claims	\$ 35,167,661	\$ 16,611,237	\$ 19,290,087	\$ 32,488,811	\$22,516,819
Total business-type activities	\$ 35,167,661	\$ 16,611,237	\$ 19,290,087	\$ 32,488,811	\$22,516,819

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Component Units:					
UCCC:					
Capital lease obligations	\$ 1,236,020	\$ 12,094	\$ 191,590	\$ 1,056,524	\$ 195,588
OPEB liability, as restated	22,711,154	2,124,884	-	24,836,038	818,927
Compensated absences*	991,552	-	28,489	963,063	-
Net pension liability*	1,564,135	-	1,113,975	450,160	-
Total UCCC	\$ 26,502,861	\$ 2,136,978	\$ 1,334,054	\$ 27,305,785	\$ 1,014,515
UCRRA:					
Bonds payable	\$ 7,848,755	\$ -	\$ 2,400,000	\$ 5,448,755	\$ 810,566
Bond premiums	15,610	-	15,610	-	-
Capital lease obligations	236,827	-	92,889	143,938	95,501
Compensated absences*	611,412	55,955	-	667,367	667,367
Landfill post-closure liability	2,055,988	439,372	-	2,495,360	249,536
Net pension liability*	702,730	-	469,960	232,770	-
Total UCRRA	11,471,322	495,327	2,978,459	8,988,190	1,822,970
Total component units	\$37,974,183	\$ 2,632,305	\$ 4,312,513	\$36,293,975	\$ 2,837,485

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

J. 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 2018, 2017, and 2016 were \$12,304,270, \$12,534,454, and \$12,866,091, respectively. The County's contributions made to the ERS were equal to 100 percent of the contributions required for each year.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

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

At December 31, 2018, the County reported a liability of \$9,827,462 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2017. 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, 2018, the County's proportion was 0.3044966%.

For the year ended December 31, 2018, the County recognized pension expense of \$11,755,848. At December 31, 2018, 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	\$ 3,505,138	\$ 2,896,513
Changes of assumptions	6,516,420	-
Net difference between projected and actual investment earnings on pension plan investments	14,273,611	28,174,676
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,208,289
County contributions subsequent to the measurement date	8,755,786	-
Total	\$ 33,050,955	\$ 32,279,478

The County reported \$8,755,786 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 ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending December 31,</u>	
2019	\$1,398,303
2020	1,288,621
2021	(7,283,585)
2022	(3,387,648)

Actuarial Assumptions

The total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2018. The actuarial valuation used the following actuarial assumptions:

Inflation – 2.5%

Salary scale – 3.8%

Cost of living adjustments – 1.3%, annually

Decrement – Developed from the Plan's experience study of the period April 1, 2010 – March 31, 2015

Investment rate of return (including inflation) – 7.0%, compounded annually, net of investment expenses

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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 return, net of investment expenses 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.

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2018

Investment Asset Allocation

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018 are summarized below:

Asset Type	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	36.0%	4.6%
International equity	14.0	6.4
Private equity	10.0	7.5
Real estate	10.0	5.6
Absolute return strategies	2.0	3.8
Opportunistic portfolio	3.0	5.7
Real assets	3.0	5.3
Bonds and mortgages	17.0	1.3
Cash	1.0	(0.3)
Inflation-indexed bonds	4.0	1.3
Total	100.0%	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% at December 31, 2018. 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 7.0%, 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 (6.0%), or 1% point higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
County's proportionate share of the net pension liability	\$ 74,357,229	\$ 9,827,462	\$ (44,756,141)

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	April 1, 2017
Employers' total pension liability	\$ 183,400,590,000
Plan fiduciary net position	180,173,145,000
Employers' net pension liability	<u>\$ 3,227,445,000</u>
System fiduciary net position as a percentage of total pension liability	98.24%

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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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.

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

At August 31, 2018, the College reported the following liability for its proportionate share of the net pension liability (asset) for each of the Systems. The net pension liability was measured as of March 31, 2018 for ERS and June 30, 2017 for TRS. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by actuarial valuations as of April 1, 2017 for ERS, and June 30, 2016 for TRS. The College's proportionate share of the net pension 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.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2017	June 30, 2016
Net proportionate pension liability (asset)	\$ 450,160	(\$100,998)
College's proportion of the Plan's net		
Pension liability	0.0139479%	0.0132870%

For the year ended August 31, 2018, the College recognized pension expense of \$499,369 for ERS and \$236,313 for TRS. At August 31, 2018 the College's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 160,557	\$ 83,096	\$ 132,679	\$ 39,378
Changes of assumptions	298,493	1,027,671	-	-
Net difference between projected and actual earnings on pension plan investments	653,822	-	1,290,578	237,879
Changes in proportion and differences between the College's contributions and proportionate share of contributions	-	-	55,347	80,577
Payments and accruals subsequent to the measurement date	421,056	240,103	-	-
Total	<u>\$ 1,533,928</u>	<u>\$1,350,870</u>	<u>\$1,478,604</u>	<u>\$ 357,834</u>

COUNTY OF ULSTER, NEW YORK

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College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending August 31,</u>	<u>ERS</u>	<u>TRS</u>
2019	\$ 64,051	\$ 9,609
2020	59,027	258,127
2021	(333,634)	180,806
2021	(155,176)	34,539
2023	-	180,240
Thereafter	-	89,612

Actuarial Assumptions

The total pension liability/(asset) as of the measurement dates were determined by using actuarial valuations as noted in the following table, with update procedures used to roll forward the total pension liability/(asset) to the respective measurement dates. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2018	June 30, 2017
Actuarial valuation date	April 1, 2017	June 30, 2016
Interest rate	7.0%	7.25%
Salary scale	3.8% Average	1.90% - 4.72%
Decrement tables	April 1, 2010 – March 31, 2015	July 1, 2009 – June 30, 2014
	System's Experience	System's Experience
Inflation rate	2.5%	2.5%

For ERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

For ERS, the actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2016 valuation are based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

The long term rate of return on ERS 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. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

The long term expected rate of return on TRS pension plan investments was determined in accordance with Actuarial Standards 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 each major asset class as well as historical investment data and plan performance.

COUNTY OF ULSTER, NEW YORK

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	ERS		TRS	
	Target Allocation	Long Term Expected Real Rate of Return	Target Allocation	Long Term Expected Real Rate of Return
Measurement date		March 31, 2018		June 30, 2017
Asset type:				
Domestic equity	36.0%	4.6%	35.0%	5.9%
International equity	14.0	6.4	18.0	7.4
Private equity	10.0	7.5	8.0	9.0
Real estate	10.0	5.6	11.0	4.3
Absolute return strategies	2.0	3.8	-	-
Domestic fixed income securities	-	-	16.0	1.6
Global fixed income securities	-	-	2.0	1.3
High-yield fixed income securities	-	-	1.0	3.9
Opportunistic portfolio	3.0	5.7	-	-
Real assets	3.0	5.3	-	-
Bonds and mortgages	17.0	1.3	8.0	2.8
Cash/short-term	1.0	(0.3)	1.0	0.6
Inflation-indexed bonds	4.0	1.3	-	-
Total	100.0%		100.0%	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for ERS and 7.25% 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.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate Assumption

The following presents the College's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.0% for ERS and 7.25% for TRS, as well as what the College's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1% lower (6.0% for ERS and 6.25% for TRS) or 1% higher (8.0% for ERS and 8.25% for TRS) than the current rate:

ERS:	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension liability/(asset)	\$ 3,406,031	\$ 450,160	\$ (2,056,389)
TRS:	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net pension liability/(asset)	\$ 1,739,891	\$ (100,998)	\$ (1,642,650)

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
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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)		
	ERS	TRS	Total
Valuation date	April 1, 2017	June 30, 2016	
Employers' total pension liability	\$ 183,400	\$114,708	\$298,108
Plan fiduciary net position	180,173	115,468	295,641
Employers' net pension liability (asset)	\$ 3,227	\$ (760)	\$ 2,467
System fiduciary net position as a percentage of total pension liability (asset)	98.24%	100.66%	99.17%

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, 2018 represent the projected employer contribution for the period of April 1, 2018 through August 31, 2018 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of August 31, 2018 amounted to \$421,056. This amount has been recorded as a deferred outflow in accordance with the guidance contained in GASB Statement No. 71.

For TRS, employer and employee contributions for the fiscal year ended August 31, 2018 are paid to the System in September, October, and November 2018. Accrued retirement contributions as of August 31, 2018 represent employee and employer contributions for the fiscal year ended August 31, 2018 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, 2018 amounted to \$240,103. This amount has been recorded as a deferred outflow in accordance with the guidance contained in GASB Statement No. 71.

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, 2018, the Agency reported a liability of \$232,770 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2017. 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, 2018, the Agency's proportion was 0.0072122 percent.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

For the year ended December 31, 2018, the Agency recognized pension expense of \$246,120. At December 31, 2018, 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	\$ 83,021	\$ 68,606
Changes of assumption	154,345	-
Net difference between projected and actual investment earnings on pension plan investments	338,079	667,335
Changes in proportion and differences between employer contributions and proportionate share of contributions	599	137,621
Agency contributions subsequent to the measurement date	245,094	-
Total	\$ 821,138	\$ 873,562

Agency contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending December 31,</u>	
2019	\$ (9,066)
2020	(1,303)
2021	(196,551)
2022	(90,598)

Actuarial Assumptions

The total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2018. The actuarial valuation used the following actuarial assumptions:

Inflation – 2.5%

Salary scale – 3.8%

Cost of living adjustments – 1.3%, annually

Decrement – Developed from the Plan's experience study of the period April 1, 2010 – March 31, 2015

Investment rate of return (including inflation) – 7.0%, compounded annually, net of investment expenses

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 return, net of investment expenses 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page.

COUNTY OF ULSTER, NEW YORK
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Asset Type	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	36.0%	4.6%
International equity	14.0	6.4
Private equity	10.0	7.5
Real estate	10.0	5.6
Absolute return strategies	2.0	3.8
Opportunistic portfolio	3.0	5.7
Real assets	3.0	5.3
Bonds and mortgages	17.0	1.3
Cash	1.0	(0.3)
Inflation-indexed bonds	4.0	1.3
Total	100.0%	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. 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 7.0 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 (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension liability (asset)	\$ 1,761,198	\$ 232,770	(\$ 1,060,219)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2018 were as follows:

	(Dollars in Millions)
Valuation date	April 1, 2017
Employers' total pension liability	\$ 183,400
Plan fiduciary net position	180,173
Employers' net pension liability	\$ 3,227
System fiduciary net position as a percentage of total pension liability	98.24%

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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K. Other Postemployment 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 a percentage of the premium. The County’s policy has been to account for and fund these benefits on a pay as you go basis.

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* which requires the accrual of these liabilities. The County implemented this statement during the year ended December 31, 2018.

(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) Employees Covered by Benefit Terms

At January 1, 2018, the measurement date, the following employees were covered by the benefit terms:

Active employees	1,225
Retirees of beneficiaries currently receiving benefit payments	791
Total	<u>2,016</u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments, which may be attributed to past service or “earned” discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“UAAL”) under GASB Statement No. 45.

(c) Total OPEB Liability

The County’s total OPEB liability for governmental activities of \$176,083,339 as of December 31, 2018 was measured as of January 1, 2018, and was determined by an actuarial valuation as of January 1, 2017.

(d) Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employer and the plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

The method used to calculate the costs of the Plan is known as the Entry Age Normal, Level Percent of Pay. The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary scale increases	3.0%
Discount rate	3.44%
Inflation	2.2%
Healthcare cost trend rate	SOA Long-Run Medical Cost Getzen Trend Model

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical US medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group. Trend rates are shown on the table on the following page:

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Fiscal Year	Medical Cost Trend Rate	Fiscal Year	Medical Cost Trend Rate
2018	5.00%	2028-2032	5.19%
2019	5.20%	2033-2037	5.19%
2020	5.40%	2038-2047	4.92%
2021	5.60%	2048-2057	4.68%
2022	5.53%	2058-2067	4.68%
2023-2027	5.19%	Ultimate	3.84%

Mortality rates for active employees and retirees were based on the RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2017.

(e) Changes in the Total OPEB Liability

The following table presents the changes to the total primary government OPEB liability:

Original OPEB liability as of December 31, 2017 (under GASB 45)	\$118,287,818
Cumulative effect of change in accounting principle (required by GASB 75)	45,060,295
Total OPEB liability as of December 31, 2017, as restated	<u>163,348,113</u>
Changes for the year:	
Service cost	5,271,940
Interest cost	6,278,693
Changes in assumptions and other inputs	6,218,737
Benefit payments	<u>(5,034,144)</u>
Net changes	<u>12,735,226</u>
Total OPEB liability as of December 31, 2018	<u>\$176,083,339</u>

(f) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability using the discount rate of 3.44%, as well as what the OPEB liability would be if it were to be calculated using a discount rate that is 1-percentage point lower (2.44%) or 1-percentage point higher (4.44%) than the current discount rate:

	1% Decrease 2.44%	Current 3.44%	1% Increase 4.44%
Total OPEB Liability	<u>\$204,864,377</u>	<u>\$176,083,339</u>	<u>\$152,764,624</u>

(g) Sensitivity of the Total OPEB Liability in the Healthcare Cost Trend Rates

The following presents the total OPEB liability using the healthcare cost trend rate of 5.00%/(ultimate rate of 3.84%), as well as what the OPEB liability would be if it were to be calculated using healthcare cost trend rates that are 1-percentage point lower (4.00%)/(ultimate rate of 2.84%) or 1-percentage point higher (6.00%)/(ultimate rate of 4.84%) than the current healthcare cost trend rates:

	1% Decrease 4.00%/2.84%	Current 5.00%/3.84%	1% Increase 6.00%/4.84%
Total OPEB Liability	<u>\$148,356,604</u>	<u>\$176,083,339</u>	<u>\$211,610,501</u>

(h) 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 contributed \$5,034,144 for the fiscal year ended December 31, 2018.

COUNTY OF ULSTER, NEW YORK

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(i) OPEB Expense and Deferred Outflows of Resources Related to OPEB

The County reports deferred outflows of resources due to differences during the measurement period between the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The table below presents the County's deferred outflows of resources at December 31, 2018.

	Deferred Outflows of Resources
Changes of assumptions or other inputs	\$ 5,187,437
County contributions subsequent to the measurement date	5,343,888
Total	<u>\$ 10,531,325</u>

Contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years ending December 31,</u>	
2019	\$1,031,300
2020	1,031,300
2021	1,031,300
2022	1,031,300
2023 and thereafter	1,062,237

(j) 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 - \$32,200

Ulster County Community College

In addition to the County, UCCC provides retirement benefits and certain health insurance benefits to retired employees and their covered dependents. Certain classes of the College's employees may become eligible for those benefits if they reach normal retirement age while working for the College. As of August 31, 2018, UCCC's liability for postemployment benefits was \$24,836,038.

(k) Changes in the Total OPEB Liability – UCCC

The following table presents the changes to the total primary government OPEB liability:

Original OPEB liability as of August 31, 2017 (under GASB 45)	\$13,248,972
Cumulative effect of change in accounting principle (required by GASB 75)	<u>9,462,182</u>
Total OPEB liability as of August 31, 2017, as restated	<u>22,711,154</u>
Changes for the year:	
Service cost	1,030,867
Interest cost	782,789
Differences between actual and expected experience	311,228
Benefit payments	<u>-</u>
Net changes	<u>2,124,884</u>
Total OPEB liability as of August 31, 2018	<u>\$24,836,038</u>

COUNTY OF ULSTER, NEW YORK

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(l) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – UCCC

The following presents the total OPEB liability of the College using the discount rate of 3.51%, as well as what the OPEB liability would be if it were to be calculated using a discount rate that is 1-percentage point lower (2.51%) or 1-percentage point higher (4.51%) than the current discount rate:

	1% Decrease 2.51%	Current 3.51%	1% Increase 4.51%
Total OPEB Liability	\$26,426,444	\$24,836,038	\$22,055,000

(m) Sensitivity of the Total OPEB Liability in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the College using the healthcare cost trend rate of 10.00% (ultimate rate of 5.00%), as well as what the OPEB liability would be if it were to be calculated using healthcare cost trend rates that are 1-percentage point lower (9.00%)/(ultimate rate of 4.00%) or 1-percentage point higher (11.00%)/(ultimate rate of 6.00%) than the current healthcare cost trend rates:

	1% Decrease 9.00%/4.00%	Current 10.00%/5.00%	1% Increase 11.00%/6.00%
Total OPEB Liability	\$21,092,503	\$24,836,038	\$27,590,186

(n) Funding Policy – UCCC

The obligation of the plan members, employers and other entities, are established by action of the College 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 College. For 2018, the College did not contribute additional funding for current premiums.

(o) OPEB Expense and Deferred Outflows of Resources Related to OPEB

The College reports deferred outflows of resources due to differences during the measurement period between the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The table below presents the College's deferred outflows of resources at August 31, 2018.

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 3,695,034
College contributions subsequent to the measurement date	818,927
Total	<u>\$ 4,513,961</u>

College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years ending August 31,</u>	
2019	\$1,600,677
2020	1,600,677
2021	469,867
2022	23,813

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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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)	\$ 210,363,206
Less related debt:	
Bond anticipation notes	(32,113,976)
Serial bonds – general obligations, net	(82,994,165)
Tobacco asset backed bonds	(43,684,973)
Plus unspent debt proceeds	5,675,579
Total net investment in capital assets	<u>\$ 57,245,671</u>

- *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 \$2,900,000, risk retention reserves of \$127,857, tax stabilization reserves of \$2,547,827, drug forfeiture reserves of \$21,704, E-911 emergency telephone reserves of \$963,790, Stop DWI reserves of \$100,617, probation reserves of \$881,321, child safety seat reserves of \$5,860, traffic safety board reserves of \$3,598, handicapped parking education reserves of \$6,421, and community development of \$198,915.
- *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.

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, \$70,553, that were committed for the purchase of inventories and supplies.
- *Prepaid items* – to reflect the portion of assets, \$5,954,747, 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 \$6,864,652. These funds are not available for general operations. Of note, the County has appropriated \$850,000 of Debt Service Fund fund balance for use in the subsequent year’s budget.
- *Future capital projects* – to reflect funds established for future capital projects in the amount of \$2,900,000.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2018

- *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 \$127,857.
- *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 \$2,547,827.
- *Civil and DA forfeitures* – to reflect unused portions of forfeited crime proceeds that must be spent on law enforcement in the amount of \$21,704.
- *Emergency telephone (E-911)* – to reflect unused portions of telephone surcharges that must be spent on the emergency telephone system in the amount of \$963,790.
- *Stop DWI* – to reflect unused portions of DWI fines that must be spent on Stop DWI programs in the amount of \$100,617.
- *Probation administration fees* – to reflect unused portions of probation fees that must be spent on probation programs in the amount of \$881,321.
- *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 \$6,421.

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, 2018.

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 \$2,365,074 in the General Fund, \$4,530 in the Special Grant Fund, \$8,297 in the County Road Fund, and \$2,116 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 \$7,082,711 of the General Fund fund balance, \$350,000 of the County Road Fund fund balance, and \$500,000 of the Road Machinery 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 \$186,569 in the Special Grant Fund, \$2,466,205 in the County Road Fund, and \$3,007,648 in the Road Machinery Fund.
- *Jail telephone commissions* – to reflect the unused portions of jail telephone commissions that will be spent on inmate programs in the amount of \$312,109.
- *Tourism* – to promote tourism in Ulster County in the amount of \$150,000.

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- *Social Services restitution* – to reflect the unused portions of Social Services restitution that will be spent on Social Services in the amount of \$61,756.
- *URGENT forfeitures* – to reflect unused portions of forfeited crime proceeds that will be spent on law enforcement in the amount of \$94,724.

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

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

B. Risk Management

The County is exposed to various risks of loss related to unemployment, general liability, and 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 two 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 \$32,488,811 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. This total liability is offset by cash on hand previously collected from participants’ premiums and assessment receivables recorded in accordance with Article 5 in the amount of \$6,037,324, of which \$1,894,754 is due and payable by the County of Ulster’s governmental activities 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
2018	\$35,167,661	\$16,611,237	(\$19,290,087)	\$32,488,811
2017	35,845,403	17,663,612	(18,341,354)	35,167,661
2016	38,382,000	15,057,557	(17,594,154)	35,845,403

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 \$1,238,000. 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.

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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
2018	\$1,272,000	(\$ 34,000)	\$1,238,000
2017	1,080,000	192,000	1,272,000
2016	730,000	350,000	1,080,000

C. 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.

D. 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 \$27,615,566 in construction commitments with contractors. These commitments are being financed by serial bonds, state and federal aid, donations and current appropriations.

On March 20, 2018 the County was authorized to enter into an agreement with the Ulster County Civil Service Employee's Association, providing 2% wage increases for 2018 and 2019. The financial impact of these negotiations amounted to approximately \$2.6 million.

E. Contingencies

The County has received grants in excess of \$91.1 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.

F. Federal Grant-Revolving Loan Fund

During 2018, the County participated with Rural Ulster Preservation Company (RUPCO) as sub-recipient for two Community Development Block Grants financed by the United States Department of Housing and Urban Development and administered through the New York State Housing Trust Fund Corporation totaling \$1,200,000.

A \$750,000 grant was to assist low to moderate income Ulster County residents purchase and rehabilitate owner-occupied housing. The Creating Opportunities for Homeownership Program completed all direct assistance to households, along with program delivery and administrative expenses to RUPCO, at the end of 2017 with \$732,500. Total monies received in 2018 was \$17,500 to cover Ulster County's administrative costs during the course of this program.

A \$450,000 grant was to assist low to moderate income Ulster County residents purchase and rehabilitate owner-occupied housing, and total monies received in 2018 was \$228,927. The Ulster County Homeownership Program started in 2018 and is on pace to complete all direct assistance to households by mid-2019.

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, 2018

G. 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, 2018:

	Balance at 1/1/2018	Increases	Decreases	Balance at 12/31/18
ASSETS				
Cash and cash equivalents	\$ 13,377,799	\$ 136,768,435	\$ 137,924,986	\$ 12,221,248
Receivables	15,501	1,002,450	751,443	266,508
Due from other funds	-	8,826	8,826	-
Total assets	<u>\$ 13,393,300</u>	<u>\$ 137,779,711</u>	<u>\$ 138,685,255</u>	<u>\$ 12,487,756</u>
LIABILITIES				
Due to other funds	\$ 4,266	\$ 58,908	\$ 57,031	\$ 6,143
Agency fund liabilities	13,389,034	95,403,894	96,311,315	12,481,613
Total liabilities	<u>\$ 13,393,300</u>	<u>\$ 95,462,802</u>	<u>\$ 96,368,346</u>	<u>\$ 12,487,756</u>

H. 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 county-wide 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 2018 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 the two remaining landfills are \$249,536 for each of the remaining 10 years.

I. 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.

J. Tax Abatements

The County is subject to tax abatements granted by the Ulster County Industrial Development Agency (UCIDA). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the UCIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the County, the abatements have resulted in reductions of property taxes, which the County administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by UCIDA, the County collected \$255,636 during 2018 in payments in lieu of taxes ("PILOT"); these collections were made in lieu of \$668,420 in property taxes.

COUNTY OF ULSTER, NEW YORK
Notes to the Financial Statements
December 31, 2018

K. Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 83 – Certain Asset Retirement Obligations

The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations (ARO's). The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, which is the fiscal year beginning January 1, 2019. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 84 – Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, which is the fiscal year beginning January 1, 2019. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 87 – Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning January 1, 2020. The net effect of this Statement has not yet been determined.

GASB Statement No. 88 – Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements

The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, which is the fiscal year beginning January 1, 2019. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 89 – Accounting for Interest Cost Incurred Before the End of a Construction Period

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning January 1, 2020. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 90 – Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, which is the fiscal year beginning January 1, 2019. This Statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 91 – Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, which is the fiscal year beginning January 1, 2021. This Statement is not expected to have a material effect on the future financial statements of the County.

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Notes to the Financial Statements
December 31, 2018

L. Subsequent Events

Management has evaluated subsequent events through September 24, 2019, 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.

UCSA Contract

On April 16, 2019, the County was authorized to enter into an agreement with the County's Staff Association providing increases of 2% for 2019 and 2020. The financial impact of this settlement is expected to be approximately \$135,700.

County Executive

On February 10, 2019, the Ulster County Executive resigned his position and an acting County Executive was sworn in the subsequent day. A special election took place on April 30, 2019 at which time the taxpayers of Ulster County elected a new County Executive to serve until the end of 2019. The financial impact of the special election amounted to approximately \$222,000.

M. Restatement of Net Position

During the year ended December 31, 2018, the County and the College adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of GASB Statement 75 requires the net OPEB liability to be measured as the portion of present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. As a result, the County's and College's OPEB liabilities were restated from \$118,287,818 and \$13,248,972, to \$163,348,113 and \$22,711,154, respectively as of December 31, 2017 (August 31, 2017 for UCCC). UCCC also recorded \$5,312,684 in deferred outflows of resources related to OPEB as of August 31, 2017.

In addition, for the year ended December 31, 2018, the County reviewed its estimate of the governmental activities internal balance related to workers' compensation. As a result of this review, the governmental activities internal balance related to workers' compensation was adjusted from \$9,622,407 to \$3,217,420 at December 31, 2017.

Net position of the County and College have been restated as follows:

	Total Governmental Activities	Aggregate Discretely Presented Component Units
Net position – December 31, 2017, as previously stated	\$ (23,159,000)	\$ 20,172,884
OPEB liability adjustment	(45,060,295)	(4,149,498)
Workers' compensation adjustment	6,404,987	-
Net position – December 31, 2017, as restated	\$ (61,814,308)	\$ 16,023,386

Required Supplementary
Information

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

Governmental Activities:	Fiscal Year Ended				
	2018	2017	2016	2015	2014
Measurement date	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
County's proportion of net pension liability	0.3044966%	0.3097205%	0.3109345%	0.3104617%	0.3104617%
County's proportionate share of the net pension liability	\$ 9,827,462	\$ 29,102,033	\$ 49,905,861	\$ 10,488,153	\$ 14,029,326
County's covered payroll	\$ 79,294,326	\$ 77,391,077	\$ 76,671,755	\$ 75,178,528	\$ 79,956,063
County's proportionate share of the net pension liability as a percentage of its covered payroll	12.39%	37.60%	65.09%	13.95%	17.55%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.70%	97.90%	97.20%

Component Units:	Fiscal Year Ended				
	2018	2017	2016	2015	2014
UCCC - ERS System (August 31)					
Measurement date	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
UCCC's proportion of net pension liability	0.0139479%	0.0151725%	0.0154374%	0.0161338%	0.0161338%
UCCC's proportionate share of the net pension liability	\$ 450,160	\$ 1,425,642	\$ 2,477,745	\$ 545,040	\$ 729,065
UCCC's covered payroll	\$ 4,018,654	\$ 4,055,915	\$ 3,926,685	\$ 4,029,055	\$ 3,668,663
UCCC's proportionate share of the net pension liability as a percentage of its covered payroll	11.20%	35.15%	63.10%	13.53%	19.87%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.70%	97.90%	97.20%

UCRRA

Measurement date	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
UCRRA's proportion of net pension liability	0.0072122%	0.0074789%	0.0080119%	0.0079561%	0.0079561%
UCRRA's proportionate share of the net pension liability	\$ 232,770	\$ 702,730	\$ 1,285,934	\$ 268,777	\$ 359,526
UCRRA's covered payroll	\$ 1,656,723	\$ 1,530,091	\$ 1,553,441	\$ 1,512,837	N/A
UCRRA's proportionate share of the net pension liability as a percentage of its covered payroll	14.05%	45.93%	82.78%	17.77%	N/A
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.70%	97.90%	97.20%

* Information prior to the year ended December 31, 2014, (August 31, 2014 with respect to UCCC) 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,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities:										
Contractually required contribution	\$ 12,304,270	\$ 12,534,454	\$ 12,866,091	\$ 13,733,997	\$ 14,740,535	\$ 17,132,581	\$ 16,940,612	\$ 13,494,253	\$ 10,254,823	\$ 7,545,002
Contribution in relation to the contractually required contribution	(12,304,270)	(12,534,454)	(12,866,091)	(13,733,997)	(14,740,535)	(17,132,581)	(16,940,612)	(13,494,253)	(10,254,823)	(7,545,002)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County covered payroll	\$ 81,540,519	\$ 78,545,595	\$ 77,006,238	\$ 76,560,260	\$ 74,717,951	\$ 81,702,100	\$ 89,720,808	\$ 90,999,885	\$ 94,008,977	\$ 94,553,139
Contributions as a percentage of covered payroll	15.09%	15.96%	16.71%	17.94%	19.73%	20.97%	18.88%	14.83%	10.91%	7.98%
Component Units:										
UCCC - ERS System (August 31):										
Contractually required contribution	\$ 587,186	\$ 600,941	\$ 695,269	\$ 765,058	\$ 739,188	\$ 655,866	\$ 518,256	\$ 405,890	\$ 232,987	\$ 233,086
Contribution in relation to the contractually required contribution	(587,186)	(600,941)	(695,269)	(765,058)	(739,188)	(655,866)	(518,256)	(405,890)	(232,987)	(233,086)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
UCCC covered payroll	\$ 4,018,654	\$ 4,055,915	\$ 3,926,685	\$ 4,029,055	\$ 3,668,663	\$ 3,666,104	\$ 3,320,026	\$ 3,614,337	\$ 3,213,614	\$ 2,798,151
Contributions as a percentage of covered payroll	14.61%	14.82%	17.71%	18.99%	20.15%	17.89%	15.61%	11.23%	7.25%	8.33%
UCRRA:										
Contractually required contribution	\$ 245,094	\$ 238,269	\$ 242,378	\$ 288,993	N/A	N/A	N/A	N/A	N/A	N/A
Contribution in relation to the contractually required contribution	(245,094)	(238,269)	(242,378)	(288,993)	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
UCRRA covered payroll	\$ 1,656,723	\$ 1,530,091	\$ 1,553,441	\$ 1,512,837	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	14.79%	15.57%	15.60%	19.10%	N/A	N/A	N/A	N/A	N/A	N/A

See accompanying notes to the required supplementary information.

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

Component Units:	Fiscal Year Ended				
	2018	2017	2016	2015	2014
UCCC - TRS System					
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
UCCC's proportion of net pension asset/(liability)	0.0132870%	0.0129310%	0.0121190%	0.0115010%	0.0104130%
UCCC's proportionate share of the net pension asset/(liability)	\$ 100,998	\$ (138,493)	\$ 1,258,757	\$ 1,281,129	\$ 1,281,129
UCCC's covered payroll	\$ 2,096,871	\$ 2,105,776	\$ 1,995,340	\$ 1,820,408	\$ 1,698,862
UCCC's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	4.82%	(6.58%)	63.08%	70.38%	75.41%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	100.66%	(99.01%)	110.46%	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,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Component Units:										
UCCC - TRS System:										
Contractually required contribution	\$ 205,493	\$ 246,797	\$ 264,582	\$ 319,118	\$ 276,065	\$ 180,595	\$ 140,854	\$ 109,819	\$ 74,927	\$ 73,745
Contribution in relation to the contractually required contribution	(205,493)	(246,797)	(264,582)	(319,118)	(276,065)	(180,595)	(140,854)	(109,819)	(74,927)	(73,745)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
UCCC covered payroll	\$ 2,096,871	\$ 2,105,776	\$ 1,995,340	\$ 1,820,408	\$ 1,698,862	\$ 1,525,296	\$ 1,267,813	\$ 1,274,002	\$ 1,210,452	\$ 966,514
Contributions as a percentage of covered payroll	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%	11.11%	8.62%	6.19%	7.63%

See accompanying notes to the required supplementary information.

County of Ulster, New York
Schedule of Local Government's Changes in Total OPEB Liabilities and Related Ratios
For the Year Ended December 31, 2018 *

Governmental Activities:	Year Ended December 31, 2018
Total OPEB Liability	
Service cost	\$ 5,271,940
Interest cost	6,278,693
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	6,218,737
Benefit payments	<u>(5,034,144)</u>
Net changes in total OPEB liability	12,735,226
Total OPEB liability - beginning, as restated	<u>163,348,113</u>
Total OPEB liability - ending	<u><u>\$ 176,083,339</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 5,034,144
Benefit payments	<u>(5,034,144)</u>
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending	<u><u>-</u></u>
Net OPEB Liability - Ending	<u><u>\$ 176,083,339</u></u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%
Annual covered-employee payroll	\$ 81,540,519
Net OPEB liability as a percentage of annual covered-employee payroll	215.95%

Component Units - UCCC:	Year Ended August 31, 2018
Total OPEB Liability	
Service cost	\$ 1,030,867
Interest cost	782,789
Changes in benefit terms	311,228
Differences between expected and actual experience	-
Changes of assumptions or other inputs	-
Benefit payments	<u>-</u>
Net changes in total OPEB liability	2,124,884
Total OPEB liability - beginning, as restated	<u>22,711,154</u>
Total OPEB liability - ending	<u><u>\$ 24,836,038</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ -
Benefit payments	<u>-</u>
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending	<u><u>-</u></u>
Net OPEB Liability - Ending	<u><u>\$ 24,836,038</u></u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%
Annual covered-employee payroll	\$ 9,832,256
Net OPEB liability as a percentage of annual covered-employee payroll	252.60%

* Information prior to the year ended December 31, 2018 (August 31, 2018 with respect to UCCC) is not available.

See accompanying notes to the required supplementary information.

County of Ulster, New York
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Adopted</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
REVENUES				
Taxes:				
Property	\$ 51,664,702	\$ 51,664,702	\$ 51,046,118	\$ (618,584)
Other real property tax items	5,700,000	5,700,000	5,624,634	(75,366)
Sales	117,631,568	118,007,318	120,322,069	2,314,751
Tax on Hotel Room Occupancy	1,425,000	1,425,000	1,805,747	380,747
Off track betting taxes	75,000	75,000	22,146	(52,854)
E-911 emergency telephone surcharge	706,700	706,700	666,659	(40,041)
Automobile use tax	1,225,000	1,225,000	1,174,680	(50,320)
State aid	41,908,774	42,805,157	45,173,062	2,367,905
Federal aid	34,439,114	34,672,740	30,666,130	(4,006,610)
Departmental income	9,392,297	9,392,297	9,688,696	296,399
Intergovernmental	920,450	920,450	2,367,475	1,447,025
Use of money and property	1,214,338	1,214,338	1,365,373	151,035
Licenses and permits	469,400	469,400	463,119	(6,281)
Fines and forfeitures	519,364	519,364	469,645	(49,719)
Sale of property and compensation for loss	1,150,300	1,189,661	1,825,463	635,802
Miscellaneous local sources	391,600	426,100	692,518	266,418
Interfund revenues	2,100,024	2,100,024	1,471,059	(628,965)
Total revenues	270,933,631	272,513,251	274,844,593	2,331,342
EXPENDITURES				
Current:				
General government	66,070,369	67,136,568	62,694,042	4,442,526
Education	10,110,863	10,120,213	10,116,863	3,350
Public safety	45,739,786	46,704,473	44,280,976	2,423,497
Public health	19,196,921	19,675,655	18,151,961	1,523,694
Transportation	5,881,884	5,943,369	5,331,484	611,885
Economic assistance	121,758,975	122,522,088	120,542,481	1,979,607
Culture and recreation	1,080,503	1,239,293	1,105,000	134,293
Home and community	2,810,211	3,865,513	2,681,488	1,184,025
Employee benefits	9,968,398	9,234,498	7,831,406	1,403,092
Debt service:				
Interest	275,000	354,000	353,864	136
Total expenditures	282,892,910	286,795,670	273,089,565	13,706,105
Excess (deficiency) of revenues over expenditures	(11,959,279)	(14,282,419)	1,755,028	16,037,447
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	73,727	73,727
Transfers from proprietary funds	-	-	889,513	889,513
Transfers out	(250,000)	(529,500)	(529,500)	-
Total other financing sources (uses)	(250,000)	(529,500)	433,740	963,240
Net change in fund balances *	(12,209,279)	(14,811,919)	2,188,768	17,000,687
Fund balances - beginning	55,801,240	55,801,240	55,801,240	-
Fund balances - ending	\$ 43,591,961	\$ 40,989,321	\$ 57,990,008	\$ 17,000,687

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

See accompanying notes to the required supplementary information.

COUNTY OF ULSTER, NEW YORK
Notes to the Required Supplementary Information
December 31, 2018

Pension Liability

The schedules of local government's proportionate share of the net pension liability/(asset) and local government's contributions present trend information of the components of the net pension liability/(asset) and related ratios for each retirement system the County participates in, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the contributions as a percentage of covered-employee payroll.

OPEB Liability

Changes of Assumptions – The actuarial cost method for governmental activities has been changed as of January 1, 2017 to the Entry Age Normal Level Percent of Pay method prescribed under GASB 75. Previously, when the plan was subject to GASB 45, the Projected Unit Credit cost method was utilized. The revised cost method resulted in an increase in the Total OPEB Liability and a decrease in the Service Cost.

The rate used to discount future plan cash flows was updated to 3.78% from 3.5% as of January 1, 2017 based on a review of the 20-year-tax-exempt general obligation municipal bond rated AA/Aa. Previously the discount rate had been based on the expected rate of return on the employer's general assets under GASB 45. While the total liability increased, the change in discount rate resulted in a decrease in liabilities. The rate used to discount future plan cash flows was updated from 3.78% to 3.44% as of December 31, 2017 based on a review of the 20-year-tax-exempt general obligation municipal bond rated AA/Aa. The change in discount rate resulted in an increase in liabilities.

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 \$7,296,705 of encumbrances outstanding at December 31, 2018. In the General Fund and Special Revenue Funds, encumbrances of \$2,365,074 and \$14,943, respectively, are supported by assigned fund balance. The Capital Projects Fund has \$4,916,688 of outstanding encumbrances. As of December 31, 2018, the County had the following significant encumbrances:

<u>Description</u>	<u>Capital Projects Fund</u>
Transportation	<u>\$ 738,946</u>

Supplementary
Information

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

County of Ulster, New York
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	<u>Special Revenue Funds</u>			
	Special Grant	County Road	Road Machinery	Total Nonmajor Funds
ASSETS				
Cash, cash equivalents and investments	\$ 172,802	\$ 2,942,613	\$ 3,781,659	\$ 6,897,074
Receivables	54,766	102,954	-	157,720
Total assets	<u>\$ 227,568</u>	<u>\$ 3,045,567</u>	<u>\$ 3,781,659</u>	<u>\$ 7,054,794</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 36,469	\$ 221,065	\$ 271,895	\$ 529,429
Total liabilities	<u>36,469</u>	<u>221,065</u>	<u>271,895</u>	<u>529,429</u>
FUND BALANCES				
Assigned to:				
Encumbrances	4,530	8,297	2,116	14,943
Subsequent years' expenditures	-	350,000	500,000	850,000
Specific use	186,569	2,466,205	3,007,648	5,660,422
Total fund balances	<u>191,099</u>	<u>2,824,502</u>	<u>3,509,764</u>	<u>6,525,365</u>
Total liabilities and fund balances	<u>\$ 227,568</u>	<u>\$ 3,045,567</u>	<u>\$ 3,781,659</u>	<u>\$ 7,054,794</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, 2018

	<u>Special Revenue Funds</u>			
	Special Grant	County Road	Road Machinery	Total Nonmajor Funds
REVENUES				
Real property taxes	\$ -	\$ 10,936,327	\$ 2,986,877	\$ 13,923,204
State aid	308,048	3,953,467	-	4,261,515
Federal aid	1,366,293	203,329	-	1,569,622
Intergovernmental	-	159,218	-	159,218
Use of money and property	2,339	25,750	38,885	66,974
Sale of property and compensation for loss	-	37,947	14,974	52,921
Miscellaneous local sources	-	43,288	-	43,288
Interfund revenues	600	-	-	600
Total revenues	<u>1,677,280</u>	<u>15,359,326</u>	<u>3,040,736</u>	<u>20,077,342</u>
EXPENDITURES				
Current:				
Transportation	-	14,570,425	3,708,208	18,278,633
Economic assistance	1,298,499	-	-	1,298,499
Home and community	228,927	-	-	228,927
Debt service:				
Interest	601	-	-	601
Total expenditures	<u>1,528,027</u>	<u>14,570,425</u>	<u>3,708,208</u>	<u>19,806,660</u>
Excess (deficiency) of revenues over expenditures	<u>149,253</u>	<u>788,901</u>	<u>(667,472)</u>	<u>270,682</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	4,142	-	4,142
Transfers out	(73,727)	-	-	(73,727)
Total other financing sources (uses)	<u>(73,727)</u>	<u>4,142</u>	<u>-</u>	<u>(69,585)</u>
Net change in fund balances	75,526	793,043	(667,472)	201,097
Fund balances - beginning	115,573	2,031,459	4,177,236	6,324,268
Fund balances - ending	<u>\$ 191,099</u>	<u>\$ 2,824,502</u>	<u>\$ 3,509,764</u>	<u>\$ 6,525,365</u>

County of Ulster, New York
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2018

	Ulster County Economic Development Alliance	Ulster County Capital Resource Corporation	Total Nonmajor Proprietary Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 929,752	\$ 651,234	\$ 1,580,986
Restricted cash and cash equivalents	198,915	-	198,915
Receivables	95,230	-	95,230
Due from other funds	52,124	-	52,124
Total current assets	<u>1,276,021</u>	<u>651,234</u>	<u>1,927,255</u>
Noncurrent assets:			
Receivables	693,693	-	693,693
Total noncurrent assets	<u>693,693</u>	<u>-</u>	<u>693,693</u>
Total assets	<u>1,969,714</u>	<u>651,234</u>	<u>2,620,948</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	34,688	-	34,688
Intergovernmental payables	20,413	-	20,413
Due to other funds	-	1,250	1,250
Total current liabilities	<u>55,101</u>	<u>1,250</u>	<u>56,351</u>
Noncurrent liabilities:			
Unearned revenue	180,754	-	180,754
Total noncurrent liabilities	<u>180,754</u>	<u>-</u>	<u>180,754</u>
Total liabilities	<u>235,855</u>	<u>1,250</u>	<u>237,105</u>
NET POSITION			
Restricted	198,915	-	198,915
Unrestricted	1,534,944	649,984	2,184,928
Total net position	<u>\$ 1,733,859</u>	<u>\$ 649,984</u>	<u>\$ 2,383,843</u>

County of Ulster, New York
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2018

	Ulster County Economic Development Alliance	Ulster County Capital Resource Corporation	Total Nonmajor Proprietary Funds
OPERATING REVENUES			
Charges for services	\$ 336,860	\$ -	\$ 336,860
Other operating revenues	43,287	-	43,287
Total operating revenues	<u>380,147</u>	<u>-</u>	<u>380,147</u>
OPERATING EXPENSES			
Administrative	27,254	9,677	36,931
Contractual	328,744	125,000	453,744
Provision for loan recoveries	3,348	-	3,348
Total operating expenses	<u>359,346</u>	<u>134,677</u>	<u>494,023</u>
Operating income	20,801	(134,677)	(113,876)
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	525	5,842	6,367
Sale of property	889,513	-	889,513
Transfer to General Fund	(889,513)	-	(889,513)
Interest expense	(1,055)	-	(1,055)
Total nonoperating revenues (expenses)	<u>(530)</u>	<u>5,842</u>	<u>5,312</u>
Change in net position	20,271	(128,835)	(108,564)
Net position - beginning	1,713,588	778,819	2,492,407
Net position - ending	<u>\$ 1,733,859</u>	<u>\$ 649,984</u>	<u>\$ 2,383,843</u>

County of Ulster, New York
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2018

	Ulster County Economic Development Alliance	Ulster County Capital Resource Corporation	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from services provided	\$ 262,569	\$ -	\$ 262,569
Payments to suppliers and service providers	(395,639)	(134,677)	(530,316)
Net cash used by operating activities	(133,070)	(134,677)	(267,747)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interest expense	(1,055)	-	(1,055)
Payments on long-term debt	(38,016)	-	(38,016)
Net cash used by noncapital financing activities	(39,071)	-	(39,071)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	525	5,842	6,367
Sale of property	840,763	-	840,763
Transfer to General Fund	(864,513)	-	(864,513)
Net cash provided (used) by investing activities	(23,225)	5,842	(17,383)
Net decrease in cash and cash equivalents	(195,366)	(128,835)	(324,201)
Total cash and cash equivalents - beginning	1,324,033	780,069	2,104,102
Total cash and cash equivalents - ending	<u>\$ 1,128,667</u>	<u>\$ 651,234</u>	<u>\$ 1,779,901</u>
Reconciliation of operating income (loss) to net cash used by operating activities:			
Operating income (loss)	\$ 20,801	\$ (134,677)	\$ (113,876)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Provision for loan recoveries	3,348	-	3,348
(Increase) decrease in:			
Receivables	(230,102)	-	(230,102)
Due from other funds	109,176	-	109,176
Increase (decrease) in:			
Accounts payable and accrued expenses	(32,234)	-	(32,234)
Unearned revenue	(4,059)	-	(4,059)
Net cash provided (used) by operating activities	<u>\$ (133,070)</u>	<u>\$ (134,677)</u>	<u>\$ (267,747)</u>

County of Ulster, New York
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Adopted</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
REVENUES				Budget
Real property taxes	\$ 10,112,877	\$ 10,112,877	\$ 10,112,877	\$ -
State aid	-	-	281,619	281,619
Use of money and property	8,900	8,900	52,264	43,364
Miscellaneous local sources	-	117,575	-	(117,575)
Total revenues	10,121,777	10,239,352	10,446,760	207,408
EXPENDITURES				
Debt service:				
Principal	7,120,000	7,281,575	7,281,552	23
Interest	3,001,777	2,957,777	2,957,375	402
Total expenditures	10,121,777	10,239,352	10,238,927	425
Excess (deficiency) of revenues over expenditures	-	-	207,833	207,833
OTHER FINANCING SOURCES				
Transfers in	-	-	2,908,477	2,908,477
Total other financing sources	-	-	2,908,477	2,908,477
Net change in fund balances	-	-	3,116,310	3,116,310
Fund balances - beginning	1,351,651	1,351,651	1,351,651	-
Fund balances - ending	\$ 1,351,651	\$ 1,351,651	\$ 4,467,961	\$ 3,116,310

County of Ulster, New York
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Special Grant Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
State aid	\$ 282,478	\$ 282,478	\$ 308,048	\$ 25,570
Federal aid	1,284,246	1,739,021	1,366,293	(372,728)
Use of money and property	1,600	1,600	2,339	739
Interfund revenues	-	-	600	600
Total revenues	1,568,324	2,023,099	1,677,280	(345,819)
EXPENDITURES				
Current:				
Economic assistance	1,567,124	1,575,074	1,298,499	276,575
Home and community	-	454,775	228,927	225,848
Debt service:				
Interest	1,200	1,200	601	599
Total expenditures	1,568,324	2,031,049	1,528,027	503,022
Excess (deficiency) of revenues over expenditures	-	(7,950)	149,253	157,203
OTHER FINANCING (USES)				
Transfers out	-	(74,000)	(73,727)	273
Total financing (uses)	-	(74,000)	(73,727)	273
Net change in fund balances	-	(81,950)	75,526	157,476
Fund balances - beginning	115,573	115,573	115,573	-
Fund balances - ending	\$ 115,573	\$ 33,623	\$ 191,099	\$ 157,476

County of Ulster, New York
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
County Road Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		
REVENUES				
Real property taxes	\$ 10,936,327	\$ 10,936,327	\$ 10,936,327	\$ -
State aid	3,694,156	4,456,643	3,953,467	(503,176)
Federal aid	-	-	203,329	203,329
Intergovernmental	100,000	100,000	159,218	59,218
Use of money and property	5,800	5,800	25,750	19,950
Sale of property and compensation for loss	50,100	50,100	37,947	(12,153)
Miscellaneous local sources	10,000	10,000	43,288	33,288
Total revenues	14,796,383	15,558,870	15,359,326	(199,544)
EXPENDITURES				
Current:				
Transportation	14,796,383	15,559,090	14,570,425	988,665
Total expenditures	14,796,383	15,559,090	14,570,425	988,665
Excess (deficiency) of revenues over expenditures	-	(220)	788,901	789,121
OTHER FINANCING SOURCES				
Transfers in	-	-	4,142	4,142
Total financing sources	-	-	4,142	4,142
Net change in fund balances	-	(220)	793,043	793,263
Fund balances - beginning	2,031,459	2,031,459	2,031,459	-
Fund balances - ending	\$ 2,031,459	\$ 2,031,239	\$ 2,824,502	\$ 793,263

County of Ulster, New York
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Road Machinery Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance
	Adopted	Final	Amounts	with Final Budget
REVENUES				
Real property taxes	\$ 2,986,877	\$ 2,986,877	\$ 2,986,877	\$ -
Use of money and property	39,000	39,000	38,885	(115)
Sale of property and compensation for loss	28,500	28,500	14,974	(13,526)
Total revenues	3,054,377	3,054,377	3,040,736	(13,641)
EXPENDITURES				
Current:				
Transportation	3,854,377	3,862,057	3,708,208	153,849
Total expenditures	3,854,377	3,862,057	3,708,208	153,849
Net change in fund balances *	(800,000)	(807,680)	(667,472)	140,208
Fund balances - beginning	4,177,236	4,177,236	4,177,236	-
Fund balances - ending	\$ 3,377,236	\$ 3,369,556	\$ 3,509,764	\$ 140,208

* 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, 2018

	Component Units			Aggregate
	Community College (August 31, 2018)	Resource Recovery Agency	Industrial Development Agency	Discretely Presented Component Units
ASSETS				
Cash and cash equivalents	\$ 5,099,149	\$ 6,466,527	\$ 737,612	\$ 12,303,288
Investments	8,982,841	2,542,949	-	11,525,790
Receivables	5,408,957	1,867,533	22,014	7,298,504
Prepaid items	-	375,909	-	375,909
Other assets	1,455,640	39,828	-	1,495,468
Net pension asset - proportionate share	100,998	-	-	100,998
Capital assets, net of accumulated depreciation	13,505,641	9,893,603	-	23,399,244
Total assets	34,553,226	21,186,349	759,626	56,499,201
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pensions	2,884,798	821,138	-	3,705,936
Deferred outflows of resources - OPEB	4,513,961	-	-	4,513,961
Total deferred outflows of resources	7,398,759	821,138	-	8,219,897
LIABILITIES				
Accounts payable and other accrued liabilities	1,965,699	1,296,837	135	3,262,671
Intergovernmental payables	430	-	-	430
Due to primary government	464,984	-	12,500	477,484
Unearned revenue	4,880,137	3,500	-	4,883,637
Noncurrent liabilities:				
Due within one year	1,014,515	1,822,970	-	2,837,485
Due in more than one year	26,291,270	7,165,220	-	33,456,490
Total liabilities	34,617,035	10,288,527	12,635	44,918,197
DEFERRED INFLOWS OF RESOURCES				
Deferred tuition received	710,927	-	-	710,927
Deferred pensions	1,836,438	873,562	-	2,710,000
Total deferred inflows of resources	2,547,365	873,562	-	3,420,927
NET POSITION				
Net investment in capital assets	12,401,365	9,893,603	-	22,294,968
Restricted for:				
Board designated	200,000	-	-	200,000
Scholarships and grants	5,876,150	-	-	5,876,150
Nonexpendable	2,862,085	-	-	2,862,085
Debt service	-	2,704,900	-	2,704,900
Unrestricted	(16,552,015)	(1,753,105)	746,991	(17,558,129)
Total net position	\$ 4,787,585	\$ 10,845,398	\$ 746,991	\$ 16,379,974

County of Ulster, New York
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended December 31, 2018

	Component Units			Total
	Community College (August 31, 2018)	Resource Recovery Agency	Industrial Development Agency	Discretely Presented Component Units
OPERATING EXPENSES				
Instruction	\$ 14,832,235	\$ -	\$ -	\$ 14,832,235
Public service	652,944	-	-	652,944
Academic support	735,028	-	-	735,028
Student services	3,065,452	-	-	3,065,452
General administration	3,512,996	631,348	50,545	4,194,889
General institution	2,079,201	-	-	2,079,201
Operation and maintenance of plant	3,445,455	-	-	3,445,455
Student aid	3,279,012	-	-	3,279,012
Auxiliary	369,171	-	-	369,171
Day care	331,951	-	-	331,951
Costs of sales and services	-	8,747,896	-	8,747,896
Salaries and wages	-	1,799,432	-	1,799,432
Benefits	-	998,435	-	998,435
Professional fees	-	-	112,159	112,159
Landfill post closure care	-	688,908	-	688,908
Depreciation	1,207,269	632,143	-	1,839,412
Interest expense	-	683,416	-	683,416
Other operating expenses	1,507,866	-	9,151	1,517,017
Total operating expenses	35,018,580	14,181,578	171,855	49,372,013
PROGRAM REVENUES				
Student tuition and fees	6,505,715	-	-	6,505,715
Auxiliary	317,691	-	-	317,691
Sale of recyclable materials	-	616,538	-	616,538
Solid waste service fees	-	15,299,711	-	15,299,711
Fees	-	-	522,749	522,749
Operating grants and contributions	6,406,680	45,558	-	6,452,238
Other operating revenue	1,520,456	68,661	-	1,589,117
Total program revenues	14,750,542	16,030,468	522,749	31,303,759
Net program revenue (expense)	(20,268,038)	1,848,890	350,894	(18,068,254)
GENERAL REVENUES				
Contribution from other governments	5,826,978	-	-	5,826,978
County contribution	6,400,863	-	-	6,400,863
Chargeback revenue	942,400	-	-	942,400
Federal and state nonoperating grants	5,105,846	-	-	5,105,846
Investment income	2,462	142,482	3,811	148,755
Total general revenues	18,278,549	142,482	3,811	18,424,842
Net change in net position	(1,989,489)	1,991,372	354,705	356,588
Net position - beginning, as restated	6,777,074	8,854,026	392,286	16,023,386
Net position - ending	\$ 4,787,585	\$ 10,845,398	\$ 746,991	\$ 16,379,974

Statistical Section (Unaudited)

COUNTY OF ULSTER, NEW YORK
Net Position by Component
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016*	2017**	2018
Governmental Activities:										
Net investment in capital assets	\$ 31,715,641	\$ 37,390,565	\$ 20,864,249	\$ 65,377,760	\$ 67,892,165	\$ 82,086,962	\$ 53,684,436	\$ 41,545,997	\$ 48,855,391	\$ 57,245,671
Restricted	12,715,012	9,603,188	9,009,628	10,016,115	6,978,332	6,397,859	11,163,006	11,870,195	11,004,588	9,955,686
Unrestricted	<u>2,302,802</u>	<u>(9,600,040)</u>	<u>(11,261,448)</u>	<u>(65,430,305)</u>	<u>(64,672,740)</u>	<u>(94,196,105)</u>	<u>(75,226,163)</u>	<u>(66,678,251)</u>	<u>(121,674,287)</u>	<u>(122,522,786)</u>
Total governmental activities net position	<u>\$ 46,733,455</u>	<u>\$ 37,393,713</u>	<u>\$ 18,612,429</u>	<u>\$ 9,963,570</u>	<u>\$ 10,197,757</u>	<u>\$ (5,711,284)</u>	<u>\$ (10,378,721)</u>	<u>\$ (13,262,059)</u>	<u>\$ (61,814,308)</u>	<u>\$ (55,321,429)</u>
Business-type Activities:										
Net investment in capital assets	\$ 3,955,646	\$ 3,580,827	\$ 3,024,756	\$ 2,586,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	39,030	39,030	-	-	-	198,969	199,656	198,915
Unrestricted	<u>2,829,444</u>	<u>555,836</u>	<u>(4,934,896)</u>	<u>(5,427,967)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,447,634</u>	<u>2,292,751</u>	<u>2,184,928</u>
Total business-type activities net position	<u>\$ 6,785,090</u>	<u>\$ 4,136,663</u>	<u>\$ (1,871,110)</u>	<u>\$ (2,802,578)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,646,603</u>	<u>\$ 2,492,407</u>	<u>\$ 2,383,843</u>
Total Primary Government:										
Net investment in capital assets	\$ 35,671,287	\$ 40,971,392	\$ 23,889,005	\$ 67,964,119	\$ 67,892,165	\$ 82,086,962	\$ 53,684,436	\$ 41,545,997	\$ 48,855,391	\$ 57,245,671
Restricted	12,715,012	9,603,188	9,048,658	10,055,145	6,978,332	6,397,859	11,163,006	12,069,164	11,204,244	10,154,601
Unrestricted	<u>5,132,246</u>	<u>(9,044,204)</u>	<u>(16,196,344)</u>	<u>(70,858,272)</u>	<u>(64,672,740)</u>	<u>(94,196,105)</u>	<u>(75,226,163)</u>	<u>(65,230,617)</u>	<u>(119,381,536)</u>	<u>(120,337,858)</u>
Total primary government net position	<u>\$ 53,518,545</u>	<u>\$ 41,530,376</u>	<u>\$ 16,741,319</u>	<u>\$ 7,160,992</u>	<u>\$ 10,197,757</u>	<u>\$ (5,711,284)</u>	<u>\$ (10,378,721)</u>	<u>\$ (11,615,456)</u>	<u>\$ (59,321,901)</u>	<u>\$ (52,937,586)</u>

Source: Ulster County Annual Financial Reports

* The County implemented GASB Statement No. 80, *Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*. As a result, net position has been restated at December 31, 2016.

** The County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions - An Amendment of GASB Statement No. 45*. As a result, net position has been restated at December 31, 2017.

Table 2

COUNTY OF ULSTER, NEW YORK

Changes in Net Position
Last Eight Fiscal Years

	2011	2012	2013	2014	2015	2016	2017*	2018
Expenses								
Governmental activities:								
General government	\$ 64,421,405	\$ 64,452,481	\$ 58,018,900	\$ 69,544,611	\$ 58,892,138	\$ 66,427,340	\$ 65,270,653	\$ 64,380,838
Education	10,449,170	9,598,123	10,127,951	8,533,495	9,823,272	10,082,920	11,376,376	10,774,993
Public safety	46,596,897	47,566,433	51,988,875	50,016,317	49,239,187	52,982,354	53,384,200	49,661,770
Public health	28,088,636	25,578,995	20,982,356	19,262,838	18,967,235	19,705,379	19,555,576	18,773,270
Transportation	26,973,401	22,963,323	24,670,675	25,423,875	28,915,480	28,852,350	29,398,429	26,465,766
Economic assistance	120,653,740	129,609,798	133,857,675	128,723,809	124,925,171	130,053,823	126,979,436	124,214,173
Culture and recreation	1,040,315	993,089	962,783	1,127,564	1,271,955	1,362,615	1,324,144	2,973,672
Home and community	4,190,840	5,883,149	2,878,042	2,793,990	3,096,083	3,474,579	4,013,375	2,976,740
Interest on long-term debt	6,884,754	6,778,572	6,575,763	6,431,867	6,236,915	6,635,851	4,872,295	4,720,161
Total governmental activities expenses	309,299,158	313,423,963	310,063,020	311,858,366	301,367,436	319,577,211	316,174,484	304,941,383
Business-type activities:								
Long-Term Care	32,906,238	33,247,837	13,047,766	-	-	-	-	-
Workers' Compensation Pool	14,795,165	10,283,758	9,508,560	9,333,330	9,603,353	10,058,153	10,007,661	10,219,727
Blended Component Units (UCEDA, UCCRC, GHLDC)	-	-	-	-	-	-	309,057	495,078
Total business-type activities expenses	47,701,403	43,531,595	22,556,326	9,333,330	9,603,353	10,058,153	10,316,718	10,714,805
Total primary government expenses	357,000,561	356,955,558	332,619,346	321,191,696	310,970,789	329,635,364	326,491,202	315,656,188
Program Revenues								
Governmental activities:								
Charges for services:								
General government	6,222,816	8,122,012	20,681,114	5,964,237	6,034,364	7,969,859	6,390,684	6,451,107
Education	83,195	80,996	78,916	90,158	180,326	217,740	70,898	81,518
Public safety	3,177,387	2,981,076	3,512,981	3,306,178	2,440,549	1,751,699	1,783,591	2,707,737
Public health	6,419,484	4,623,652	3,061,771	618,318	481,024	476,736	509,169	572,909
Transportation	1,389,205	1,236,969	1,037,490	861,642	820,054	750,115	834,542	1,032,547
Economic assistance	8,536,093	13,251,138	9,294,951	7,531,266	4,694,142	5,873,659	6,357,893	5,274,861
Culture and recreation	129,181	129,530	109,553	113,547	118,588	170,686	628,620	190,153
Home and community	4,789	59,759	4,228	6,019	169,734	137,571	201,960	137,457
Operating grants and contributions	77,940,934	87,945,815	76,283,382	74,399,760	76,303,293	84,679,415	77,044,272	78,071,951
Capital grants and contributions	2,288,331	5,420,598	1,450,701	7,420,320	9,640,072	13,118,913	9,777,416	14,453,570
Total governmental activities program revenues	106,191,415	123,851,545	115,515,087	100,311,445	100,882,146	115,146,393	103,599,045	108,973,810
Business-type activities:								
Charges for services:								
Long-Term Care	21,911,315	20,604,780	9,032,186	-	-	-	-	-
Workers' Compensation Pool	13,968,979	9,475,157	8,785,686	8,631,330	8,917,057	9,306,239	9,344,917	9,621,224
Blended Component Units (UCEDA, UCCRC, GHLDC)	-	-	-	-	-	-	1,151,782	380,147
Operating grants and contributions	1,083,841	2,894,328	10,506,554	655,347	646,916	707,260	567,380	335,960
Total business-type activities program revenues	36,964,135	32,974,265	28,324,426	9,286,677	9,563,973	10,013,499	11,064,079	10,337,331
Total primary government program revenues	143,155,550	156,825,810	143,839,513	109,598,122	110,446,119	125,159,892	114,663,124	119,311,141
Net revenues (expenses)								
Governmental activities	(203,107,743)	(189,572,418)	(194,547,933)	(211,546,921)	(200,485,290)	(204,430,818)	(212,575,439)	(195,967,573)
Business-type activities	(10,737,268)	(10,557,330)	5,768,100	(46,653)	(39,380)	(44,654)	747,361	(377,474)
Total net revenues (expenses)	(213,845,011)	(200,129,748)	(188,779,833)	(211,593,574)	(200,524,670)	(204,475,472)	(211,828,078)	(196,345,047)
General revenues and other changes in net position								
Governmental activities:								
Real property taxes and tax items	81,738,478	84,650,275	83,438,006	82,839,933	79,898,277	83,532,726	81,509,742	74,232,712
Sales tax	100,922,906	103,582,388	102,010,008	104,667,661	107,996,028	112,184,274	115,339,913	120,322,069
Other nonproperty tax items	1,965,232	2,068,023	2,868,519	2,969,834	3,220,565	3,319,055	3,489,031	3,669,232
Use of money and property	261,354	344,514	303,376	271,701	272,410	324,541	372,598	1,189,899
Tobacco settlement proceeds	2,059,780	2,282,617	2,342,517	2,991,903	4,113,420	2,329,361	1,970,014	2,157,027
Premium on sale of obligations	71,314	189,519	265,025	253,771	317,153	490,683	378,192	-
Gain (loss) on dispositions of assets	(1,654,937)	(2,612,324)	(1,678,114)	-	-	-	(380,992)	-
Transfers	(1,037,668)	(5,559,033)	(2,954,856)	-	-	-	-	889,513
Residual equity transfer	-	-	8,187,639	-	-	-	-	-
Exchange fee	-	-	-	-	-	53,955	-	-
Liquidity reserve termination payment	-	-	-	-	-	950,000	-	-
Total governmental activities general revenues	184,326,459	184,945,979	194,782,120	193,994,803	195,817,853	203,184,595	202,678,498	202,460,452
Business-type activities:								
Interest and earnings	48,793	53,378	36,799	19,099	14,041	18,100	77,436	236,710
Premium on sale of obligations	-	54,641	-	-	-	-	-	-
Gain (loss) on dispositions of assets	-	(422)	(696,757)	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	889,513
Transfers	(1,537)	-	-	-	-	-	-	(889,513)
County contribution	4,682,239	9,518,265	5,882,075	27,554	25,339	26,554	21,007	32,200
Residual equity transfer	-	-	(8,187,639)	-	-	-	-	-
Total business-type activities general revenues	4,729,495	9,625,862	(2,965,522)	46,653	39,380	44,654	98,443	268,910
Total primary government general revenues	189,055,954	194,571,841	191,816,598	194,041,456	195,857,233	203,229,249	202,776,941	202,729,362
Change in Net Position								
Governmental activities	(18,781,284)	(4,626,439)	234,187	(17,552,118)	(4,667,437)	(1,246,223)	(9,896,941)	6,492,879
Business-type activities	(6,007,773)	(931,468)	2,802,578	-	-	-	845,804	(108,564)
Total primary government change in net position	\$ (24,789,057)	\$ (5,557,907)	\$ 3,036,765	\$ (17,552,118)	\$ (4,667,437)	\$ (1,246,223)	\$ (9,051,137)	\$ 6,384,315

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

* The County implemented GASB Statement No. 80, *Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14* during the year ended December 31, 2017.

Source: Ulster County Annual Financial Reports

Table 3

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

	<u>2014</u>	<u>2015</u>	<u>2016*</u>	<u>2017</u>	<u>2018</u>
General Fund					
Nonspendable	\$ 6,212,276	\$ 6,246,619	\$ 5,941,493	\$ 5,942,611	\$ 5,910,604
Restricted	1,687,044	6,892,034	7,296,312	7,271,880	7,558,995
Assigned	22,645,622	20,146,027	20,436,691	15,584,890	10,066,374
Unassigned	27,822,963	21,005,861	25,500,073	27,001,859	34,454,035
Total General Fund	<u>\$ 58,367,905</u>	<u>\$ 54,290,541</u>	<u>\$ 59,174,569</u>	<u>\$ 55,801,240</u>	<u>\$ 57,990,008</u>
 All Other Governmental Funds					
Nonspendable	\$ -	\$ 20,000	\$ -	\$ -	\$ 114,696
Restricted	4,710,815	4,270,972	4,573,883	3,732,708	6,864,652
Assigned	5,317,936	6,411,869	7,438,161	6,324,268	6,525,365
Unassigned	(3,653,748)	(11,313,822)	(10,527,886)	(10,920,708)	(28,809,107)
Total all Other Governmental Funds	<u>\$ 6,375,003</u>	<u>\$ (610,981)</u>	<u>\$ 1,484,158</u>	<u>\$ (863,732)</u>	<u>\$ (15,304,394)</u>
 Total Fund Balances	 <u>\$ 64,742,908</u>	 <u>\$ 53,679,560</u>	 <u>\$ 60,658,727</u>	 <u>\$ 54,937,508</u>	 <u>\$ 42,685,614</u>

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

Source: Ulster County Annual Financial Reports

* The County implemented GASB Statement No. 80, *Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*. As a result, fund balance has been restated at December 31, 2016.

Table 4

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

	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:								
Real property taxes	\$ 73,478,690	\$ 78,922,796	\$ 76,543,789	\$ 76,324,942	\$ 76,834,769	\$ 75,151,112	\$ 74,977,057	\$ 75,082,199
Real property tax items	5,369,653	5,834,255	5,472,943	6,333,802	5,877,276	6,048,264	5,282,724	5,624,634
Non-property taxes	102,888,138	105,650,411	104,878,527	107,637,495	111,216,593	115,503,329	118,828,944	123,991,301
State aid	39,964,640	44,799,731	37,183,391	44,533,486	44,183,793	57,016,650	46,228,956	53,772,166
Federal aid	40,264,625	48,566,682	40,530,616	37,210,280	41,717,649	40,776,057	40,395,780	37,286,906
Departmental income	17,685,371	17,169,138	14,818,894	10,904,121	9,347,446	10,386,132	10,038,653	9,688,696
Intergovernmental revenue	4,903,658	9,304,585	7,835,410	4,280,472	2,666,666	1,944,375	2,003,130	3,926,621
Use of money and property	1,429,721	1,519,776	1,985,925	1,488,067	853,208	1,063,901	1,073,943	1,542,283
Licenses and permits	1,569	29,320	43,314	25,607	122,283	460,267	464,984	463,119
Fines and forfeitures	812,708	783,664	477,741	455,829	502,427	471,617	418,646	469,645
Sale of property and compensation for loss	1,137,137	1,208,745	12,014,790	935,428	1,148,569	2,934,634	2,142,670	2,083,384
Tobacco settlement proceeds	2,298,424	2,343,973	2,342,517	2,650,159	2,267,912	4,580,857	2,005,770	2,172,027
Miscellaneous local sources	253,340	814,418	928,382	749,856	612,515	711,401	1,514,070	762,745
Interfund revenues	12,569,586	14,465,749	15,018,861	8,779,374	7,271,741	5,936,246	1,525,191	1,471,659
Total revenues	303,057,260	331,413,243	320,075,100	302,308,918	304,622,847	322,984,842	306,900,518	318,337,385
Expenditures:								
Current:								
General government	49,143,957	51,086,825	46,705,234	57,228,476	57,867,723	59,771,958	60,713,941	62,737,612
Education	9,151,931	9,490,787	9,830,905	9,795,066	9,485,726	9,556,194	9,942,883	10,116,863
Public safety	27,420,300	27,712,159	29,127,814	41,832,133	41,663,640	42,525,224	42,769,080	44,280,976
Public health	19,923,701	18,217,111	14,744,280	17,551,254	17,714,972	17,841,740	17,836,415	18,151,961
Transportation	22,358,390	22,499,919	21,656,690	27,588,082	28,912,405	29,039,645	25,020,587	23,610,117
Economic assistance	109,343,898	119,435,033	125,254,103	124,724,630	121,141,435	121,335,216	118,542,971	121,840,980
Culture and recreation	752,001	685,188	750,097	777,611	873,728	973,225	971,737	1,105,000
Home and community	3,452,833	4,722,410	2,121,429	2,851,490	2,910,671	3,155,312	3,671,222	2,910,415
Employee benefits	40,102,026	45,749,685	49,251,747	8,894,445	8,905,861	9,647,270	9,512,926	7,831,406
Debt service:								
Principal	8,517,500	9,350,823	7,019,392	7,753,500	6,491,300	8,758,290	8,398,750	7,686,552
Interest and fiscal charges	6,160,689	5,823,268	5,506,138	5,236,401	4,953,537	5,349,984	5,239,916	5,077,335
Capital outlay	11,590,919	5,059,664	7,930,651	7,894,983	20,425,980	20,343,360	17,862,861	33,123,575
Total expenditures	307,918,145	319,832,872	319,898,480	312,128,071	321,346,978	328,297,418	320,483,289	338,472,792
Excess (deficiency) of revenues over expenditures								
	(4,860,885)	11,580,371	176,620	(9,819,153)	(16,724,131)	(5,312,576)	(13,582,771)	(20,135,407)
Other financing sources (uses):								
Transfers in	9,969,136	12,397,391	7,703,535	98,483	311,300	1,178,000	2,110,045	4,405,359
Transfers out	(11,006,804)	(17,956,424)	(10,658,391)	(98,483)	(311,300)	(1,178,000)	(2,110,045)	(3,515,846)
Payments to refunded bond escrow agent	-	(58,430,447)	-	-	(6,260,627)	(32,384,291)	-	-
Issuance of obligations	3,064,885	56,688,888	3,318,500	3,851,300	11,053,290	43,813,750	7,861,552	6,994,000
Premium on obligations	56,740	8,603,672	89,998	78,310	868,120	1,495,444	-	-
Residual equity transfer	-	-	14,702,185	-	-	-	-	-
Exchange fee	-	-	-	-	-	53,955	-	-
Liquidity reserve termination payment	-	-	-	-	-	950,000	-	-
Total other financing sources (uses)	2,083,957	1,303,080	15,155,827	3,929,610	5,660,783	13,928,858	7,861,552	7,883,513
Net change in fund balance	\$ (2,776,928)	\$ 12,883,451	\$ 15,332,447	\$ (5,889,543)	\$ (11,063,348)	\$ 8,616,282	\$ (5,721,219)	\$ (12,251,894)
Debt Service as a percentage of noncapital expenditures								
	4.95%	4.82%	4.02%	4.27%	3.80%	4.58%	4.51%	4.18%

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
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
2016	59,771,958	9,556,194	42,525,224	17,841,740	29,039,645	121,335,216	973,225
2017	60,713,941	9,942,883	42,769,080	17,836,415	25,020,587	118,542,971	971,737
2018	62,737,612	10,116,863	44,280,976	18,151,961	23,610,117	121,840,980	1,105,000

(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
2008	\$ 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
2016	75,151,112	6,048,264	115,503,329	57,016,650	40,776,057	10,386,132	1,944,375
2017	74,977,057	5,282,724	118,828,944	46,228,956	40,395,780	10,038,653	2,003,130
2018	75,082,199	5,624,634	123,991,301	53,772,166	37,286,906	9,688,696	3,926,621

(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
\$	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
	3,155,312	9,647,270	14,108,274	20,343,360	328,297,418
	3,671,222	9,512,926	13,638,666	17,862,861	320,483,289
	2,910,415	7,831,406	12,763,887	33,123,575	338,472,792

Table 6

	Use of Money and Property	Licenses and Permits	Fines and Forfeitures	Sale of Property and Compensation for Loss	Tobacco Settlement	Miscel- laneous	Interfund Revenues	Total
\$	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
	1,063,901	460,267	471,617	2,934,634	4,580,857	711,401	5,936,246	322,984,842
	1,073,943	464,984	418,646	2,142,670	2,005,770	1,514,070	1,525,191	306,900,518
	1,542,283	463,119	469,645	2,083,384	2,172,027	762,745	1,471,659	318,337,385

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)
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%
2016	201,809,150	-	171,885	201,981,035	193,173,257	8,635,893	95.72%
2017	203,286,944	-	109,525	203,396,469	195,229,130	8,057,814	96.04%
2018	206,036,494	-	129,614	206,166,108	198,722,934	7,313,560	96.45%

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
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%
2016	16,210,513,184	17,919,334,296	90.46%
2017	16,268,511,109	18,015,386,964	90.30%
2018	16,412,833,597	18,187,934,573	90.24%

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
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
2016	6.80	7.73	30.68	45.21
2017	6.82	7.90	31.08	45.80
2018	6.77	8.15	31.49	46.41

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, 2018

Taxpayer	Type of Business	Equalized Taxable Value	Percentage of Total Equalized Taxable Value
City of New York	Water Supply Facilities	\$ 1,220,218,686	6.7%
Central Hudson Gas & Electric	Public Utility	357,939,416	2.0%
New York State	State Properties	350,334,162	1.9%
Hudson Valley 2011, LLC	Retail	52,244,809	0.3%
Tech City	Business Park	44,135,083	0.2%
Verizon	Public Utility	39,447,878	0.2%
Smiley Brothers, Inc.	Hotel Resort Complex	31,138,062	0.2%
CSX Transportation, Inc.	Railroad	20,332,183	0.1%
Criterion Atlantic	Warehouse	17,029,800	0.1%
PCK Enterprises	Shopping Mall	16,854,624	0.1%
		<u>\$ 2,149,674,703</u>	<u>11.9%</u>

Equalized 2018 Full Valuation = \$ 18,187,934,573

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
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
2016	182,493	17,919,334,296	96,467,206	0.5383%	528.61
2017	182,493	18,015,386,964	93,656,517	0.5199%	513.21
2018	182,493	18,187,934,573	114,852,976	0.6315%	629.36

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, 2018

Year	Equalized Value of Real Property
2014	\$ 17,974,374,613
2015	17,879,387,278
2016	17,919,334,296
2017	18,015,386,964
2018	18,187,934,573
Total	<u><u>\$ 89,976,417,724</u></u>

Average equalized value of taxable real property \$ 17,995,283,545

Debt Limit - 7% thereof \$ 1,259,669,848

Net Bonded Debt \$ 114,852,976

Percentage of debt - contracting power exhausted 9.12%

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

Table 13

COUNTY OF ULSTER, NEW YORK
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds and Bond Anticipation Notes
December 31, 2018

Jurisdiction	Outstanding Indebtedness	Exclusions (1)	Net Indebtedness
Direct:			
County of Ulster	\$ 149,620,554	\$ 34,767,578	\$ 114,852,976
Overlapping:			
Towns	52,906,185	22,143,339	30,762,846
Villages	4,758,680	2,546,000	2,212,680
City	38,261,386	15,396,867	22,864,519
School Districts	252,238,376	171,700,476	80,537,900
Fire Districts	11,163,936	272,882	10,891,054
Total Overlapping	359,328,563	212,059,564	147,268,999
Total	\$ 508,949,117	\$ 246,827,142	\$ 262,121,975

(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 11/20/18)
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
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	12,525,530	319,898,480	3.92%
2014	12,989,901	312,128,071	4.16%
2015	11,444,837	321,346,978	3.56%
2016	14,108,274	328,297,418	4.30%
2017	13,638,666	320,483,289	4.26%
2018	12,763,887	338,472,792	3.77%

*Total general governmental expenditures does not include transfers out.

Source: Ulster County Annual Financial Reports

Table 15

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

Year	Population (1)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2009	177,749	\$ 37,171	26,053	7.7%
2010	182,493	38,358	25,643	7.8%
2011	182,493	39,740	24,901	7.8%
2012	182,493	41,147	24,332	8.3%
2013	182,493	41,525	23,878	7.1%
2014	182,493	43,086	23,372	5.7%
2015	182,493	44,775	22,871	4.8%
2016	182,493	46,225	22,577	4.4%
2017	182,493	48,811	22,363	4.6%
2018	182,493	N/A	22,129	3.9%

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 Value (1)	Exemptions (1)	Total	Units of Construction (2)	Average Value	Construction Value (2)
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
2016	16,210,513,184	242,326,827	16,452,840,011	252	213,492	53,800,000
2017	16,268,511,109	240,270,180	16,508,781,289	336	243,533	81,827,000
2018	16,412,833,597	247,199,300	16,660,032,897	252	280,794	70,760,000

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, 2018

Date Founded	November 1, 1683
Form of Government	Charter
Area in Square Miles	1,161
Miles of County Roads	425
Taxable Parcels of Property	84,911
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