

COUNTY OF ULSTER, NEW YORK



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2013

Michael P. Hein
County Executive

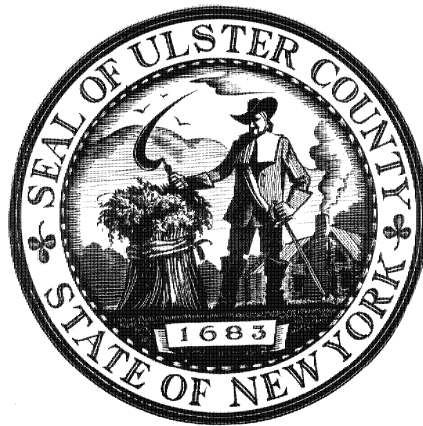


Burton Gulnick, Jr.
Commissioner of Finance

COUNTY OF ULSTER, NEW YORK

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Year Ended
December 31, 2013**



PREPARED BY:

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

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Comprehensive Annual Financial Report

For the Year Ended December 31, 2013

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Introductory Section (Unaudited)

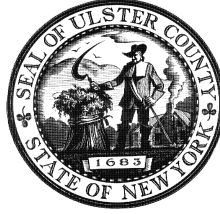
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ULSTER COUNTY DEPARTMENT OF FINANCE

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

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

Burton Gulnick Jr.
Commissioner of Finance



C. J. Rioux, CPA
Deputy Commissioner of Finance

Susan B. Ronga
Deputy Commissioner of Finance

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

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

September 27, 2014

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 (County) for the fiscal year ended December 31, 2013. 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 government'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, 2013, 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, 2013, 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 broader, federally mandated "Single Audit" designed to meet the special needs of federal and New York State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

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

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

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

Profile of the County

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

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

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

At the end of 2013, the County's labor force was 85,100. The 2013 unemployment rate at 7.8% is 0.1% higher than the 2013 State average. According to the New York State Department of Labor (NYS DOL), the average number of people employed in private sector jobs from 2012 to 2013 has increased by approximately 500.

The most recent data shows that the County per capita personal income grew 3.2% from 2011 to 2012. The current median family income as estimated by the United States Department of Housing and Urban Development (HUD) for 2013 is \$69,775, down from \$73,870 for 2012.

Population growth in the County remains strong. The 2010 Census reports a total population of 182,493, a 2.7% increase from 177,749 as reported in the 2000 Census. Prior projections for the future place the population at 187,097 by 2015 and 190,123 by 2025.

The most recent figures from the New York State Association of Realtors has the County's 2013 median sale price for residential properties at \$200,000, up from \$195,000 in 2012. The New York State Department of Taxation and Finance has residential median sale price of \$210,000 for 2013, up from \$200,000 in 2012. The most recent rental housing data collected by the County Planning Department for 2011 has a vacancy rate of 3.1%. In 2013, the number of residential units associated with major projects increased by 31 to 3,917 units, pending site plan approval. In addition, the County Health Department issued 201 new permits for single family housing septic systems for units not on central sewers, a 2.9% decrease from 2012.

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 2013, the County has managed a work-force reduction program, resulting in budgetary savings of \$2,200,514.
- 2) Tax Overlay - The County has provided \$750,000 of accumulated fund balance and an additional \$1,596,000 of applied reserves in the 2013 tax levy for debt reduction and cash flow purposes.
- 3) Real Property Tax Levy - In 2013, the County Executive delivered a County Operating Budget for 2014 with a 0% tax increase to protect the taxpayer from the skyrocketing cost of government.

For the Future

In 2014, Ulster County went live with a new fully integrated financial system that not only uses the latest technologies to address the finances of Ulster County, but also the County's broader informational needs.

Debt Administration

Of the County's \$136.8 million of outstanding obligations, \$76.1 million of serial bonds and \$10.9 million of bond anticipation notes were issued for general purposes, \$46.0 million was issued for the Ulster Tobacco Asset Securitization Corporation (UTASC), a blended component unit of the County, and \$3.8 million was issued on behalf of the Ulster County Community College (UCCC). Currently, the County has a Standard and Poor's bond rating of AA on general obligation bond issues and a Fitch rating of AA-. Under current statutes, the County's general obligation bonded debt issuance's are subject to a legal limitation based on 7% of the average full valuation of taxable real property. As of December 31, 2013, the County's general obligation bonded debt of \$93.5 million was well below the legal limit of approximately \$1.396 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 2013 was 0.25%, which led to interest earnings of \$340 thousand.

Risk Management

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

The County maintains a workers' compensation claims-servicing pool to administer the payment of 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 proportionate share of total pool liabilities.

Retirement and Other Postemployment Benefits

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

In addition to providing pension benefits, the County provides various health insurance benefits for County retirees. The County pays at least 50 percent of the retirees' health insurance premium in accordance with their respective collective bargaining agreement and/or resolution adopted by the Ulster County Legislature. The County also provides a credit for Medicare eligible retirees to subsidize Medicare Part B and Medicare Part D requirements. The total employer costs are appropriated annually and funded by current local government resources. The County provided these benefits to approximately 919 retired persons in 2013.

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

Acknowledgements

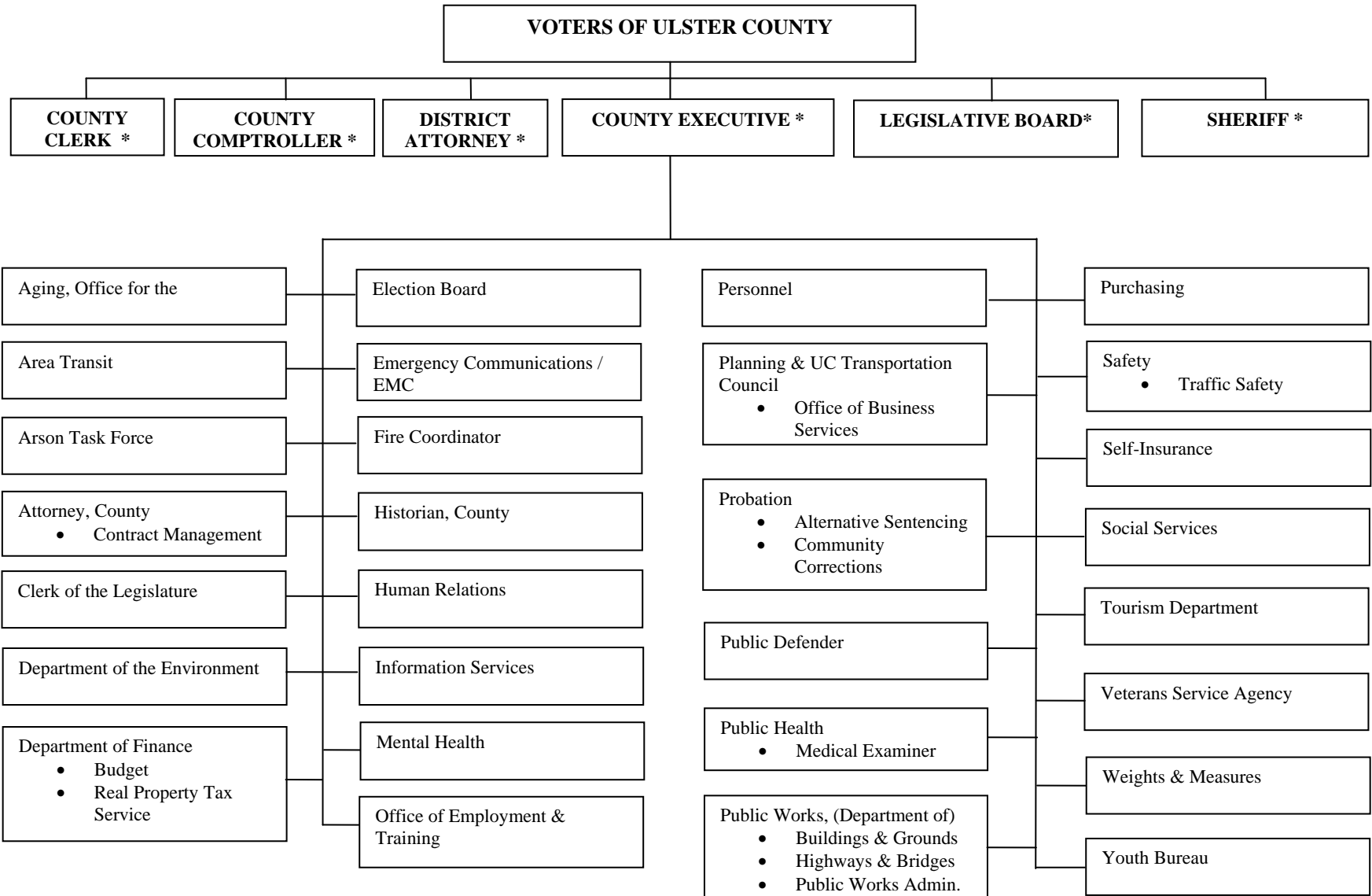
Preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. I would like to express my appreciation to all members of the department and to our independent auditor, Drescher &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

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

Respectfully submitted,

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

Burton Gulnick, Jr.
Commissioner of Finance



* Elected official

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

Terry L. Bernardo – Chairman

Kenneth J. Ronk, Jr. - Majority Leader
David B. Donaldson - Minority Leader

District No. 1 – Town of Saugerties
Mary Wawro

District No. 2 – Town of Saugerties, Village of Saugerties
Robert T. Aiello

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

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

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

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

District No. 7 – City of Kingston
Jeanette Provenzano

District No. 8 – Town of Esopus
Carl Belfiglio

District No. 9 – Town of Lloyd, Town of Plattekill
Wayne Harris

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

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

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

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

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

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

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

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

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

District No. 19 – Town of Marbletown,
Town of Rosendale
Robert S. Parete

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

District No. 21 – Town of Rochester,
Town of Wawarsing
Terry L. Bernardo

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

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

COUNTY OF ULSTER, NEW YORK

List of County Departments

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

Financial Section

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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ulster, New York (the "County"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ulster County Community College, Ulster County Resource Recovery Agency, Ulster County Industrial Development Agency, Ulster County Capital Resource Corporation, and Golden Hill Local Development Corporation, which are shown as aggregate discretely presented component units, and represent 63.0%, 35.6%, 1.2%, 0.1% and 0.1%, respectively, of the assets and 69.2%, 29.0%, 1.0%, 0.0% and 0.8%, respectively, of the revenues of the aggregate discretely presented component units. We did not audit the financial statements of the Ulster County Development Corporation, which represents 0.6% and 0.1% of the assets and revenues, respectively, of the governmental activities, and 21.2% and 0.7% of the assets and revenues, respectively, of the total nonmajor governmental funds. We did not audit the financial statements of the Golden Hill Health Care Center, which represents 0.0% and 62.6% of the assets and revenues, respectively, of the business-type activities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of such 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Handwritten signature of Dresher & Malach LLP in cursive script.

September 26, 2014

County of Ulster, New York
Management's Discussion and Analysis
December 31, 2013

This section of the County of Ulster's (County) comprehensive annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2013. 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 assets and deferred outflows of resources of the County exceeded liabilities at the close of the fiscal year by \$10,197,757 (*net position*). An unrestricted net deficit of \$64,672,740 exists.
- The primary government's total net position increased by \$3,036,765. The County recognized \$12,899,182 of its long-term liability of other postemployment benefits in compliance with Governmental Accounting Standards Board Statement No. 45 (GASB 45), Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB). This represents the sixth year for the recognition of this expense and related liability.
- At year end, the County governmental funds reported combined fund balances of \$70,632,451, an increase of \$16,526,522 in comparison with the fund balances in the prior year of \$54,105,929, after considering the prior period adjustment of \$1,194,075.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$35,634,611, or 12.3% of total General Fund expenditures and operating transfers out. An assignment from the fund balance of \$13,200,000 was budgeted to be used 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 Golden Hill Health Care Center and the Workers' Compensation Pool.

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

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

The combining financial statements of these component units can be found on pages 23-24 of this report.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2013

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

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

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

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

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

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

Proprietary funds of the County are enterprise funds. The County uses enterprise funds to account for the Golden Hill Health Care Center and the Workers' Compensation Pool.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Golden Hill Health Care Center and the Workers' Compensation Pool operations are considered to be major funds of the County and are presented separately in the proprietary fund financial statements.

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

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

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

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

The notes can be found on pages 25-53 of this report.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2013

Required and other supplementary information is presented in addition to the basic financial statements and accompanying notes. This presentation provides information concerning the County's budgetary comparison schedules, the County's progress in funding its obligation to provide post-employment benefits to its employees, and combining and individual fund statements and schedules to provide information for the nonmajor governmental funds.

Required supplementary information can be found on pages 54-56 of this report.

Other supplementary information can be found on pages 57-61

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, assets and deferred outflows of resources exceeded liabilities by \$10,197,757 at fiscal year-end.

County of Ulster's Net Position – Primary Government

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$148,245,692	\$134,907,680	\$43,454,997	\$61,384,152	\$191,700,689	\$196,291,832
Capital assets	161,356,224	168,483,140	-	3,451,064	161,356,224	171,934,204
Total assets	309,601,916	303,390,820	43,454,997	64,835,216	353,056,913	368,226,036
Deferred outflows of resources	5,243,039	5,570,708	-	-	5,243,039	5,570,708
Current and other liabilities	79,927,246	83,170,155	24,116,585	37,860,095	104,043,831	121,030,250
Long-term liabilities	224,719,952	215,827,803	19,338,412	29,777,699	244,058,364	245,605,502
Total liabilities	304,647,198	298,997,958	43,454,997	67,637,794	348,102,195	366,635,752
Net position:						
Net investment in capital assets	67,892,165	65,377,760	-	2,586,359	67,892,165	67,964,119
Restricted net position	6,978,332	10,016,115	-	39,030	6,978,332	10,055,145
Unrestricted net position	(64,672,740)	(65,430,305)	-	(5,427,967)	(64,672,740)	(70,858,272)
Total net position	\$ 10,197,757	\$ 9,963,570	\$ -	(\$ 2,802,578)	\$ 10,197,757	\$ 7,160,992

A large portion of the County's net position, in the amount of \$67,892,165, represents its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, in the amount of \$6,978,332, represent resources that are subject to external restrictions on how they may be used. The unrestricted net position is in a deficit position of \$64,672,740.

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

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2013

The County's net position increased by \$3,036,765 as a result of operations during the current fiscal year.

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

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$37,781,004	\$30,485,132	\$17,817,872	\$30,079,937	\$55,598,876	\$60,565,069
Operating grants and contributions	76,283,382	87,945,815	10,506,554	2,894,328	86,789,936	90,840,143
Capital grants and contributions	1,450,701	5,420,598	-	-	1,450,701	5,420,598
General revenues:						
Property taxes	83,438,006	84,650,275	-	-	83,438,006	84,650,275
Other taxes	102,010,008	103,582,388	-	-	102,010,008	103,582,388
(Loss) on disposals	(1,678,114)	(2,612,324)	(696,757)	(422)	(2,374,871)	(2,612,746)
County contribution	(2,954,856)	(5,559,033)	5,882,075	9,518,265	2,927,219	3,959,232
Residual equity transfer	8,187,639	-	(8,187,639)	-	-	-
Other	5,779,437	4,884,673	36,799	108,019	5,816,236	4,992,692
Total revenues	310,297,207	308,797,524	25,358,904	42,600,127	335,656,111	351,397,651
Expenses:						
General government	58,018,900	64,452,481	-	-	58,018,900	64,452,481
Education	10,127,951	9,598,123	-	-	10,127,951	9,598,123
Public safety	51,988,875	47,566,433	-	-	51,988,875	47,566,433
Public health	20,982,356	25,578,995	-	-	20,982,356	25,578,995
Transportation	24,670,675	22,963,323	-	-	24,670,675	22,963,323
Economic assistance	133,857,675	129,609,798	-	-	133,857,675	129,609,798
Culture and recreation	962,783	993,089	-	-	962,783	993,089
Home and community	2,878,042	5,883,149	-	-	2,878,042	5,883,149
Interest on long-term debt	6,575,763	6,778,572	-	-	6,575,763	6,778,572
Golden Hill Health Care Center	-	-	13,047,766	33,247,837	13,047,766	33,247,837
Workers' Compensation Pool	-	-	9,508,560	10,283,758	9,508,560	10,283,758
Total expenses	310,063,020	313,423,963	22,556,326	43,531,595	332,619,346	356,955,558
Changes in net position	234,187	(4,626,439)	2,802,578	(931,468)	3,036,765	(5,557,907)
Net position, restated – beginning	9,963,570	14,244,799	(2,802,578)	(1,871,110)	7,160,992	12,373,689
Net position - ending	\$ 10,197,757	\$ 9,618,360	\$ -	(\$2,802,578)	\$10,197,757	\$ 6,815,782

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2013

Key elements of the Primary Government's increase in net position of \$3,036,765 are as follows:

Governmental Activities: Governmental activities increased the County's net position by \$234,187.

Business-type Activities: Business-type activities increased the County's net position by \$2,802,578. This increase was primarily due to the increase in Intergovernmental Transfer revenue of approximately \$7.6 million in 2013, and a loss on the disposal of property and equipment of the Golden Hill Health Care Center of approximately \$3.5 million in 2013.

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 \$35,634,611, while total fund balance was \$62,755,412. 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. Unassigned fund balance represents 12.3 percent of total fund expenditures and operating transfers out, while total fund balance represents 21.6 percent of that same amount.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2013

Revenues for governmental functions totaled \$320,075,100 in the current fiscal year, which represents a decrease of 3.4 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 2013 Amount	FY 2013 % of Total	FY 2012 Amount	FY 2012 % of Total	Increase (Decrease) Amount	Increase (Decrease) % Change
Taxes	\$186,895,259	58.4%	\$190,407,462	57.4%	(\$3,512,203)	(1.8)%
State and federal aid	77,714,007	24.3%	93,366,413	28.2%	(15,652,406)	(16.8)%
Departmental income	14,818,894	4.6%	17,169,138	5.2%	(2,350,244)	(13.7)%
Intergovernmental	7,835,410	2.5%	9,304,585	2.8%	(1,469,175)	(15.8)%
Use of money and property	1,985,925	0.6%	1,519,776	0.5%	466,149	30.7%
Tobacco settlement proceeds	2,342,517	0.7%	2,343,973	0.7%	(1,456)	(0.1)%
Miscellaneous local sources	928,382	0.3%	814,418	0.2%	113,964	14.0%
Interfund revenues	15,018,861	4.7%	14,465,749	4.4%	553,112	3.8%
Other	12,535,845	3.9%	2,021,729	0.6%	10,514,116	520.1%
Total	\$320,075,100	100%	\$331,413,243	100%	(\$11,338,143)	(3.4)%

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

- State and federal aid - the decrease is mainly due to decreased state aid in 2013 for social services administration of approximately \$3.7 million, a decrease in state aid received in 2013 for child care of approximately \$3.5 million, a decrease in federal aid received in 2013 for the Early Intervention program of approximately \$1.3 million, and a decrease in state and federal funding in 2013 of \$6.4 million in highway and transportation projects.
- Other – the significant increase in other revenues is primarily due to the one time sale of the Golden Hill Health Care Center, which sold in 2013 for a sale price of 11.25 million.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2013

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

Expenditures by Function	Expenditures by Function					
	Governmental Funds					
	FY 2013	FY 2013	FY 2012	FY 2012	Increase	Increase
Amount	% of Total	Amount	% of Total	(Decrease) Amount	(Decrease) % Change	
General government	\$46,705,234	14.6%	\$51,086,825	16.0%	(\$4,381,591)	(8.6)%
Education	9,830,905	3.1%	9,490,787	3.0%	340,118	3.6%
Public safety	29,127,814	9.1%	27,712,159	8.7%	1,415,655	5.1%
Public health	14,744,280	4.6%	18,217,111	5.7%	(3,472,831)	(19.1)%
Transportation	21,656,690	6.8%	22,499,919	7.0%	(843,229)	(3.7)%
Economic assistance	125,254,103	39.1%	119,435,033	37.3%	5,819,070	4.9%
Culture and recreation	750,097	0.2%	685,188	0.2%	64,909	9.5%
Home and community	2,121,429	0.7%	4,722,410	1.5%	(2,600,981)	(55.1)%
Employee benefits	49,251,747	15.4%	45,749,685	14.3%	3,502,062	7.7%
Debt (principal and interest)	12,525,530	3.9%	15,247,718	4.7%	(2,722,188)	(17.9)%
Capital outlay	7,930,651	2.5%	4,986,037	1.6%	2,944,614	59.1%
Total	\$319,898,480	100%	\$319,832,872	100%	\$ 65,608	0.1%

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

- Economic assistance – the increase is due primarily to the partial takeover of the Safety Net Assistance program in the Department of Social Services, and an increase in the County share of the Intergovernmental Transfer owed to New York State.
- Employee benefits - the increase is due primarily to an increase in pension costs in 2013.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2013

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

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

	General Fund	Debt Service Fund	Capital Projects Fund	UTASC	Special Revenue Funds	Total
Revenues	\$296,053,920	\$ 17,800	\$4,526,574	\$2,492,614	\$16,984,192	\$320,075,100
Expenditures	282,203,591	9,883,963	7,961,470	2,505,487	17,343,969	319,898,480
Other financing sources (uses), net	3,269,087	8,357,740	3,529,000	-	-	15,155,827
Excess (deficiency) of revenues and other sources over expenditures and other financing uses	17,119,416	(1,508,423)	94,104	(12,873)	(359,777)	15,332,447
Fund balances (deficit) – beginning	45,635,996	3,940,754	(4,274,199)	2,836,338	5,967,040	54,105,929
Prior period adjustment	-	-	-	-	1,194,075	1,194,075
Fund balances (deficit), restated – beginning	45,635,996	3,940,754	(4,274,199)	2,836,338	7,161,115	55,300,004
Fund balances (deficit) - ending	\$ 62,755,412	\$ 2,432,331	\$ (4,180,095)	\$ 2,823,465	\$ 6,801,338	\$ 70,632,451

The fund balance of the County's General Fund increased by \$17,119,416 during the fiscal year.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Golden Hill Health Care Center at the end of the year had zero net position. The elimination of net position for the Golden Hill Health Care Center was due to selling the facility to a third party during 2013. See note 3K for more information regarding the sale of the Golden Hill Health Care Center. 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 \$16.6 million increase in appropriations and an \$11.9 million increase in revenues and can be briefly summarized as follows:

- \$1.0 million to fund increases to public safety programs.
- \$2.3 million to fund increases in public health programs.
- \$11.6 million in increases to economic assistance for social service programs such as day care, family assistance, and other programs.
- \$1.7 million in increases required in the normal course of operations.

These increases were to be primarily funded out of additional state and federal grants of \$2.6 million, interfund revenues of approximately \$9.2 million, with the remaining \$4.8 million being funded from available fund balance.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2013

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

- Sales tax revenues came in below projections by approximately \$3.4 million.
- State aid revenues were less than budgeted due to less social service administrative aid being received in the amount of \$3.8 million, and less aid to child care programs of nearly \$2.5 million.
- Departmental income came in ahead of projections, due primarily to increases in health department revenues and repayments of medical assistance.
- Sale of property and compensation for loss was greater than estimated due to the proceeds from the sale of the Golden Hill Health Care Center being received in 2013.
- General government expense savings resulted from computer equipment and contractual savings of approximately \$1.6 million, and general savings across all county departments.
- Public safety expense savings resulted from contractual savings on emergency communications of approximately \$1.1 million.
- Public health expense savings resulted from contractual savings on mental health programs of approximately \$2.0 million.
- Economic assistance expense savings resulted from contractual savings on social services administration of nearly \$1.6 million and child care of approximately \$2.3 million.
- Employee benefits expense savings resulted from increased chargebacks for hospital and medical insurance of approximately \$2.2 million.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of fiscal year end, amounts to \$161,356,224 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction in progress. The total decrease in the County's investment in capital assets for the current fiscal year was 5.8 percent. For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures.

County of Ulster, New York
Management's Discussion and Analysis (Continued)
December 31, 2013

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

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012
Land and land Improvements	\$4,431,161	\$4,595,001	\$ -	\$ -	\$4,431,161	\$4,595,001
Buildings and Improvements	94,059,948	98,918,980	-	1,464,426	94,059,948	100,383,406
Machinery and Equipment	9,157,561	9,225,749	-	1,986,638	9,157,561	11,212,387
Infrastructure	39,768,209	42,531,947	-	-	39,768,209	42,531,947
Construction in Progress	13,939,345	12,646,240	-	-	13,939,345	12,646,240
Total	\$161,356,224	\$167,917,917	\$ -	\$3,451,064	\$161,356,224	\$171,368,981

Additional information on the County's capital assets can be found in note 2E on pages 38-40 of this report.

Long-term debt. At the end of the current fiscal year, the County had total serial bonded debt outstanding of \$125,949,694. Of this amount, \$79,913,500 comprises debt backed by full faith and credit of the County and \$46,036,194 is backed by the tobacco settlement revenues per the Master Settlement Agreement.

	<u>Governmental Activities</u>		Increase (Decrease)
	2013	2012	
General obligation bonds	\$79,913,500	\$82,178,868	\$(2,265,368)
Tobacco asset backed bonds	46,036,194	45,457,083	579,111
Total outstanding bonded debt	\$125,949,694	\$127,635,951	\$(1,686,257)

The County maintains a "AA-" rating from Standard & Poor's, a rating of "AA-" from Fitch and an "Aa3" rating from Moody's for general obligation debt. State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year average full valuation of taxable real property. The County has utilized 6.69% of its statutory debt limit at fiscal year end.

Economic Factors and Next Year's Budget and Rates

- The County assumed the costs of an additional one-third of the cost of the Safety Net Assistance Program.
- Pension rates are estimated to decrease and have a significant impact on the budget in 2014 due to the reduced workforce.
- Sales tax rates were reduced to 3% effective December 1, 2013, and the State approved the additional 1% tax as of February 1, 2014.

All of these factors were considered in preparing the County's budget for fiscal year 2014.

During the current fiscal year, fund balance in the General Fund increased to \$62,755,412. The County elected to appropriate \$13,200,000 of the fund balance in the General Fund for spending in the 2014 fiscal year budget.

Request for Information

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

Basic Financial Statements

Government-wide
Financial Statements

County of Ulster, New York
Statement of Net Position
December 31, 2013

	Primary Government			Aggregate Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 42,930,580	\$ 20,232,020	\$ 63,162,600	\$ 9,664,407
Restricted cash and cash equivalents	11,230,793	-	11,230,793	-
Investments	2,639,604	-	2,639,604	9,370,615
Receivables	97,709,163	1,377	97,710,540	5,921,302
Internal balances	(13,954,540)	13,954,540	-	-
Due from component unit/primary government	742,711	-	742,711	-
Due from fiduciary fund	47,037	-	47,037	-
Inventories	56,683	-	56,683	-
Prepaid items	6,843,661	-	6,843,661	2,056,462
Assessment receivables	-	9,267,060	9,267,060	-
Capital assets (net of accumulated depreciation)	161,356,224	-	161,356,224	24,156,763
Total assets	309,601,916	43,454,997	353,056,913	51,169,549
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	5,243,039	-	5,243,039	153,749
Total deferred outflows of resources	5,243,039	-	5,243,039	153,749
LIABILITIES				
Accounts payable and other accrued liabilities	13,686,137	204,423	13,890,560	4,473,856
Accrued interest payable	587,335	-	587,335	-
Intergovernmental payables	44,246,399	-	44,246,399	101,027
Due to fiduciary fund	9,277	-	9,277	-
Other liabilities	-	-	-	108,904
Unearned revenue	260,444	934,574	1,195,018	4,575
Bond anticipation notes payable	10,867,783	-	10,867,783	-
Noncurrent liabilities:				
Due within one year	10,273,055	22,977,588	33,250,643	3,863,966
Due in more than one year	224,716,768	19,338,412	244,055,180	29,542,860
Total liabilities	304,647,198	43,454,997	348,102,195	38,095,188
DEFERRED INFLOWS OF RESOURCES				
Deferred tuition received	-	-	-	6,660,919
Total deferred inflows of resources	-	-	-	6,660,919
NET POSITION				
Net investment in capital assets	67,892,165	-	67,892,165	22,350,777
Restricted for:				
Loans and scholarships	-	-	-	5,901,478
Debt service	5,255,796	-	5,255,796	3,181,058
Landfill closure	-	-	-	96,145
Other purposes	1,722,536	-	1,722,536	-
Unrestricted	(64,672,740)	-	(64,672,740)	(24,962,267)
Total net position	\$ 10,197,757	\$ -	\$ 10,197,757	\$ 6,567,191

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Activities
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total		
Primary Government:									
Governmental activities:									
General government	\$ 58,018,900	\$ 20,681,114	\$ 1,141,846	\$ -	\$ (36,195,940)	\$ -	\$ (36,195,940)	\$ -	
Education	10,127,951	78,916	45,263	-	(10,003,772)	-	(10,003,772)	-	
Public safety	51,988,875	3,512,981	1,559,150	-	(46,916,744)	-	(46,916,744)	-	
Public health	20,982,356	3,061,771	10,071,761	-	(7,848,824)	-	(7,848,824)	-	
Transportation	24,670,675	1,037,490	7,789,681	1,450,701	(14,392,803)	-	(14,392,803)	-	
Economic assistance	133,857,675	9,294,951	54,829,097	-	(69,733,627)	-	(69,733,627)	-	
Culture and recreation	962,783	109,553	174,231	-	(678,999)	-	(678,999)	-	
Home and community	2,878,042	4,228	672,353	-	(2,201,461)	-	(2,201,461)	-	
Interest on long-term debt	6,575,763	-	-	-	(6,575,763)	-	(6,575,763)	-	
Total governmental activities	<u>310,063,020</u>	<u>37,781,004</u>	<u>76,283,382</u>	<u>1,450,701</u>	<u>(194,547,933)</u>	<u>-</u>	<u>(194,547,933)</u>	<u>-</u>	
Business-type activities:									
Long-Term Care	13,047,766	9,032,186	9,841,205	-	-	5,825,625	5,825,625	-	
Workers' Compensation Pool	9,508,560	8,785,686	665,349	-	-	(57,525)	(57,525)	-	
Total business-type activities	<u>22,556,326</u>	<u>17,817,872</u>	<u>10,506,554</u>	<u>-</u>	<u>-</u>	<u>5,768,100</u>	<u>5,768,100</u>	<u>-</u>	
Total primary government	<u>\$ 332,619,346</u>	<u>\$ 55,598,876</u>	<u>\$ 86,789,936</u>	<u>\$ 1,450,701</u>	<u>(194,547,933)</u>	<u>5,768,100</u>	<u>(188,779,833)</u>	<u>-</u>	
Component units:									
Community College	\$ 33,230,898	\$ 8,567,330	\$ 12,232,692	\$ -					(12,430,876)
Resource Recovery Agency	13,341,095	13,687,080	37,212	-					383,197
Industrial Development Agency	195,844	495,397	-	-					299,553
Capital Resource Corporation	8,958	-	-	-					(8,958)
Golden Hill Local Development Corporation	378,154	-	-	-					(378,154)
Total component units	<u>\$ 47,154,949</u>	<u>\$ 22,749,807</u>	<u>\$ 12,269,904</u>	<u>\$ -</u>					<u>(12,135,238)</u>
General revenues:									
Real property taxes and tax items					83,438,006	-	83,438,006	-	
Sales taxes					102,010,008	-	102,010,008	-	
Off-track betting distribution					120,083	-	120,083	-	
Hotel room occupancy tax					1,187,511	-	1,187,511	-	
Emergency telephone E-911 surcharge					707,111	-	707,111	-	
Automobile use tax					853,814	-	853,814	-	
Investment earnings					303,376	36,799	340,175	808,076	
Tobacco settlement proceeds					2,342,517	-	2,342,517	-	
Premium on sale of obligations					265,025	-	265,025	-	
Contribution from other governments					-	-	-	5,337,768	
(Loss) on disposals					(1,678,114)	(696,757)	(2,374,871)	13,885	
County contribution					(2,954,856)	5,882,075	2,927,219	6,659,017	
Residual equity transfer					8,187,639	(8,187,639)	-	-	
Total general revenues and transfers					<u>194,782,120</u>	<u>(2,965,522)</u>	<u>191,816,598</u>	<u>12,818,746</u>	
Change in net position					234,187	2,802,578	3,036,765	683,508	
Net position, restated - beginning (see note 3)					9,963,570	(2,802,578)	7,160,992	5,883,683	
Net position - ending					<u>\$ 10,197,757</u>	<u>\$ -</u>	<u>\$ 10,197,757</u>	<u>\$ 6,567,191</u>	

15

Fund Financial
Statements

County of Ulster, New York
Balance Sheet
Governmental Funds
December 31, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>UTASC</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash, cash equivalents and investments	\$ 36,116,176	\$ -	\$ -	\$ -	\$ 6,814,404	\$ 42,930,580
Restricted cash, cash equivalents and investments	1,528,356	2,432,331	7,080,171	2,829,539	-	13,870,397
Receivables	93,882,463	-	-	-	1,526,700	95,409,163
Due from other funds	6,182	-	-	-	190,000	196,182
Due from fiduciary fund	47,037	-	-	-	-	47,037
Due from component units - UCCC	742,711	-	-	-	-	742,711
Inventories	56,683	-	-	-	-	56,683
Prepaid items	6,841,834	-	-	-	1,827	6,843,661
Total assets	<u>\$ 139,221,442</u>	<u>\$ 2,432,331</u>	<u>\$ 7,080,171</u>	<u>\$ 2,829,539</u>	<u>\$ 8,532,931</u>	<u>\$ 160,096,414</u>
LIABILITIES						
Accounts payable and other current liabilities	\$ 12,373,586	\$ -	\$ 392,375	\$ -	\$ 920,176	\$ 13,686,137
Due to other funds	294,847	-	108	6,074	65,000	366,029
Due to fiduciary fund	9,277	-	-	-	-	9,277
Intergovernmental payables	43,699,399	-	-	-	482,000	44,181,399
Bond anticipation notes payable	-	-	10,867,783	-	-	10,867,783
Other unearned revenues	61,027	-	-	-	199,417	260,444
Total liabilities	<u>56,438,136</u>	<u>-</u>	<u>11,260,266</u>	<u>6,074</u>	<u>1,666,593</u>	<u>69,371,069</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - property taxes	20,027,894	-	-	-	-	20,027,894
Unavailable revenues - loans	-	-	-	-	65,000	65,000
Total deferred inflows of resources	<u>20,027,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>20,092,894</u>
FUND BALANCES						
Nonspendable:						
Inventories	56,683	-	-	-	-	56,683
Prepays	6,841,834	-	-	-	1,827	6,843,661
Restricted for:						
Debt Service	-	2,432,331	-	2,823,465	-	5,255,796
Risk Retention	125,495	-	-	-	-	125,495
Other purposes	1,402,861	-	-	-	194,180	1,597,041
Assigned to:						
Encumbrances	4,702,340	-	-	-	116,381	4,818,721
Subsequent years' expenditures	13,200,000	-	-	-	2,685,000	15,885,000
Special revenue funds	-	-	-	-	3,803,950	3,803,950
Other purposes	791,588	-	-	-	-	791,588
Unassigned:	35,634,611	-	(4,180,095)	-	-	31,454,516
Total fund balances	<u>62,755,412</u>	<u>2,432,331</u>	<u>(4,180,095)</u>	<u>2,823,465</u>	<u>6,801,338</u>	<u>70,632,451</u>
Total liabilities deferred inflows of resources, and fund balances	<u>\$ 139,221,442</u>	<u>\$ 2,432,331</u>	<u>\$ 7,080,171</u>	<u>\$ 2,829,539</u>	<u>\$ 8,532,931</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	161,356,224
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,300,000
Deferred outflows of resources represent a consumption of net position in the future period, and therefore are not reported in the funds.	5,243,039
Deferred property tax revenue not available to pay for current-period expenditures and therefore, are deferred in the funds.	20,027,894
Accrued interest on bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(587,335)
Claims and judgements for workers' compensation liabilities are not due and payable in the current period and therefore are not reported in the funds.	(13,784,693)
Long-term liabilities, including bonds payable, claims and judgements, retirement, OPEB, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(234,989,823)
Net position of governmental activities	<u>\$ 10,197,757</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General	Debt Service	Capital Projects	UTASC	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 67,344,877	\$ -	\$ -	\$ -	\$ 9,198,912	\$ 76,543,789
Other real property tax items	5,472,943	-	-	-	-	5,472,943
Sales	102,010,008	-	-	-	-	102,010,008
Tax on Hotel Room Occupancy	1,187,511	-	-	-	-	1,187,511
Off track betting	120,083	-	-	-	-	120,083
E-911 surcharge	707,111	-	-	-	-	707,111
Automobile use tax	853,814	-	-	-	-	853,814
State aid	34,143,106	-	146,678	-	2,893,607	37,183,391
Federal aid	37,248,120	-	1,640,138	-	1,642,358	40,530,616
Departmental income	14,738,028	-	-	-	80,866	14,818,894
Intergovernmental	5,724,420	-	2,050,638	-	60,352	7,835,410
Use of money and property	1,803,514	1,253	-	150,097	31,061	1,985,925
Licenses and permits	43,314	-	-	-	-	43,314
Fines and forfeitures	477,741	-	-	-	-	477,741
Sale of property and compensation for loss	11,698,028	-	-	-	316,762	12,014,790
Tobacco settlement proceeds	-	-	-	2,342,517	-	2,342,517
Miscellaneous local sources	214,087	-	689,120	-	25,175	928,382
Interfund revenues	12,267,215	16,547	-	-	2,735,099	15,018,861
Total revenues	<u>296,053,920</u>	<u>17,800</u>	<u>4,526,574</u>	<u>2,492,614</u>	<u>16,984,192</u>	<u>320,075,100</u>
EXPENDITURES						
Current:						
General government	46,668,790	-	-	36,444	-	46,705,234
Education	9,830,905	-	-	-	-	9,830,905
Public safety	29,127,814	-	-	-	-	29,127,814
Public health	14,744,280	-	-	-	-	14,744,280
Transportation	6,406,835	-	-	-	15,249,855	21,656,690
Economic assistance	123,654,631	-	-	-	1,599,472	125,254,103
Culture and recreation	750,097	-	-	-	-	750,097
Home and community	1,632,185	-	-	-	489,244	2,121,429
Employee benefits	49,251,747	-	-	-	-	49,251,747
Debt service:						
Principal	-	6,448,573	30,819	540,000	-	7,019,392
Interest	136,307	3,435,390	-	1,929,043	5,398	5,506,138
Capital outlay	-	-	7,930,651	-	-	7,930,651
Total expenditures	<u>282,203,591</u>	<u>9,883,963</u>	<u>7,961,470</u>	<u>2,505,487</u>	<u>17,343,969</u>	<u>319,898,480</u>
Excess (deficiency) of revenues over expenditures	<u>13,850,329</u>	<u>(9,866,163)</u>	<u>(3,434,896)</u>	<u>(12,873)</u>	<u>(359,777)</u>	<u>176,620</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	7,493,035	210,500	-	-	7,703,535
Transfers out	(7,703,535)	-	-	-	-	(7,703,535)
Transfers out to GHCC	(2,954,856)	-	-	-	-	(2,954,856)
Proceeds of obligations	-	-	3,318,500	-	-	3,318,500
Premium on obligations	89,998	-	-	-	-	89,998
Residual equity transfer	13,837,480	864,705	-	-	-	14,702,185
Total other financing sources (uses)	<u>3,269,087</u>	<u>8,357,740</u>	<u>3,529,000</u>	<u>-</u>	<u>-</u>	<u>15,155,827</u>
Net change in fund balances	17,119,416	(1,508,423)	94,104	(12,873)	(359,777)	15,332,447
Fund balances, restated - beginning (see note 3)	45,635,996	3,940,754	(4,274,199)	2,836,338	7,161,115	55,300,004
Fund balances - ending	<u>\$ 62,755,412</u>	<u>\$ 2,432,331</u>	<u>\$ (4,180,095)</u>	<u>\$ 2,823,465</u>	<u>\$ 6,801,338</u>	<u>\$ 70,632,451</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Government-wide Statement of Activities
For the Year Ended December 31, 2013

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

Net change in fund balances - total governmental funds (page 17).	\$	15,332,447
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays, net of disposals, in the current period.		(6,561,693)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,421,274
Accrued bond interest is not due and payable in the current period and, therefore, is not reported in the funds.		37,086
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(7,865,125)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(2,129,802)</u>
Change in net position of governmental activities (page 15).	\$	<u><u>234,187</u></u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Net Position
Proprietary Funds
December 31, 2013

	Business-Type Activities - Enterprise Funds		
	Golden Hill Health Care Center	Workers' Compensation Pool	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 20,232,020	\$ 20,232,020
Accounts receivables (net of allowance for uncollectibles)	-	1,377	1,377
Due from other funds	-	13,954,540	13,954,540
Total current assets	<u>-</u>	<u>34,187,937</u>	<u>34,187,937</u>
Noncurrent assets:			
Assessment receivables	-	9,267,060	9,267,060
Total noncurrent assets	<u>-</u>	<u>9,267,060</u>	<u>9,267,060</u>
Total assets	<u>-</u>	<u>43,454,997</u>	<u>43,454,997</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	-	186,460	186,460
Accrued salaries and benefits	-	17,963	17,963
Unearned revenue	-	934,574	934,574
Workers' compensation claims payable	-	22,977,588	22,977,588
Total current liabilities	<u>-</u>	<u>24,116,585</u>	<u>24,116,585</u>
Noncurrent liabilities:			
Workers' compensation claims payable	-	19,338,412	19,338,412
Total noncurrent liabilities	<u>-</u>	<u>19,338,412</u>	<u>19,338,412</u>
Total liabilities	<u>-</u>	<u>43,454,997</u>	<u>43,454,997</u>
NET POSITION			
Invested in capital assets	-	-	-
Restricted	-	-	-
Unrestricted	-	-	-
Total fund net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2013

	Business-Type Activities - Enterprise Funds		
	Golden Hill Health Care Center	Workers' Compensation Pool	Total
OPERATING REVENUES			
Charges for services	\$ 9,032,186	\$ 8,785,686	\$ 17,817,872
Other operating revenue	12,581	665,349	677,930
Bad debt expense	(556,329)	-	(556,329)
Total operating revenues	<u>8,488,438</u>	<u>9,451,035</u>	<u>17,939,473</u>
OPERATING EXPENSES			
Nursing administration	893,170	-	893,170
Nursing	6,430,018	-	6,430,018
Central supply	177,190	-	177,190
Pharmacy	121,621	-	121,621
Medical and dental	62,037	-	62,037
Therapy	178,646	-	178,646
Dietary	1,447,842	-	1,447,842
Social services and activities	636,284	-	636,284
Buildings and grounds	857,260	-	857,260
Housekeeping	733,796	-	733,796
Laundry	359,352	-	359,352
Administrative	1,384,388	3,003,578	4,387,966
Claimants	-	6,504,982	6,504,982
Property related	246,850	-	246,850
Change in assumptions related to workers' compensation claims payable	(2,207,655)	-	(2,207,655)
Cost allocation from the County of Ulster	1,150,705	-	1,150,705
Total operating expenses	<u>12,471,504</u>	<u>9,508,560</u>	<u>21,980,064</u>
Operating loss	<u>(3,983,066)</u>	<u>(57,525)</u>	<u>(4,040,591)</u>
NONOPERATING REVENUES (EXPENSES)			
Cash contribution from Ulster County	5,046,402	-	5,046,402
Intergovernmental transfer, net	9,828,624	-	9,828,624
On behalf contribution from Ulster County for other postemployment benefits	814,947	20,726	835,673
Interest earnings	-	36,799	36,799
Gain on extinguishment of amounts due to the County of Ulster	2,757,887	-	2,757,887
Loss on disposal of property and equipment	(3,454,644)	-	(3,454,644)
Other expenses	(19,933)	-	(19,933)
Total nonoperating revenues	<u>14,973,283</u>	<u>57,525</u>	<u>15,030,808</u>
Residual equity transfer	(8,187,639)	-	(8,187,639)
Change in net position	2,802,578	-	2,802,578
Total net position - beginning	(2,802,578)	-	(2,802,578)
Total net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds		
	Golden Hill	Workers'	Total
	Health Care	Compensation	
	Center	Pool	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 11,217,756	\$ 9,451,035	\$ 20,668,791
Payments to suppliers and service providers	(13,116,636)	(2,317,459)	(15,434,095)
Payments to employees	(14,161,530)	(686,119)	(14,847,649)
Payments to claimants	-	(6,684,674)	(6,684,674)
Net cash used for operating activities	<u>(16,060,410)</u>	<u>(237,217)</u>	<u>(16,297,627)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash contributions from Ulster County	7,804,289	20,726	7,825,015
Intergovernmental transfer, net	13,641,932	-	13,641,932
Transfers of residual equity	(8,187,640)	-	(8,187,640)
Other expenses	(19,933)	-	(19,933)
Net cash provided by noncapital financing activities	<u>13,238,648</u>	<u>20,726</u>	<u>13,259,374</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest expense	(14,479)	-	(14,479)
Purchases of capital assets	(83,052)	-	(83,052)
Payments to Ulster County for bonds payable	(864,705)	-	(864,705)
Net cash used for capital and related financing activities	<u>(962,236)</u>	<u>-</u>	<u>(962,236)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	-	36,799	36,799
Net cash provided by investing activities	<u>-</u>	<u>36,799</u>	<u>36,799</u>
Net increase (decrease) in cash and cash equivalents	(3,783,998)	(179,692)	(3,963,690)
Total cash and cash equivalents, January 1	3,783,998	20,411,712	24,195,710
Total cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ 20,232,020</u>	<u>\$ 20,232,020</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating loss	\$ (3,983,066)	\$ (57,525)	\$ (4,040,591)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation expense	227,192	-	227,192
Provision for doubtful accounts	556,329	-	556,329
Interest expense	14,479	-	14,479
Change in assumptions related to workers' compensation claims payable	(2,207,655)	-	(2,207,655)
Other postemployment benefits	814,947	-	814,947
Decrease (increase) in:			
Accounts receivable	2,670,058	17,945,852	20,615,910
Due from other funds	6,486	(169,847)	(163,361)
Inventories	147,720	-	147,720
Prepaid items	674,415	-	674,415
Increase (decrease) in:			
Accounts payable	(506,008)	36,525	(469,483)
Accrued salaries and benefits	(2,513,403)	(1,977)	(2,515,380)
Workers' compensation claims	(7,472,294)	(18,046,049)	(25,518,343)
Due to other funds	(2,257,362)	-	(2,257,362)
Unearned revenue	-	55,804	55,804
Due to third-party payors	(2,232,248)	-	(2,232,248)
Total adjustments	<u>(12,077,344)</u>	<u>(179,692)</u>	<u>(12,257,036)</u>
Net cash used for operating activities	<u>\$ (16,060,410)</u>	<u>\$ (237,217)</u>	<u>\$ (16,297,627)</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Net Position - Agency Fund
December 31, 2013

	Agency
ASSETS	
Cash and cash equivalents	\$ 12,104,165
Accounts receivable	28,880
Due from other funds	9,277
Total assets	\$ 12,142,322
 LIABILITIES	
Due to other funds	\$ 47,037
Agency fund liabilities	12,095,285
Total liabilities	\$ 12,142,322

See accompanying notes to the financial statements.

County of Ulster, New York
Combining Statement of Net Position
Discretely Presented Component Units
December 31, 2013

	Component Units					Total Discretely Presented Component Units
	Community College (August 31, 2013)	Resource Recovery Agency	Industrial Development Agency	Capital Resource Corporation	Golden Hill Local Development Corporation	
ASSETS						
Cash and cash equivalents	\$ 4,835,525	\$ 4,131,427	\$ 652,773	\$ 7,804	\$ 36,878	\$ 9,664,407
Investments	6,827,666	2,542,949	-	-	-	9,370,615
Receivables	4,457,272	1,464,030	-	-	-	5,921,302
Other assets	1,713,963	342,499	-	-	-	2,056,462
Capital assets, net of accumulated depreciation	14,407,819	9,748,944	-	-	-	24,156,763
Total assets	<u>32,242,245</u>	<u>18,229,849</u>	<u>652,773</u>	<u>7,804</u>	<u>36,878</u>	<u>51,169,549</u>
DEFERRED OUTFLOWS OF RESOURCES						
	-	153,749	-	-	-	153,749
LIABILITIES						
Accounts payable and other current liabilities	3,654,841	782,839	31,817	1,359	3,000	4,473,856
Due to other governments	101,027	-	-	-	-	101,027
Due to primary government	-	-	-	-	33,878	33,878
Other liabilities	-	75,026	-	-	-	75,026
Unearned revenue	375	4,200	-	-	-	4,575
Noncurrent liabilities:						
Due within one year	575,113	3,288,853	-	-	-	3,863,966
Due in more than one year	10,681,140	18,861,720	-	-	-	29,542,860
Total liabilities	<u>15,012,496</u>	<u>23,012,638</u>	<u>31,817</u>	<u>1,359</u>	<u>36,878</u>	<u>38,095,188</u>
DEFERRED INFLOWS OF RESOURCES						
	6,660,919	-	-	-	-	6,660,919
NET POSITION						
Net investment in capital assets	12,601,833	9,748,944	-	-	-	22,350,777
Restricted for:						
Loans and scholarships	5,901,478	-	-	-	-	5,901,478
Debt service	-	3,181,058	-	-	-	3,181,058
Landfill closure	-	96,145	-	-	-	96,145
Unrestricted	(7,934,481)	(17,655,187)	620,956	6,445	-	(24,962,267)
Total net position	<u>\$ 10,568,830</u>	<u>\$ (4,629,040)</u>	<u>\$ 620,956</u>	<u>\$ 6,445</u>	<u>\$ -</u>	<u>\$ 6,567,191</u>

See accompanying notes to the financial statements

County of Ulster, New York
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended December 31, 2013

	Component Units					Total Discretely Presented Component Units
	Community College (August 31, 2013)	Resource Recovery Agency	Industrial Development Agency	Capital Resource Corporation	Golden Hill Local Development Corporation	
OPERATING EXPENSES						
Instruction	\$ 13,269,489	\$ -	\$ -	\$ -	\$ -	13,269,489
Public service	573,980	-	-	-	-	573,980
Academic support	2,936,999	-	-	-	-	2,936,999
Student services	2,678,847	-	-	-	-	2,678,847
General administration	2,400,754	671,947	-	-	378,154	3,450,855
General institution	1,666,525	-	-	-	-	1,666,525
Operation and maintenance of plant	3,250,932	-	-	-	-	3,250,932
Student aid	4,163,241	-	-	-	-	4,163,241
Auxiliary	183,098	-	-	-	-	183,098
Day care	335,805	-	-	-	-	335,805
Costs of sales and services	-	7,905,082	-	-	-	7,905,082
Salaries and wages	-	1,572,149	-	-	-	1,572,149
Benefits	-	897,717	-	-	-	897,717
Landfill post closure care costs	-	1,236,784	-	-	-	1,236,784
Grant expense	-	-	140,000	-	-	140,000
Contractual expenses	-	-	55,844	5,000	-	60,844
Professional fees	-	-	-	3,300	-	3,300
Office expense	-	-	-	658	-	658
Depreciation	1,267,291	643,759	-	-	-	1,911,050
Interest expense	-	413,657	-	-	-	413,657
Other operating expenses	503,937	-	-	-	-	503,937
Total operating expenses	33,230,898	13,341,095	195,844	8,958	378,154	47,154,949
PROGRAM REVENUES						
Student tuition and fees	6,387,942	-	-	-	-	6,387,942
Auxiliary	292,002	-	-	-	-	292,002
Day care	289,580	-	-	-	-	289,580
Chargeback revenue	793,854	-	-	-	-	793,854
Sale of recyclable materials	-	845,121	-	-	-	845,121
Solid waste service fees	-	12,755,202	-	-	-	12,755,202
Fees	-	-	495,397	-	-	495,397
Operating grants and contributions	12,232,692	37,212	-	-	-	12,269,904
Other operating revenue	803,952	86,757	-	-	-	890,709
Total program revenues	20,800,022	13,724,292	495,397	-	-	35,019,711
Net program revenue (expense)	(12,430,876)	383,197	299,553	(8,958)	(378,154)	(12,135,238)
GENERAL REVENUES						
State appropriations	5,337,768	-	-	-	-	5,337,768
County appropriations	6,280,863	-	-	-	378,154	6,659,017
Investment income (loss)	691,463	115,968	645	-	-	808,076
Gain (loss) on disposal of assets	(8,015)	21,900	-	-	-	13,885
Total general revenues	12,302,079	137,868	645	-	378,154	12,818,746
Net change in net position	(128,797)	521,065	300,198	(8,958)	-	683,508
Net position - beginning	10,697,627	(5,150,105)	320,758	15,403	-	5,883,683
Net position - ending	\$ 10,568,830	\$ (4,629,040)	\$ 620,956	\$ 6,445	\$ -	\$ 6,567,191

See accompanying notes to the financial statements

Notes to the Financial
Statements

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

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 government.

Blended Component Units

Ulster Tobacco Asset Securitization Corporation (UTASC)

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

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

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

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

Ulster County Development Corporation (UCDC)

The Ulster County Development Corporation (UCDC) 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. UCDC'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. UCDC has a fiscal year that ends December 31. UCDC is presented as a special revenue fund of the County.

Separate financial statements may be obtained from the Ulster County Development Corporation, P.O. Box 1800, Kingston, N.Y. 12401.

Discretely Presented Component Units

Ulster County Community College (UCCC)

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

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

Ulster County Resource Recovery Agency (UCRRA)

The Ulster County Resource Recovery Agency (UCRRA) was created on December 31, 1986 by State Legislation (Chapter 936, Laws of New York), which amended the Public Authorities Law. The County entered into an agreement on January 26, 1988 with UCRRA to develop a plan and manage solid waste and recovery systems within the County. The County agreed to finance and fund UCRRA until a solid waste management plan was developed and implemented. The County approved a solid waste management plan on December 30, 1991, which was subsequently approved by the NYS Department of Environmental Conservation in April 1993. This plan enabled UCRRA to issue revenue bonds, to repay the County and finance the operating and capital expenditures for a solid waste management system. The County entered into a service agreement with UCRRA; whereby UCRRA will construct, maintain and operate the system. In exchange, the County has guaranteed to fund any operating, capital or debt service deficits with the payment to UCRRA of a net service fee pursuant to the terms set forth in the service agreement. In December of 2012 a countywide Flow Control Law was passed by the Ulster County Legislature and signed into law by the Ulster County Executive. The Flow Control Law mandates that all municipal solid waste generated within the County of Ulster must be brought to the UCRRA. The major financial impacts of this new law resulted in an increase in solid waste service fees, the elimination of County net service fees, and the ability of the Agency to be self-sustaining. The Agency met all of its obligations for fiscal year 2013 without the assistance of a County subsidy.

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

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, New York. 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 agency. UCIDA has a fiscal year that ends December 31. UCIDA is presented discretely as a component unit of the County.

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

Ulster County Capital Resource Corporation (UCCRC)

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

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

Golden Hill Local Development Corporation (GHLDC)

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

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

B. Basis of Presentation

Beginning in 2013, the County adopted the provisions of GASB Statement No. 61 – “The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34,” No. 65, “Items Previously Reported as Assets and Liabilities,” and No. 66, “Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62.” GASB Statement No. 61 clarifies the manner in determining whether or not an organization should be included as a component unit. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. As a result of the implementation of GASB Statement No. 65, net position of governmental activities at December 31, 2012 has been restated for unamortized bond issuance costs of \$850,752, and deferred charges on refunding have been reclassified as deferred outflows of resources. GASB Statement No. 66 improves accounting and financial reporting for a governmental entity by resolving conflicting guidance that resulted from the issuance of GASB Statements No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, and No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.” GASB Statements No. 61, No. 65, and No. 66 did not have a material impact, other than the aforementioned items related to GASB Statement No. 65, on the County's financial position or results from operations.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

Government – wide Financial Statements

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

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

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

Fund Financial Statements

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

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

- The *Golden Hill Health Care Center (GHHCC)* accounts for and reports the operations of a residential health care facility. Revenues are principally fees for patient services, payments from Federal and State programs such as Medicare and subsidies from the general fund. The assets of the GHHCC were sold to a private owner on June 26, 2013.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

- 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 fund types:

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

The County utilizes the following non-major special revenue funds:

- a. The *Special Grant Fund* accounts for and reports the proceeds received under the Workforce Investment Act and Community Development Block Grant Funds.
 - b. The *County Road Fund* and the *Road Machinery Fund* account for and report the acquisition and maintenance of roads, bridges, road machinery and equipment pursuant to Sections 114 and 133 of Highway Laws, respectfully.
 - c. The *Ulster County Development Corporation (UCDC)* accounts for and reports on the financial activity related to job growth, economic development, and community revitalization for Ulster County.
- The *Agency Fund* accounts for and reports 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.

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

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

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

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

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

D. Cash, Cash Equivalents and Investments

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

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

E. Receivables and Payables

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

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

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

The portion of the receivable that represents taxes relieved for schools is also reported as a payable in intergovernmental payables in the amount of \$22,775,764. 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.

A law was enacted (Chapter 58 of the Laws of 2005) to cap Medicaid costs at calendar 2005 levels and limit growth rates to 3 percent into the future.

F. Inventories and Prepaid Items

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

G. 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, proprietary funds and component units as follows:

<u>Assets</u>	<u>Years</u>
Land improvements	10-20
Buildings & improvements	20-30
Major machinery & equipment	10-15
Minor machinery & 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).

H. Deferred Outflows / Inflows of Resources

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

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

I. 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.

J. Long-Term Obligations

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

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

K. 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 fund and government-wide presentation.

L. Judgements and Claims

As explained further in Note 3.B., 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, 2013, Ulster County has recorded \$450,000 as a general liability in the 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, 2013, was \$42,316,000, of which \$13.8 million is due and payable from the governmental activities for their portion of the liability.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

M. Postemployment Benefits

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

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

(a) Plan description

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

(b) Funding policy

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

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

(c) Accounting policy

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

(d) Other disclosure information

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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	2013
<u>(e) Annual OPEB cost at December 31, 2013</u>	
Normal Cost	\$ 7,088,728
Amortization of unamortized actuarial liability (UAL)	6,974,109
Annual required contribution (ARC)	14,062,837
Interest on OPEB obligation	2,982,610
Adjustment to ARC	(4,146,265)
OPEB expense	\$12,899,182
 <u>(f) Reconciliation of Net OPEB obligation at December 31, 2013</u>	
Net OPEB obligation at the beginning of the year	\$74,565,243
OPEB expense	12,899,182
Net OPEB contributions made during the fiscal year	(3,375,489)
Net OPEB obligation at the end of the year	\$84,088,936
Percentage of expense contributed	26.17%
 <u>(g) Schedule of funding process</u>	
Currently retired liability	\$ 36,899,286
Actives	83,697,246
Total actuarial accrued liability	120,596,532
Additional obligation attributable to future service	84,015,954
Present value of total future liability	\$204,612,486
Actuarial value of assets	\$ -
Unfunded actuarial liability	\$120,596,532
Funded Ratio	0.00%

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

- Golden Hill Health Care Center - \$814,947
- Workers Compensation Pool - \$20,726

(i) In addition to the County, UCCC provides retirement benefits and certain health insurance benefits to retired employees and their families. As of August 31, 2013, UCCC's liability for postemployment benefits was \$9,452,830.

N. Inter-governmental Transfer

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

O. 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.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

P. Fund Equity

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 (see note 3A) represent tentative management plans that are subject to change.

The Capital Projects Fund had a deficit fund balance of \$4,180,095 resultant from expenditures made for the reconstruction of roads and bridges from the aftermath of Tropical Storms Irene and Lee 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.

Q. Use of Estimates

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

2. Detailed Notes on All Funds

A. Cash, Cash Equivalents and Investments

At year end, the County's carrying amount of deposits was \$89,137,162, which included \$2,829,539 of UTASC cash and cash equivalent balances, and the bank balance was \$90,747,432. Of the bank balance, \$5,245,296 was covered by federal depository insurance or by collateral held by the County's agent in the County's name. Of the remaining balance, \$85,502,136 was collateralized with securities held by the pledging financial institution's trust department or agent in the County's name. At year end all deposits and investments for the component units were covered by federal depository insurance or by collateral held by the component unit's agent in the component unit's name.

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

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

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

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	\$54,161,373	\$ -	\$54,161,373
Commercial paper	2,639,604	-	2,639,604
Total governmental activities	56,800,977	-	56,800,977
Business-type activities			
Cash and cash equivalents	20,232,020	-	20,232,020
Total primary government	77,032,997	-	77,032,997
Component units			
UCCC-Cash and cash equivalents	4,835,525	-	4,835,525
UCCC-New York State Dormitory Authority	6,827,666	-	6,827,666
UCRRA-Cash and cash equivalents	2,726,902	1,404,525	4,131,427
UCRRA-U.S. Government securities	-	2,542,949	2,542,949
UCIDA-Cash and cash equivalents	652,773	-	652,773
UCCRC-Cash and cash equivalents	7,804	-	7,804
GHLDC-Cash and cash equivalents	36,878	-	36,878
Total component units	15,087,548	3,947,474	19,035,022
Agency Fund			
Cash and cash equivalents	12,104,165	-	12,104,165
Total agency fund	12,104,165	-	12,104,165
Total cash, cash equivalents and investments	\$104,224,710	\$3,947,474	\$108,172,184

B. Receivables

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

	Major		Nonmajor Special Revenue	Total Governmental Activities
	General	UTASC		
Receivables - Governmental Activities:				
Taxes	\$42,698,443	\$ -	\$ -	\$ 42,698,443
Accounts	10,435,122	2,300,000	842,018	13,577,140
State and federal	32,916,049	-	684,682	33,600,731
Due from other governments	10,477,462	-	-	10,477,462
Gross receivables	96,527,076	2,300,000	1,526,700	100,353,776
Less: allowance for uncollectibles	(2,644,613)	-	-	(2,644,613)
Net receivables	\$93,882,463	\$ 2,300,000	\$ 1,526,700	\$ 97,709,163
Receivables - Business-type Activities:				
Accounts receivable				\$1,377
Less: allowance for uncollectibles				-
Net receivables				\$1,377

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

C. Deferred Inflows of Resources / Unearned Revenues

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

	Unavailable	Unearned
Governmental Funds:		
Deferred property taxes receivable	\$20,027,894	\$ -
UCDC – deferred community development loan receivable	65,000	-
Other unearned revenues	-	260,444
Total governmental funds	\$20,092,894	\$ 260,444

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 fund	\$ 108
	UTASC	6,074
	Agency	47,037
Nonmajor governmental funds	General fund	125,000
	Nonmajor governmental funds	65,000
Workers' compensation pool	General fund	169,847
Agency	General fund	9,277
Total		\$422,343

Interfund Transfers In/Out

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

Transfer From	Transfer To	Amount
General fund	GHHCC	\$2,954,856
	Debt service fund	7,493,035
	Capital projects fund	210,500
Total		\$10,658,391

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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E. Capital Assets

Capital asset activity for the fiscal year end was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government				
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,701,397	\$ -	\$ -	\$ 3,701,397
Construction in progress	12,646,240	1,590,726	297,621	13,939,345
Total capital assets, not being depreciated	<u>16,347,637</u>	<u>1,590,726</u>	<u>297,621</u>	<u>17,640,742</u>
Capital assets, being depreciated:				
Land improvements	4,256,801	-	-	4,256,801
Buildings and improvements	157,388,880	-	-	157,388,880
Machinery and equipment	**35,014,315	2,321,215	-	37,335,530
Infrastructure	84,367,492	3,004,254	5,163,430	82,208,316
Total capital assets, being depreciated	<u>281,027,488</u>	<u>5,325,469</u>	<u>5,163,430</u>	<u>281,189,527</u>
Less accumulated depreciation for:				
Land improvements	3,363,197	163,840	-	3,527,037
Buildings and improvements	58,469,900	4,859,032	-	63,328,932
Machinery and equipment	25,788,566	2,389,403	-	28,177,969
Infrastructure	41,835,545	4,089,878	3,485,316	42,440,107
Total accumulated depreciation	<u>129,457,208</u>	<u>11,502,153</u>	<u>3,485,316</u>	<u>137,474,045</u>
Total capital assets, being depreciated, net	<u>151,570,280</u>	<u>(6,176,684)</u>	<u>1,678,114</u>	<u>143,715,482</u>
Governmental activities capital assets, net	<u>\$167,917,917</u>	<u>(\$4,585,958)</u>	<u>\$1,975,735</u>	<u>\$161,356,224</u>
Primary Government				
Business-type Activities –				
Golden Hill Health Care Center:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 11,594,164	\$ 7,100	\$ 11,601,264	\$ -
Machinery and equipment	9,281,831	75,952	9,357,783	-
Total capital assets, being depreciated	<u>20,875,995</u>	<u>83,052</u>	<u>20,959,047</u>	<u>-</u>
Less accumulated depreciation for:				
Buildings and improvements	10,129,738	89,848	10,219,586	-
Machinery and equipment	7,295,193	137,344	7,432,537	-
Total accumulated depreciation	<u>17,424,931</u>	<u>227,192</u>	<u>17,652,123</u>	<u>-</u>
Total capital assets, being depreciated, net	<u>3,451,064</u>	<u>(144,140)</u>	<u>3,306,924</u>	<u>-</u>
Business-type activities capital assets, net	<u>3,451,064</u>	<u>(144,140)</u>	<u>3,306,924</u>	<u>-</u>
Total primary government	<u>\$171,368,981</u>	<u>(\$4,730,098)</u>	<u>\$5,282,659</u>	<u>\$161,356,224</u>

**Beginning balance for machinery and equipment was restated for UCDC's beginning capital assets.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

	Beginning Balance	Increases	Decreases	Ending Balance
Component Units				
Ulster County Community College:				
Capital assets, not being depreciated:				
Land	\$ 744,174	\$ -	\$ -	\$ 744,174
Works of art/historical treasures	66,500	-	-	66,500
Total capital assets, not being depreciated	810,674	-	-	810,674
Capital assets, being depreciated:				
Buildings and improvements	31,683,689	414,248	99,700	31,998,237
Machinery and equipment	3,884,505	556,106	170,471	4,270,140
Total capital assets, being depreciated	35,568,194	970,354	270,171	36,268,377
Less accumulated depreciation	21,669,173	1,248,645	246,586	22,671,232
Total capital assets, being depreciated, net	13,899,021	(278,291)	23,585	13,597,145
Total capital assets, net	\$14,709,695	\$ (278,291)	\$ 23,585	\$14,407,819
Component Units				
Ulster County Resource Recovery Agency:				
Capital assets, not being depreciated:				
Land	\$ 683,172	\$ -	\$ -	\$ 683,172
Construction in progress	74,191	6,765	-	80,956
Total capital assets, not being depreciated	757,363	6,765	-	764,128
Capital assets, being depreciated:				
Buildings and improvements	10,516,416	29,758	-	10,546,174
Machinery and equipment	5,062,220	661,063	251,957	5,471,326
Infrastructure	13,796	4,555	-	18,351
Total capital assets, being depreciated	15,592,432	695,376	251,957	16,035,851
Less accumulated depreciation and amortization for:				
Buildings and improvements	2,364,723	265,660	-	2,630,383
Machinery and equipment	4,242,363	377,295	200,457	4,419,201
Infrastructure	647	804	-	1,451
Total accumulated depreciation and amortization	6,607,733	643,759	200,457	7,051,035
Total capital assets, being depreciated, net	8,984,699	51,617	51,500	8,984,816
Total capital assets, net	9,742,062	58,382	51,500	9,748,944
Total component units	\$ 24,451,757	\$ (219,909)	\$ 75,085	\$ 24,156,763

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

Depreciation

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

	<u>Amount</u>
Governmental activities:	
General government	\$ 499,646
Public safety	3,791,595
Public health	438,414
Transportation, including depreciation of general infrastructure assets	6,436,133
Economic assistance	203,443
Culture and recreation	132,922
Total depreciation expense – governmental activities	<u>\$ 11,502,153</u>

Construction Commitments

The County had active construction projects at year end. The projects include roads and bridges, roof reconstructions, upgrades to campus facilities, and repairs to infrastructure due to Tropical Storm Irene. At year end the County had \$27,188,109 in construction commitments with contractors. These commitments are being financed by serial bonds, state and federal aid, donations and current appropriations.

F. Leases

Operating Leases

The County leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$1,042,221 at fiscal year-end. The future minimum lease payments for these leases are as follows:

	<u>Amount</u>
Year ending December 31:	
2014	\$826,858
2015	520,954
2016	397,479
2017	308,257
2018	181,056
Thereafter	39,018
Total	<u>\$2,273,622</u>

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

G. Short-Term Debt

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

Short-term obligation activity during the year ended December 31, 2013 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Town of Lloyd bridge	\$2,000,000	\$ -	\$1,690,000	\$ 310,000
UCCC phase 1	350,000	-	150,000	200,000
Highway equipment > \$30,000	525,000	-	525,000	-
South Putt Corners Road	-	75,000	-	75,000
Pool bathhouse roof	123,365	-	123,365	-
Courthouse roof repairs	126,635	-	126,635	-
Wittenburg box culvert	-	115,000	115,000	-
Frost Valley Road box culvery	-	90,000	90,000	-
ADA Compliance – Mental Health	165,000	-	4,000	161,000
ADA Compliance – UC Fairgrounds	95,000	-	2,000	93,000
ADA Compliance – Trudy Resnick	48,000	-	1,000	47,000
ADA Compliance – PW Admin	125,000	-	3,000	122,000
ADA Compliance – UC Court Exterior	60,000	-	1,500	58,500
ADA Compliance – UC Office Building	140,000	-	3,000	137,000
ADA Compliance – 911 Emerg Mgt	22,000	-	1,000	21,000
Tropical Storm Irene reconstruction	7,100,000	-	3,600,000	3,500,000
Highway equipment > \$30,000	620,000	-	620,000	-
Land for flood remediation	2,500,000	-	-	2,500,000
Reconstruction of roads	400,000	-	400,000	-
County-wide financial system	750,000	-	-	750,000
Turnwood box culvert	110,000	-	110,000	-
Wynkoop box culvert	95,000	-	95,000	-
UCCC – HVAC, generator	680,000	-	-	680,000
Ulster Heights Road	380,000	-	-	380,000
Salt storage facilities	745,000	-	745,000	-
Salt spreaders	320,000	-	320,000	-
Police vehicles	-	220,000	220,000	-
Highway equipment	-	423,300	-	423,300
Highway equipment	-	27,000	-	27,000
Highway equipment	-	964,000	-	964,000
Mud Tavern Bridge	-	18,983	-	18,983
Pick-up truck	-	23,500	23,500	-
Reconstruction of roads	-	400,000	-	400,000
Total governmental activities short-term debt	\$17,480,000	\$ 2,356,783	\$ 8,969,000	\$10,867,783

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

H. General Long-Term Obligations

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

Details relating to bonds payable outstanding at fiscal year end are as follows:

	Maturity Date	Interest Rate	Amount
Governmental Activities:			
General obligation:			
Public improvements, 2000, refunded 2009	04/15/14	2.5 - 5.0%	\$ 655,364
Public improvements, 2001, refunded 2009	04/15/17	2.5 - 5.0%	3,126,107
Public improvements, 2005	11/15/24	4.5 - 5.0%	1,390,000
Public improvements, 2006	11/15/29	4.4 - 4.5%	1,660,000
Public improvements, 2006	11/15/21	3.6 - 4.0%	2,493,147
Public improvements, 2007	11/15/22	3.9 - 4.0%	1,980,500
Public improvements, 2008	11/15/23	4.3 - 5.0%	2,105,000
Public improvements, 2009	11/15/24	2.0 - 4.0%	2,745,000
Public improvements, 2010	11/15/25	3.0 - 3.5%	2,560,000
Public improvements, 2011	11/15/22	2.0 - 2.8%	865,000
Public improvements, refunded 2012	11/15/24	2.0 - 5.0%	16,260,000
Public improvements, refunded 2012	11/15/29	2.0 - 5.0%	34,905,000
Public improvements, 2012	11/15/27	2.0 - 3.0%	2,069,000
Public improvements, 2013	11/15/28	2.0 - 3.25%	3,318,500
Total general obligation			<u>76,132,618</u>
Debt issued for UCCC:			
Public improvements, 2000, refunded 2009	4/15/14	2.5 - 5.0%	609,636
Public improvements, 2001, refunded 2009	4/15/17	2.5 - 5.0%	338,893
Public improvements, 2006	11/15/21	3.6 - 4.0%	361,853
Public improvements, 2007	11/15/22	3.8 - 4.0%	1,009,500
Public improvements, 2008	11/15/23	4.3 - 5.0%	70,000
Public improvements, 2012	11/15/27	2.0 - 3.0%	1,391,000
Total UCCC			<u>3,780,882</u>
UTASC:			
Tobacco settlement asset-backed bonds, 2001	06/01/40	6.12 - 6.45%	29,955,000
Subordinate capital appreciation bonds	06/01/60	6.00 - 7.85%	16,081,194
Total UTASC			<u>46,036,194</u>
Total governmental activities			<u>\$125,949,694</u>

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

Component Units:

	Maturity Date	Interest Rate	Amount
UCRRA:			
Serial bonds	03/01/18	3.75 - 5.25%	\$ 6,445,530
Capital appreciation bonds	03/01/25	4.96 - 5.00%	6,998,755
Serial bonds	03/01/21	4.50 - 5.00%	1,325,000
Term bonds	03/01/14	2.20%	449,990
Term bonds	03/01/17	2.20%	790,000
Term note	03/01/17	2.82%	540,000
Term bonds	08/01/16	2.23%	225,000
Total UCRRA			\$ 16,774,275

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

Year	General Obligations	UCCC	UTASC	UCRRA	Total
Principal:					
2014	\$ 5,919,451	\$ 914,049	\$ 885,000	\$ 2,455,000	\$ 10,173,500
2015	5,329,397	315,603	965,000	2,070,000	8,680,000
2016	5,513,084	326,916	1,055,000	2,130,000	9,025,000
2017	5,656,171	338,829	1,155,000	2,130,000	9,280,000
2018	4,993,139	256,861	2,041,082	1,850,000	9,141,082
2019-2023	27,159,776	1,180,224	12,139,430	4,133,670	44,613,100
2024-2028	18,406,600	448,400	19,268,261	1,865,075	39,988,336
2029-2033	3,155,000	-	25,408,669	-	28,563,669
2034-2038	-	-	21,681,607	-	21,681,607
2039	-	-	2,739,162	-	2,739,162
Less unamortized accretion	-	-	(41,302,017)	-	(41,302,017)
Plus deferred premium	7,925,815	-	84,116	140,530	8,150,461
Total	84,058,433	3,780,882	46,120,310	16,774,275	150,733,900
Interest:					
2014	3,121,480	118,184	1,827,186	339,522	5,406,372
2015	2,890,314	91,651	1,766,649	270,544	5,019,158
2016	2,712,769	79,906	1,700,549	202,178	4,695,402
2017	2,503,094	68,351	1,628,236	129,360	4,329,041
2018	2,307,370	58,618	1,539,411	59,825	3,965,224
2019-2023	8,311,797	161,557	6,062,154	5,405,955	19,941,463
2024-2028	2,687,846	31,102	3,366,083	3,969,914	10,054,945
2029-2033	98,594	-	564,387	-	662,981
Total interest	24,633,264	609,369	18,454,655	10,377,298	54,074,586
Total requirements	\$108,691,697	\$4,390,251	\$64,574,965	\$27,151,573	\$204,808,486

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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	\$122,956,649	\$5,302,316	\$ 6,090,153	\$122,168,812	\$ 6,804,451
Bonds payable – Community College	4,679,302	-	898,420	3,780,882	914,049
Bond premiums	8,508,478	-	498,547	8,009,931	498,547
Capital lease obligations	30,819	-	30,819	-	-
Claims and judgments	615,000	-	165,000	450,000	218,250
Retirement payable	707,370	-	235,790	471,580	235,790
OPEB liability	74,565,243	12,899,182	3,375,489	84,088,936	-
Compensated absences	15,061,837	957,845	-	16,019,682	1,601,968
Total governmental activities	<u>\$227,124,698</u>	<u>\$19,159,343</u>	<u>\$11,294,218</u>	<u>\$234,989,823</u>	<u>\$10,273,055</u>
Business-type Activities:					
Golden Hill Health Care Center:					
Bonds payable	\$ 864,705	\$ -	\$ 864,705	\$ -	\$ -
Workers' compensation pool claims	9,679,949	-	9,679,949	-	-
Workers' Compensation Pool:					
Workers' compensation pool claims	50,682,100	-	8,366,100	42,316,000	22,977,588
Total business-type activities	<u>\$61,226,754</u>	<u>\$ -</u>	<u>\$18,910,754</u>	<u>42,316,000</u>	<u>\$22,977,588</u>
Component Units:					
UCCC:					
Capital lease obligations	\$ 1,960,801	\$ 11,019	\$ 168,397	\$ 1,803,423	\$ 160,270
OPEB liability	8,673,497	779,333	-	9,452,830	414,843
Total UCCC	<u>\$10,634,298</u>	<u>\$ 790,352</u>	<u>\$ 168,397</u>	<u>\$ 11,256,253</u>	<u>\$ 575,113</u>
UCRRA:					
Bonds payable	\$19,058,745	\$ -	\$ 2,425,000	\$16,633,745	\$ 2,455,000
Bond premiums	171,760	-	31,230	140,530	31,230
Capital lease obligations	-	210,764	44,695	166,069	39,685
Workers compensation	16,800	50,458	-	67,258	10,512
Compensated absences	469,846	1,635	-	471,481	471,481
Landfill post-closure liability	2,780,864	985,681	-	3,766,545	251,103
Long term pension	932,576	-	27,631	904,945	29,842
Total UCRRA	<u>23,430,591</u>	<u>1,248,538</u>	<u>2,528,556</u>	<u>22,150,573</u>	<u>3,288,853</u>
Total component units	<u>\$34,064,889</u>	<u>\$ 2,038,890</u>	<u>\$ 2,696,953</u>	<u>\$33,406,826</u>	<u>\$ 3,863,966</u>

Advance Refunding

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

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

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The advance refunding of these bonds resulted in an increase to its total debt service payments over the next 18 years by approximately \$45.0 million and to obtain an economic gain of approximately \$1.4 million.

On May 26, 2009 the County refunded two outstanding serial bonds from 2000 and 2001 that resulted in a decrease in its total debt service over the next 4 years by approximately \$9 thousand and to obtain an economic gain of approximately \$17 thousand.

On June 7, 2012 the County refunded two outstanding serial bonds from 2005 and 2006 that resulted in a decrease in its total debt service over the next 16 years by approximately \$3.4 million and to obtain an economic gain of approximately \$202 thousand.

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

Issue	Amount Outstanding
Governmental Activities:	
Public Improvements, 1995	\$ 600,000
Public Improvements, 1997	1,000,000
Public Improvements, 1999	1,310,000
Public Improvements, 2000	1,265,000
Public Improvements, 2001	3,430,000
Public Improvements, 2005	16,669,736
Public Improvements, 2006	36,190,000
Total governmental activities refunded	\$60,464,736
 UCCC:	
Public Improvements, 1999	\$ 795,264

Legal Debt Limit

The County's general obligation bonded debt of \$93,464,059 as of fiscal year end, was below the legal limit of approximately \$1,396,285,035. This amount represents approximately 6.69% of the constitutional debt limit.

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

3. Other Information

A. Net Position/Fund Balances

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

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. "Other purposes" restricted net position include drug forfeiture reserves of \$131,502, E-911 emergency telephone reserves of \$79,414, Stop DWI reserves of \$314,370, probation reserves of \$848,770, risk retention reserves of \$125,495, child safety seat reserves of \$5,860, traffic safety board reserves of \$3,598, handicapped parking education reserves of \$19,347, and community development of \$194,180.

COUNTY OF ULSTER, NEW YORK

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

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

Fund Balance Classifications

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

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

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

- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest in the amount of \$5,255,796, of which \$825,000 represents amounts for subsequent years' expenditures. These funds are not available for general operations.
- *Risk retention* – to reflect funds established to provide for costs of settlement of various claims against the County in excess of amounts appropriated each year for such purpose in the amount of \$125,495.
- *Civil and DA forfeitures* – to reflect unused portions of forfeited crime proceeds that must be spent on law enforcement in the amount of \$131,502.
- *Emergency telephone (E-911)* – to reflect unused portions of telephone surcharges that must be spent on the emergency telephone system in the amount of \$79,414.
- *Stop DWI* – to reflect unused portions of DWI fines that must be spent on Stop DWI programs in the amount of \$314,370.
- *Probation administration fees* – to reflect unused portions of probation fees that must be spent on probation programs in the amount of \$848,770.
- *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 \$19,347.
- *Community development* – to provide funds for job growth, economic development, and community revitalization in the amount of \$194,180.

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Notes to the Financial Statements

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Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the County Legislature before the end of the fiscal year. The County Legislature is the highest level of decision making authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the County Legislature. The County has no committed fund balances as of December 31, 2013.

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 \$4,702,340 in the General Fund, \$58,669 in the Special Grant Fund, \$38,268 in the County Road Fund, and \$19,444 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 \$13,200,000 of the General Fund balance, \$825,000 of the Debt Service Fund balance, and \$2,685,000 of the County Road Fund balance.
- *Special Revenue Funds* – to reflect the residual amount of fund balance not already restricted, committed or assigned in the special revenue funds in the amounts of \$1,496 in the Special Grant Fund, \$1,692,582 in the County Road Fund, \$818,854 in the Road Machinery Fund, and \$1,291,018 in the Ulster County Development Corporation.
- *Jail telephone commissions* – to reflect the unused portions of jail telephone commissions that will be spent on inmate programs in the amount of \$338,619.
- *Tourism* – to promote tourism in Ulster County in the amount of \$150,000.
- *Social Services donations* – to reflect the unused portions of donations to Social Services that will be spent on Social Services programs in the amount of \$2,323.
- *Social Services restitution* – to reflect the unused portions of Social Services restitution that will be spent on Social Services in the amount of \$121,665.
- *URGENT forfeitures* – to reflect unused portions of forfeited crime proceeds that will be spent on law enforcement in the amount of \$178,981.

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

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

B. Risk Management

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

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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 61 other public entities, participate in the program and make payments to the Pool based on a computation of the necessary funds to cover the participants' annual claims.

The County's claims liability of \$42,316,000 is recorded in the workers' compensation pool (which includes the Golden Hill Health Care Center) at fiscal year end and is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities are partially offset by assessment receivables recorded in accordance with Article 5 in the amount of \$23,051,753, of which \$13,784,693 is due and payable by the County of Ulster to the workers' compensation claims-processing pool.

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

Year	Balance at January 1	Current Year Claims & Changes in Estimates	Claims Payments	Balance at December 31
2013	\$60,362,049	(\$6,040,223)	(\$12,005,826)	\$42,316,000
2012	58,840,052	13,570,037	(12,048,040)	60,362,049

The County has been named as a defendant in several personal injury claims resulting from incidents occurring in the County. Although the ultimate outcome of these claims is not certain, County officials believe that none of these claims will expose the County to amounts to exceed the insurance coverage applicable to the date of such incidents. The County has recorded liabilities related to the deductibles for these claims in the amount of \$450,000. The County has not had significant reductions in insurance coverage from the provider in all categories of risk. Settled claims have not exceeded insurance coverage in the past three fiscal years.

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

Year	Balance at January 1	Current Year Claims & Changes in Estimates	Balance at December 31
2013	\$ 615,000	(\$165,000)	\$450,000
2012	1,100,000	(485,000)	615,000

C. Employee Retirement Plan

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

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

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The County is required to contribute at an actuarially determined rate. The required contributions at December 15 for the years 2013, 2012 and 2011 were \$17,132,582, \$16,940,613, and \$13,494,253, respectively. The County's contributions made to the ERS were equal to 100 percent of the contributions required for each year.

D. Deferred Compensation Plan

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

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

E. Commitments

On April 16, 2013 the County was authorized to enter into an agreement with the Ulster County Staff Association, providing no increases in 2011 and 2012, and increases in 2013 of 1.75% and 2014 of 2.0%. The financial impact of these negotiations amounted to approximately \$81,000.

On August 22, 2013, the County settled through arbitration an agreement with the Ulster County Deputy Sheriff's Police Benevolent Association, providing increases for 2008 of 3.0%, and 2009 of 3.25%, to be paid retroactively. The financial impact of this settlement is approximately \$1.14 million.

F. Contingencies

The County has received grants in excess of \$77.7 million, which are subject to audit by agencies of the State and Federal governments. Such audits may result in a request for a return of funds to the State and Federal governments. Based on past audits, the County management believes any disallowance will be immaterial.

G. Federal Grant-Revolving Loan Fund

During 2013 the County contracted with Rural Ulster Preservation Company (RUPCO) as sub-recipient for a \$750,000 Community Development Block Grant financed by the United States Department of Housing and Urban Development and administered through the New York State Housing Trust Fund Corporation. The purpose of this grant is to assist low to moderate income Ulster County residents to rehabilitate owner-occupied housing. Total monies received in 2013 were \$594,680. A copy of RUPCO's certified financial report may be obtained from RUPCO at 289 Fair Street Kingston, NY 12401.

During 2013 the County contracted with the New York State Housing Trust Fund Corporation for a \$67,937 Community Development Block Grant financed by the United States Department of Housing and Urban Development. Budget modifications were done in 2012 increasing the total grant to \$198,464. The purpose of this grant is to reimburse farmers for animal feed and produce purchased as a result of losses due to Hurricane Irene. Total monies received in 2013 were \$19,717.

During 2013 the County contracted with Rural Ulster Preservation Company (RUPCO) as sub-recipient for a \$293,112 Community Development Block Grant financed by the United States Department of Housing and Urban Development and administered through the New York State Housing Trust Fund Corporation. The purpose of this grant is to assist Ulster County businesses recover from losses due to Hurricane Irene. Total monies received in 2013 were \$33,926. A copy of RUPCO's certified financial report may be obtained from RUPCO at 289 Fair Street Kingston, NY 12401.

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During 2013 the County contracted with Fairweather Consulting as sub-recipient for a \$40,000 Community Development Block Grant financed by the United States Department of Housing and Urban Development and administered through the New York State Housing Trust Fund Corporation. The purpose of this grant is to assist Ulster County with technical assistance to conduct an analysis of the County's Shovel Ready Program. The study included criteria for future public infrastructure projects. Total monies received in 2013 were \$40,000. Fairweather Consulting is located at 124 Main Street Suite 2 New Paltz, NY 12561.

During 2013 the County contracted with Rural Ulster Preservation Company (RUPCO) as sub-recipient for a \$750,000 Community Development Block Grant financed by the United States Department of Housing and Urban Development and administered through the New York State Housing Trust Fund Corporation. The purpose of this grant is to assist income eligible Ulster County residents to rehabilitate owner-occupied housing, primarily those whose homes were damaged by Hurricane Irene or Tropical Storm Lee. There were no monies received in 2013. 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 Revenue Fund. This fund is reported in the Special Grant Fund in the County's financial statements.

I. 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, 2013:

	Balance at 1/1/2013	Increases	Decreases	Balance at 12/31/13
ASSETS				
Cash and cash equivalents	\$ 10,989,369	\$143,228,734	\$142,113,938	\$12,104,165
Accounts receivable	15,250	1,321,254	1,307,624	28,880
Due from other funds	265	9,277	265	9,277
Total assets	11,004,884	144,559,265	143,421,827	12,142,322
LIABILITIES				
Due to other funds	4,894	47,037	4,894	47,037
Agency fund liabilities	10,999,990	104,523,022	103,427,727	12,095,285
Total liabilities	\$ 11,004,884	104,570,059	103,432,621	12,142,322

J. Resource Recovery Agency

Under the terms of a solid waste service agreement dated January 1, 1992, between the County and the Ulster County Resource Recovery Agency (UCRRA), the County is liable for a service fee payable to the UCRRA. The intent of the net service fee agreement is to provide assurance that the UCRRA has the financial resources to meet all debt service obligations and debt service requirements. In December of 2012 a countywide flow control law was passed by the Ulster County Legislature and signed into law by the Ulster County Executive. The Flow Control Law mandates that all Municipal Solid Waste generated within the County of Ulster must be brought to the UCRRA. The major financial impacts of this new law resulted in an increase in solid waste service fees, the elimination of County net service fees, and the ability of the Agency to be self-sustaining. The Agency met all of its obligations for fiscal year 2013 without the assistance of a County subsidy.

State and Federal laws require UCRRA to place a final cover on its landfill sites when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. UCRRA is currently in the post closure phase at each of the landfills. The post closure period goes throughout the year 2028. Current projections prepared by the Agency of annual post closure monitoring and maintenance costs for all 3 landfills are \$251,103 for each of the remaining 15 years.

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J. Tobacco Settlement

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

During 2012 a Consumption Decline Trapping Event occurred. This means that shipments of cigarettes in or to the 50 United States, the District of Columbia and Puerto Rico as measured under the MSA, are less in any year preceding a Deposit Date than the amount opposite such year under the "Consumption Decline Trapping Event" definition. According to the MSA Report, the amount shown as relevant shipments was less, and therefore a Consumption Decline Trapping Event has occurred. The trapping requirement for this event as of December 31, 2013 is \$7.489 million. As of year end this trapping requirement was funded at \$1,176.

K. Golden Hill Health Care Center

The Golden Hill Health Care Center (GHHCC) was a County owned 280 bed nursing home facility. The original construction was completed in 1969 with a capacity to care for 200 adult residents. In 1978, an eighty bed addition was constructed. Over the past forty years, the infrastructure has deteriorated and needs several building upgrades. Regular maintenance and some minimum capital expenses kept the facility open. However, the New York State Department of Health has maintained Medicaid reimbursements for cost of care in the facility at 1983 rate levels. During the past few years, the operating costs have gradually increased far beyond the available federal and state financial incentives, which subsequently increased unsustainable local property tax subsidies. In December 2011, the County Legislature authorized the creation of the Golden Hill Local Development Corporation (LDC) to facilitate the sale or lease of the nursing home to a private enterprise, in order to lessen the financial burden for local tax payers. The sale of the Health Care Center was completed on June 26, 2013 for \$11,250,000.

Components of the Golden Hill Health Care Center were transferred to the County as of the date of the sale. All receivables due the facility as of June 26, 2013 totaling approximately \$20.4 million, and all expenses and liabilities owed by the facility totaling approximately \$13.5 million, including payroll liabilities, were transferred to and assumed by the County's General Fund. \$865 thousand was transferred to the County's debt service fund to be used for future principal payments on serial bonds related to the facility, along with \$865 thousand in residual equity. All remaining residual equity, totaling \$13.8 million, including cash balances of \$6.9 million, were also transferred to the County's general fund. Workers' compensation liabilities of the facility was subsequently transferred to and assumed by the County's governmental activities. These balance transfers and corresponding residual equity transfers eliminated the assets, liabilities, and net position of the Golden Hill Health Care Center.

L. Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 67 – Financial Reporting for Pension Plans – an amendment of GASB Statement No.25 and GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27

Statement No. 67 establishes improved financial reporting by state and local governmental pension plans. Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. The requirements of Statement No. 67 are effective for periods beginning after June 15, 2013, which is the fiscal year beginning January 1, 2014 for Ulster County. The financial impacts of this statement on the future financial statements of the County cannot be determined at this time. The requirements of Statement No. 68 are effective for periods beginning after June 15, 2014, which is the fiscal year beginning January 1, 2015 for Ulster County. The financial impacts of this statement on the future financial statements of the County cannot be determined at this time.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

GASB Statement No. 69 – Government Combinations and Disposals of Government Operations

This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The requirements of this statement are effective for periods beginning after December 15, 2013, which is the fiscal year beginning January 1, 2014 for Ulster County. This statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 70 – Accounting and Financial Reporting for Nonexchange Financial Guarantees

This Statement establishes accounting and financial reporting standards for financial guarantees that are nonexchange transactions (nonexchange financial guarantees) extended or received by a state or local government. As issued in this Statement, a nonexchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. The requirements of this statement are effective for periods beginning after June 15, 2013, which is the fiscal year beginning January 1, 2014 for Ulster County. This statement is not expected to have a material effect on the future financial statements of the County.

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

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

M. Subsequent Events

Management has evaluated subsequent events through September 26, 2014, 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.

Countywide New Financial Management System

In March of 2013, the County entered into an agreement with New World Systems to purchase and implement an integrated Financial Management System. The County went live on April 1, 2014 with the new system.

Ulster County Deputy Sheriff's Police Benevolent Association Superior Officers Unit

On June 30, 2014, the County was authorized to enter into an agreement with the Ulster County Deputy Sheriff's Police Benevolent Association Superior Officers Unit, providing increases of 3.0% and 3.25% for 2008 and 2009, respectively, to be paid retroactively. The financial impact of this settlement is expected to be approximately \$185 thousand.

Ulster County Sheriff's Employees Association

On July 16, 2014, the County was authorized to enter into an agreement with the Ulster County Sheriff's Employees Association, providing a \$500 payment for employees currently on the payroll as well as employed on January 1, 2014, and providing increases of 2% per year for years 2013, 2014 and 2015. The financial impact of this settlement is expected to be approximately \$670 thousand.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2013

Ulster County Sales Tax Extension

In June 2013, the New York State Senate passed legislation to continue the County's 1% sales tax extension. The New York Assembly was scheduled to pass the extension but the legislation was never moved for a vote. In January 2014, the New York Assembly passed the 1% sales tax extension, effective February 1, 2014.

Casino Potential

In November 2013, New York voters passed the public referendum amending the State Constitution authorizing casino gambling in New York State. The New York Division of Budget projects \$2 million annually in school and property tax relief in Ulster County. The New York State Division of Budget further projects that a casino will provide approximately \$2.3 million annually in local government aid in Ulster County.

N. Residual Equity Transfer

As a result of the sale of the Golden Hill Health Care Center, the General Fund received \$13.8 million, the Debt Service Fund received \$865 thousand, while the government wide statements received \$5.6 million in workers compensation claims payable and \$865 thousand in bonds payable.

O. Prior Period Adjustment – Ulster Tobacco Asset Securitization Corporation

GASB issued Statement No. 65, "Items Previously Reported as Assets and Liabilities," which reclassifies certain items that were previously reported as assets and liabilities as deferred inflows or outflows. This standard also states that bond issuance costs are expensed rather than recognized as an asset and amortized through the life of the bond. UTASC adopted the provisions of this Statement retroactively for the years ended December 31, 2013 and 2012.

The beginning fund balance for 2013 has been restated to recognize this change in accounting principle. The effect of this restatement was a decrease of \$850,752 to governmental activities beginning net position.

P. Prior Period Adjustment – Ulster County Development Corporation

In fiscal year 2013, the Ulster County Development Corporation became a blended component unit of the County. With this new distinction, the 2013 beginning net position was added to the total beginning fund balance of the governmental funds, and to the beginning net position of the Governmental Activities. The net effect of this adjustment was an increase in beginning governmental funds fund balance in the amount of \$1,617,075, and an additional increase to the governmental activities net position of \$1,888 for capital assets.

Q. Prior Period Adjustment – Special Grant Fund

The beginning fund balance of the Special Grant Fund was adjusted due to a receivable being overstated in prior years. The net effect of this adjustment was a decrease in beginning governmental funds fund balance in the amount of \$423,000.

Required Supplementary
Information

**County of Ulster, New York
Schedule of Funding Progress
Other Post Employment Benefits Plan
For the Year Ended December 31, 2013**

Governmental Activities:

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

Component Units - UCCC:

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

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
General Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		
REVENUES				
Taxes:				
Property	\$ 68,781,496	\$ 68,781,496	\$ 67,344,877	\$ (1,436,619)
Other real property tax items	5,544,300	5,544,300	5,472,943	(71,357)
Sales	105,428,186	105,428,186	102,010,008	(3,418,178)
Tax on Hotel Room Occupancy	1,000,000	1,000,000	1,187,511	187,511
Off track betting taxes	250,000	250,000	120,083	(129,917)
E-911 emergency telephone surcharge	687,600	687,600	707,111	19,511
Automobile use tax	918,900	918,900	853,814	(65,086)
State aid	38,945,275	39,939,861	34,143,106	(5,796,755)
Federal aid	35,791,278	37,432,112	37,248,120	(183,992)
Departmental income	12,386,763	12,392,798	14,738,028	2,345,230
Intergovernmental	4,650,118	4,650,118	5,724,420	1,074,302
Use of money and property	1,267,503	1,267,503	1,803,514	536,011
Licenses and permits	25,000	25,000	43,314	18,314
Fines and forfeitures	810,478	810,478	477,741	(332,737)
Sale of property and compensation for loss	4,668,592	4,690,526	11,698,028	7,007,502
Miscellaneous local sources	140,600	143,100	214,087	70,987
Interfund revenues	10,685,256	19,896,044	12,267,215	(7,628,829)
Total revenues	291,981,345	303,858,022	296,053,920	(7,804,102)
EXPENDITURES				
Current:				
General government	50,281,087	51,035,944	46,668,790	4,367,154
Education	9,915,770	9,915,770	9,830,905	84,865
Public safety	30,645,243	31,670,142	29,127,814	2,542,328
Public health	15,715,085	18,019,054	14,744,280	3,274,774
Transportation	6,038,280	6,631,896	6,406,835	225,061
Economic assistance	117,861,779	129,440,306	123,654,631	5,785,675
Culture and recreation	755,614	814,967	750,097	64,870
Home and community	1,959,722	2,603,891	1,632,185	971,706
Employee benefits	54,502,162	54,182,859	49,251,747	4,931,112
Debt service:				
Principal	100,000	-	-	-
Interest	325,000	214,500	136,307	78,193
Total expenditures	288,099,742	304,529,329	282,203,591	22,325,738
Excess (deficiency) of revenues over (under) expenditures	3,881,603	(671,307)	13,850,329	14,521,636
OTHER FINANCING SOURCES (USES)				
Transfers out	(16,357,603)	(16,568,103)	(10,658,391)	5,909,712
Premium on obligations	-	-	89,998	89,998
Residual equity transfer	-	-	13,837,480	13,837,480
Total other financing sources (uses)	(16,357,603)	(16,568,103)	3,269,087	19,837,190
Net change in fund balances *	(12,476,000)	(17,239,410)	17,119,416	34,358,826
Fund balances - beginning	45,635,996	45,635,996	45,635,996	-
Fund balances - ending	\$ 33,159,996	\$ 28,396,586	\$ 62,755,412	\$ 34,358,826

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

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		
REVENUES				
Use of money and property	\$ 10,000	\$ 10,000	\$ 1,253	\$ (8,747)
Interfund revenues	-	-	16,547	16,547
Total revenues	10,000	10,000	17,800	7,800
EXPENDITURES				
Debt service:				
Principal	6,415,002	6,531,002	6,448,573	82,429
Interest	3,438,033	3,438,033	3,435,390	2,643
Total expenditures	9,853,035	9,969,035	9,883,963	85,072
Excess (deficiency) of revenues over (under) expenditures	(9,843,035)	(9,959,035)	(9,866,163)	92,872
OTHER FINANCING SOURCES				
Transfers in	7,493,035	7,493,035	7,493,035	-
Residual equity transfer	-	-	864,705	864,705
Total other financing sources	7,493,035	7,493,035	8,357,740	864,705
Net change in fund balances *	(2,350,000)	(2,466,000)	(1,508,423)	957,577
Fund balances - beginning	3,940,754	3,940,754	3,940,754	-
Fund balances - ending	\$ 1,590,754	\$ 1,474,754	\$ 2,432,331	\$ 957,577

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

Supplementary
Information

Combining Financial
Statements and Budgetary
Comparison Schedules

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

**County of Ulster, New York
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013**

	<u>Special Revenue Funds</u>				Total Nonmajor Governmental Funds
	Special Grant	County Road	Road Machinery	Ulster County Development Corporation	
ASSETS					
Cash, cash equivalents and investments	\$ 458,969	\$ 4,347,489	\$ 1,105,339	\$ 902,607	\$ 6,814,404
Receivables	57,550	627,132	983	841,035	1,526,700
Due from other funds	65,000	-	-	125,000	190,000
Prepaid items	-	-	-	1,827	1,827
Total assets	<u>\$ 581,519</u>	<u>\$ 4,974,621</u>	<u>\$ 1,106,322</u>	<u>\$ 1,870,469</u>	<u>\$ 8,532,931</u>
LIABILITIES					
Accounts payable and other current liabilities	\$ 93,354	\$ 558,771	\$ 268,024	\$ 27	\$ 920,176
Due to other funds	-	-	-	65,000	65,000
Intergovernmental payables	363,000	-	-	119,000	482,000
Other unearned revenues	-	-	-	199,417	199,417
Total liabilities	<u>456,354</u>	<u>558,771</u>	<u>268,024</u>	<u>383,444</u>	<u>1,666,593</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - loans	65,000	-	-	-	65,000
Total deferred inflows of resources	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,000</u>
FUND BALANCES					
Nonspendable:					
Prepays	-	-	-	1,827	1,827
Restricted for:					
Community development	-	-	-	194,180	194,180
Assigned to:					
Encumbrances	58,669	38,268	19,444	-	116,381
Subsequent years' expenditures	-	2,685,000	-	-	2,685,000
Special revenue funds	1,496	1,692,582	818,854	1,291,018	3,803,950
Total fund balances	<u>60,165</u>	<u>4,415,850</u>	<u>838,298</u>	<u>1,487,025</u>	<u>6,801,338</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 581,519</u>	<u>\$ 4,974,621</u>	<u>\$ 1,106,322</u>	<u>\$ 1,870,469</u>	<u>\$ 8,532,931</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, 2013

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Special Grant	County Road	Road Machinery	Ulster County Development Corporation	
REVENUES					
Real property taxes	\$ -	\$ 9,045,314	\$ 153,598	\$ -	\$ 9,198,912
State aid	192,935	2,700,672	-	-	2,893,607
Federal aid	1,642,358	-	-	-	1,642,358
Departmental income	-	-	-	80,866	80,866
Intergovernmental	-	60,352	-	-	60,352
Use of money and property	4,214	-	-	26,847	31,061
Sale of property and compensation for loss	-	55,101	261,661	-	316,762
Miscellaneous local sources	-	18,494	-	6,681	25,175
Interfund revenues	-	149,206	2,585,893	-	2,735,099
Total revenues	1,839,507	12,029,139	3,001,152	114,394	16,984,192
EXPENDITURES					
Current:					
Transportation	-	12,275,614	2,974,241	-	15,249,855
Economic assistance	1,355,028	-	-	244,444	1,599,472
Home and community	489,244	-	-	-	489,244
Debt service:					
Interest	5,398	-	-	-	5,398
Total expenditures	1,849,670	12,275,614	2,974,241	244,444	17,343,969
Excess (deficiency) of revenues over expenditures	(10,163)	(246,475)	26,911	(130,050)	(359,777)
Net change in fund balances	(10,163)	(246,475)	26,911	(130,050)	(359,777)
Fund balances, restated - beginning (see note 3)	70,328	4,662,325	811,387	1,617,075	7,161,115
Fund balances - ending	\$ 60,165	\$ 4,415,850	\$ 838,298	\$ 1,487,025	\$ 6,801,338

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
Special Grant Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		
REVENUES				
State aid	\$ -	\$ -	\$ 192,935	\$ 192,935
Federal aid	1,967,923	2,857,018	1,642,358	(1,214,660)
Use of money and property	5,700	5,700	4,214	(1,486)
Total revenues	1,973,623	2,862,718	1,839,507	(1,023,211)
EXPENDITURES				
Current:				
Economic assistance	1,467,923	1,608,657	1,355,028	253,629
Home and community	500,400	1,188,900	489,244	699,656
Debt service:				
Principal	-	60,000	-	60,000
Interest	5,300	6,800	5,398	1,402
Total expenditures	1,973,623	2,864,357	1,849,670	1,014,687
Excess (deficiency) of revenues over expenditures	-	(1,639)	(10,163)	(8,524)
Net change in fund balances	-	(1,639)	(10,163)	(8,524)
Fund balances, restated - beginning (see note 3)	493,328	493,328	70,328	(423,000)
Fund balances - ending	\$ 493,328	\$ 491,689	\$ 60,165	\$ (431,524)

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
County Road Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 9,045,314	\$ 9,045,314	\$ 9,045,314	\$ -
State aid	2,553,261	3,014,422	2,700,672	(313,750)
Intergovernmental	275,000	275,000	60,352	(214,648)
Use of money and property	2,000	2,000	-	(2,000)
Sale of property and compensation for loss	30,500	30,500	55,101	24,601
Miscellaneous local sources	10,000	10,000	18,494	8,494
Interfund revenues	135,000	135,000	149,206	14,206
Total revenues	<u>12,051,075</u>	<u>12,512,236</u>	<u>12,029,139</u>	<u>(483,097)</u>
EXPENDITURES				
Current:				
Transportation	12,951,075	13,765,208	12,275,614	1,489,594
Total expenditures	<u>12,951,075</u>	<u>13,765,208</u>	<u>12,275,614</u>	<u>1,489,594</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(900,000)</u>	<u>(1,252,972)</u>	<u>(246,475)</u>	<u>1,006,497</u>
Net change in fund balances *	(900,000)	(1,252,972)	(246,475)	1,006,497
Fund balances - beginning	4,662,325	4,662,325	4,662,325	-
Fund balances - beginning	<u>\$ 3,762,325</u>	<u>\$ 3,409,353</u>	<u>\$ 4,415,850</u>	<u>\$ 1,006,497</u>

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

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
Road Machinery Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		
REVENUES				
Real property taxes	\$ 153,598	\$ 153,598	\$ 153,598	\$ -
Use of money and property	6,000	6,000	-	(6,000)
Sale of property and compensation for loss	468,000	468,000	261,661	(206,339)
Interfund revenues	2,783,000	2,783,000	2,585,893	(197,107)
Total revenues	3,410,598	3,410,598	3,001,152	(409,446)
EXPENDITURES				
Current:				
Transportation	3,410,598	3,435,603	2,974,241	461,362
Total expenditures	3,410,598	3,435,603	2,974,241	461,362
Excess (deficiency) of revenues over (under) expenditures	-	(25,005)	26,911	51,916
Net change in fund balances	-	(25,005)	26,911	51,916
Fund balances - beginning	811,387	811,387	811,387	-
Fund balances - ending	\$ 811,387	\$ 786,382	\$ 838,298	\$ 51,916

Statistical Section (Unaudited)

Table 1

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

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

Table 2

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses								
Governmental activities								
General Government	\$ 36,066,868	\$ 54,726,317	\$ 57,795,151	\$ 58,327,082	\$ 60,836,813	\$ 64,421,405	\$ 64,452,481	\$ 58,018,900
Education	11,014,596	11,312,002	11,594,288	14,630,803	10,734,010	10,449,170	9,598,123	10,127,951
Public Safety	33,626,890	36,779,963	41,821,492	43,423,235	43,177,212	46,596,897	47,566,433	51,988,875
Public Health	29,804,117	31,026,811	31,360,625	31,360,469	29,495,696	28,088,636	25,578,995	20,982,356
Transportation	21,741,022	21,791,121	23,873,111	22,436,100	22,616,510	26,973,401	22,963,323	24,670,675
Economic assistance	109,020,428	105,092,967	120,893,695	121,241,346	117,923,542	120,653,740	129,609,798	133,857,675
Culture and recreation	1,155,945	946,894	1,508,943	1,289,205	1,122,212	1,040,315	993,089	962,783
Home and community	5,246,274	5,120,378	3,967,149	5,005,546	5,689,953	4,190,840	5,883,149	2,878,042
Interest on long-term deb	8,863,372	8,395,558	8,373,081	6,695,993	7,180,086	6,884,754	6,778,572	6,575,763
Total governmental activities expense	256,539,512	275,192,011	301,187,535	304,409,779	298,776,034	309,299,158	313,423,963	310,063,020
Business-type activities								
Long-Term Care	26,802,079	29,719,099	31,368,337	28,995,372	31,782,832	32,906,238	33,247,837	13,047,766
Workers' Compensation Pool	15,942,383	8,640,289	13,636,831	7,710,107	6,040,004	14,795,165	10,283,758	9,508,560
Total business-type activities expense:	42,744,462	38,359,388	45,005,168	36,705,479	37,822,836	47,701,403	43,531,595	22,556,326
Total primary government expense	299,283,974	313,551,399	346,192,703	341,115,258	336,598,870	357,000,561	356,955,558	332,619,346
Program Revenues								
Governmental activities								
Charges for Services								
General Government	5,214,450	5,444,510	5,245,458	8,758,831	6,813,541	6,222,816	8,122,012	20,681,114
Education	82,132	65,263	1,665,975	3,386,000	148,108	83,195	80,996	78,916
Public Safety	1,957,754	2,737,430	3,398,790	3,957,333	3,245,780	3,177,387	2,981,076	3,512,981
Public Health	11,245,180	10,697,384	9,904,260	10,002,413	6,451,909	6,419,484	4,623,652	3,061,771
Transportation	924,771	841,017	1,058,360	971,219	1,022,546	1,389,205	1,236,969	1,037,490
Economic assistance	5,629,965	5,981,969	11,347,145	7,188,227	7,579,039	8,536,093	13,251,138	9,294,951
Culture and recreation	117,620	127,729	120,274	163,410	133,422	129,181	129,530	109,553
Home and community	152,000	546	254,703	581	241	4,789	59,759	4,228
Operating Grants and Contributions	75,548,717	73,983,304	77,365,503	83,623,613	79,767,515	77,940,934	87,945,815	76,283,382
Capital Grants and Contributions	1,516,918	1,710,255	2,308,376	2,591,900	4,004,267	2,288,331	5,420,598	1,450,701
Total governmental activities program revenue	102,389,507	101,589,407	112,668,844	120,643,527	109,166,368	106,191,415	123,851,545	115,515,087
Business-type activities:								
Charges for Services								
Long-Term Care	20,391,670	21,114,745	22,815,253	23,253,216	22,830,322	21,911,315	20,604,780	9,032,186
Workers' Compensation Pool	14,768,650	7,258,583	12,637,989	6,870,549	5,055,842	13,968,979	9,475,157	8,785,686
Operating Grants and Contributions:	918,470	670,329	5,426,674	3,270,059	2,816,881	1,083,841	2,894,328	10,506,554
Total business-type activities program revenue	36,078,790	29,043,657	40,879,916	33,393,824	30,703,045	36,964,135	32,974,265	28,324,426
Total primary government program revenue	138,468,297	130,633,064	153,548,760	154,037,351	139,869,413	143,155,550	156,825,810	143,839,513
Net revenues (expenses)								
Governmental activities	(154,150,005)	(173,602,604)	(188,518,691)	(183,766,252)	(189,609,666)	(203,107,743)	(189,572,418)	(194,547,933)
Business-type activities	(6,665,672)	(9,315,731)	(4,125,252)	(3,311,655)	(7,119,791)	(10,737,268)	(10,557,330)	5,768,100
Total net revenues (expenses)	(160,815,677)	(182,918,335)	(192,643,943)	(187,077,907)	(196,729,457)	(213,845,011)	(200,129,748)	(188,779,833)
General revenues and other changes in net assets								
Governmental activities								
Real property taxes and tax items	69,148,028	73,787,164	76,245,122	78,116,082	81,904,942	81,738,478	84,650,275	83,438,006
Sales Tax	83,450,734	97,322,733	98,941,156	90,966,778	96,799,073	100,922,906	103,582,388	102,010,008
Other Nonproperty tax items	2,374,211	2,245,745	2,177,438	1,909,465	1,999,120	1,965,232	2,068,023	2,868,519
Investment earnings	3,616,265	3,031,652	1,607,710	496,097	356,297	261,354	344,514	303,376
Tobacco settlement proceeds	2,584,016	2,626,275	2,741,654	3,396,692	1,840,699	2,059,780	2,282,617	2,342,517
Proceeds of obligations	-	-	-	-	-	-	-	-
Premium on sale of obligations	784,855	46,477	59,205	83,519	211,012	71,314	189,519	265,025
Gain (loss) on dispositions of assets	(4,246,176)	(3,554,733)	(3,106,174)	(2,969,363)	(1,641,219)	(1,654,937)	(2,612,324)	(1,678,114)
Transfers/county contribution to GHHCC	(5,766,376)	(5,087,895)	(1,944,116)	(520,269)	(1,200,000)	(1,037,668)	(5,559,033)	(2,954,856)
Residual equity transfer	-	-	-	-	-	-	-	8,187,639
Total governmental activities general revenue	151,945,557	170,417,418	176,721,995	171,479,001	180,269,924	184,326,459	184,945,979	194,782,120
Business-type activities:								
Interest and earnings	861,361	988,990	497,986	192,814	172,134	48,793	53,378	36,799
Premium on sale of obligations	-	-	-	-	-	-	54,641	-
Public facility grant program	74,582	247,611	256,769	56,612	-	-	-	-
Gain (loss) on dispositions of assets	-	-	-	-	-	-	(422)	(696,757)
Transfers	-	-	(17,093)	(1,552)	(363)	(1,537)	-	-
County contributor	6,959,513	8,480,294	5,037,388	3,165,410	4,299,593	4,682,239	9,518,265	5,882,075
Residual equity transfer	-	-	-	-	-	-	-	(8,187,639)
Total business-type activities general revenue	7,895,456	9,716,895	5,775,050	3,413,284	4,471,364	4,729,495	9,625,862	(2,965,522)
Total primary government general revenue	159,841,013	180,134,313	182,497,045	174,892,285	184,741,288	189,055,954	194,571,841	191,816,598
Change in Net Position								
Governmental activities	(2,204,448)	(3,185,186)	(11,796,696)	(12,287,251)	(9,339,742)	(18,781,284)	(4,626,439)	234,187
Business-type activities	1,229,784	401,164	1,649,798	101,629	(2,648,427)	(6,007,773)	(931,468)	2,802,578
Total primary government change in Net Position	\$ (974,664)	\$ (2,784,022)	\$ (10,146,898)	\$ (12,185,622)	\$ (11,988,169)	\$ (24,789,057)	\$ (5,557,907)	\$ 3,036,765

Table 3

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund					
Nonspendable	\$ 4,618,090	\$ 5,512,141	\$ 6,250,783	\$ 7,167,453	\$ 6,898,517
Restricted	3,889,971	3,784,434	4,071,687	2,838,244	1,528,356
Assigned	10,562,428	17,770,023	17,648,319	15,443,983	18,693,928
Unassigned	<u>19,652,833</u>	<u>14,838,296</u>	<u>17,483,296</u>	<u>20,186,316</u>	<u>35,634,611</u>
Total General Fund	<u>\$ 38,723,322</u>	<u>\$ 41,904,894</u>	<u>\$ 45,454,085</u>	<u>\$ 45,635,996</u>	<u>\$ 62,755,412</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ 12,000	\$ -	\$ -	\$ 1,827
Restricted	3,316,099	3,941,832	3,341,582	4,318,618	5,449,976
Assigned	8,652,209	4,450,274	4,898,389	8,826,293	6,605,331
Unassigned	<u>(7,049,220)</u>	<u>(6,309,594)</u>	<u>(12,471,578)</u>	<u>(4,674,978)</u>	<u>(4,180,095)</u>
Total all Other Governmental Funds	<u>\$ 4,919,088</u>	<u>\$ 2,094,512</u>	<u>\$ (4,231,607)</u>	<u>\$ 8,469,933</u>	<u>\$ 7,877,039</u>
Total Fund Balances	<u>\$ 43,642,410</u>	<u>\$ 43,999,406</u>	<u>\$ 41,222,478</u>	<u>\$ 54,105,929</u>	<u>\$ 70,632,451</u>

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

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

Table 4

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues:								
Real property taxes	\$ 65,311,461	\$ 67,523,671	\$ 70,139,384	\$ 71,398,228	\$ 75,200,899	\$ 73,478,690	\$ 78,922,796	\$ 76,543,789
Real property tax items	3,825,110	3,497,344	4,305,615	4,332,223	5,009,619	5,369,653	5,834,255	5,472,943
Non-property taxes	85,824,945	99,568,479	101,118,594	92,876,243	98,798,193	102,888,138	105,650,411	104,878,527
State aid	41,611,993	43,035,196	46,591,664	43,082,799	40,595,774	39,964,640	44,799,731	37,183,391
Federal Aid	35,279,268	32,280,439	32,907,336	43,029,364	43,052,854	40,264,625	48,566,682	40,530,616
Departmental Income	20,359,631	19,528,892	19,963,605	20,351,962	17,527,001	17,685,371	17,169,138	14,818,894
Intergovernmental revenue	2,115,031	2,329,517	4,249,736	5,248,585	4,617,934	4,903,658	9,304,585	7,835,410
Use of money and property	4,230,682	4,273,204	2,639,687	1,577,817	1,487,138	1,429,721	1,519,776	1,985,925
Licenses and permits	12,720	11,068	24,480	23,020	25,080	1,569	29,320	43,314
Fines and forfeitures	519,884	488,588	447,367	519,512	730,193	812,708	783,664	477,741
Sale of property and compensation for losses	2,566,049	619,354	674,209	2,273,710	1,136,334	1,137,137	1,208,745	12,014,790
Tobacco settlement proceeds	2,486,193	2,587,417	2,641,654	2,913,103	2,424,288	2,298,424	2,343,973	2,342,517
Miscellaneous	1,380,514	2,054,800	421,048	1,647,627	350,357	253,340	814,418	928,382
Interfund revenues	9,923,823	9,666,438	10,094,829	9,707,316	10,808,054	12,569,586	14,465,749	15,018,861
Total revenues	275,447,304	287,464,407	296,219,208	298,981,509	301,763,718	303,057,260	331,413,243	320,075,100
Expenditures:								
Current:								
General Government	27,818,893	44,265,808	47,678,129	47,809,479	48,323,781	49,143,957	51,086,825	46,705,234
Education	8,635,074	9,037,886	9,183,868	9,566,195	9,435,733	9,151,931	9,490,787	9,830,905
Public Safety	25,608,784	24,611,439	26,193,824	27,227,620	26,930,573	27,420,300	27,712,159	29,127,814
Public Health	23,481,931	23,271,329	23,389,171	23,393,390	21,796,446	19,923,701	18,217,111	14,744,280
Transportation	20,223,299	20,653,436	23,244,021	21,912,699	23,704,699	22,358,390	22,499,919	21,656,690
Economic Assistance	102,549,686	97,078,952	106,807,024	111,864,712	107,704,316	109,343,898	119,435,033	125,254,103
Culture and Recreation	877,416	914,196	1,092,001	967,224	850,271	752,001	685,188	750,097
Home and Community	4,535,381	4,026,653	3,543,871	3,257,691	3,404,346	3,452,833	4,722,410	2,121,429
Employee Benefits	33,936,514	33,131,311	34,434,331	34,087,256	39,806,712	40,102,026	45,749,685	49,251,747
Debt Service:								
Principal	8,804,094	5,722,005	6,073,340	26,567,559	8,057,730	8,517,500	9,350,823	7,019,392
Interest	6,813,573	6,640,071	6,607,206	7,913,159	6,345,977	6,160,689	5,823,268	5,506,138
Capital Outlay	18,039,075	5,862,369	6,143,452	5,747,696	9,127,887	11,590,919	5,059,664	7,930,651
Total expenditures	281,323,720	275,215,455	294,390,238	320,314,680	305,488,471	307,918,145	319,832,872	319,898,480
Excess (deficiency) of revenues over expenditures	(5,876,416)	12,248,952	1,828,970	(21,333,171)	(3,724,753)	(4,860,885)	11,580,371	176,620
Other financing sources (uses):								
Transfers in	11,540,326	9,965,298	10,358,296	9,701,178	7,035,991	9,969,136	12,397,391	7,703,535
Transfers out	(17,306,702)	(15,053,193)	(12,302,412)	(10,221,447)	(8,235,991)	(11,006,804)	(76,386,871)	(10,658,391)
Proceeds of obligations	54,799,108	4,438,340	2,954,923	17,185,434	5,027,500	3,064,885	56,688,888	3,318,500
Premium on obligations	770,281	31,903	44,631	68,945	196,438	56,740	8,603,672	89,998
Capital leases	-	39,939	443,254	-	57,811	-	-	-
Residual equity transfer	-	-	-	-	-	-	-	14,702,185
Total other financing sources (uses)	49,803,013	(577,713)	1,498,692	16,734,110	4,081,749	2,083,957	1,303,080	15,155,827
Net change in fund balance	\$ 43,926,597	\$ 11,671,239	\$ 3,327,662	\$ (4,599,061)	\$ 356,996	\$ (2,776,928)	\$ 12,883,451	\$ 15,332,447
Debt Service as a percentage of noncapital expenditures	5.93%	4.59%	4.40%	10.96%	4.86%	4.95%	4.82%	4.02%

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

Year	General Government Support	Education	Public Safety	Health	Transportation	Economic Assistance & Opportunity	Culture and Recreation
2004	34,212,944	8,014,490	40,133,507	24,442,100	22,016,555	105,289,213	1,219,403
2005	29,649,035	8,902,552	39,264,601	23,117,636	23,106,668	101,659,196	1,207,672
2006	27,855,335	10,231,066	38,943,525	23,481,931	22,898,213	102,549,686	877,416
2007	44,525,780	10,562,077	24,966,437	23,271,329	23,612,997	97,078,952	914,196
2008	47,777,639	10,677,957	26,648,593	23,389,171	26,868,648	107,157,667	1,092,001
2009	48,267,003	10,293,320	27,249,930	23,393,390	25,101,511	111,864,712	967,224
2010	50,274,131	9,811,874	27,061,892	21,796,446	27,987,144	108,154,316	850,271
2011	50,173,121	9,312,835	27,496,698	19,923,701	32,099,024	109,659,229	752,001
2012	51,488,843	9,598,123	27,712,159	18,217,111	26,165,483	119,678,854	685,188
2013	46,705,234	9,830,905	29,127,814	14,744,280	21,656,690	125,254,103	750,097

(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 Charges
2004	44,189,014	4,431,094	79,758,779	47,513,527	36,703,326	20,249,901	1,393,192
2005	53,223,307	3,811,962	83,549,813	44,131,173	33,530,451	19,991,171	1,805,110
2006	65,311,461	3,825,110	85,824,945	41,611,993	35,279,268	20,359,631	2,115,031
2007	67,523,671	3,497,344	99,568,479	43,035,196	32,280,439	19,528,892	2,329,517
2008	70,139,384	4,305,615	101,118,594	46,591,664	32,907,336	19,963,605	4,249,736
2009	71,398,228	4,332,223	92,876,243	43,082,799	43,029,364	20,351,962	5,248,585
2010	75,200,899	5,009,619	98,798,193	40,595,774	43,052,854	17,527,001	4,617,934
2011	73,478,690	5,369,653	102,888,138	39,964,640	40,264,625	17,685,371	4,903,658
2012	78,922,796	5,834,255	105,650,411	44,799,731	48,566,682	17,169,138	9,304,585
2013	76,543,789	5,472,943	104,878,527	37,183,391	40,530,616	14,818,894	7,835,410

(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)	Total
5,621,334	30,490,019	9,112,485	\$ 280,552,050
4,544,582	33,009,335	11,654,790	\$ 276,116,067
4,932,367	33,936,514	15,617,667	\$ 281,323,720
4,790,300	33,131,311	12,362,076	\$ 275,215,455
3,546,208	34,434,331	12,798,023	\$ 294,390,238
4,487,977	34,087,256	34,602,357	\$ 320,314,680
5,219,808	39,806,712	14,525,877	\$ 305,488,471
3,630,917	40,102,026	14,768,593	\$ 307,918,145
5,289,708	45,749,685	15,247,718	\$ 319,832,872
2,121,429	49,251,747	12,525,530	\$ 311,967,829

Table 6

Use of Money and Property	Licenses and Permits	Fines and Forfeitures	Sale of Property and Compensation for Loss	Tobacco Settlement	Miscellaneous	Interfund Revenues	Total
4,765,356	13,117	514,296	439,529	2,679,548	2,114,538	7,685,604	\$ 252,450,821
3,115,226	11,862	535,175	812,856	2,717,362	1,338,879	9,751,192	\$ 258,325,539
4,230,682	12,720	519,884	2,566,049	2,486,193	1,380,514	9,923,823	\$ 275,447,304
4,273,204	11,068	488,588	619,354	2,587,417	2,054,800	9,666,438	\$ 287,464,407
2,639,687	24,480	447,367	674,209	2,641,654	421,048	10,094,829	\$ 296,219,208
1,577,817	23,020	519,512	2,273,710	2,913,103	1,647,627	9,707,316	\$ 298,981,509
1,487,138	25,080	730,193	1,136,334	2,424,288	350,357	10,808,054	\$ 301,763,718
1,429,721	1,569	812,708	1,137,137	2,298,424	253,340	12,569,586	\$ 303,057,260
1,519,776	29,320	783,664	1,208,745	2,343,973	814,418	14,465,749	\$ 331,413,243
1,985,925	43,314	477,741	12,014,790	2,342,517	928,382	15,018,861	\$ 320,075,100

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)
2004	121,326,970	(514,132)	(225,612)	120,587,226	116,406,428	4,920,542	95.94%
2005	132,241,924	(676,006)	(310,935)	131,254,983	127,855,265	4,386,659	96.68%
2006	156,341,726	(616,372)	(174,095)	155,551,259	151,565,098	4,776,628	96.94%
2007	166,199,430	(844,495)	(148,731)	165,206,204	160,722,398	5,477,032	96.70%
2008	172,212,848	(962,981)	(159,997)	171,089,870	165,852,760	6,360,088	96.31%
2009	180,342,958	(1,010,018)	(132,658)	179,200,282	172,391,436	7,951,522	95.59%
2010	188,232,693	(1,278,961)	(109,274)	186,844,458	179,323,504	8,909,189	95.27%
2011	193,884,236	(1,360,336)	(58,059)	192,465,841	184,571,901	9,312,335	95.20%
2012	198,801,463	(1,569,819)	(126,960)	197,104,684	190,384,670	8,416,793	95.77%
2013	201,070,446	(2,154,871)	(113,934)	198,801,641	191,841,338	9,229,108	95.41%

Note: Taxes on Roll includes relieved school taxes.

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

Table 8

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

Year	Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value
2004	9,130,079,900	13,761,135,352	66.35%
2005	9,105,245,785	13,708,993,530	66.42%
2006	11,192,165,536	16,583,471,592	67.49%
2007	13,599,852,966	18,988,287,662	71.62%
2008	14,042,946,120	20,935,729,372	67.08%
2009	16,341,240,966	21,484,261,701	76.06%
2010	16,246,087,904	20,945,147,626	77.56%
2011	16,335,383,709	19,938,963,280	81.93%
2012	15,755,567,732	18,857,224,609	83.55%
2013	15,522,809,385	18,509,048,159	83.87%

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
2004	34.44	49.01	175.18	\$ 258.63
2005	49.60	51.33	213.59	\$ 314.52
2006	42.30	36.15	146.38	\$ 224.83
2007	16.11	20.88	73.12	\$ 110.11
2008	16.48	19.60	72.47	\$ 108.55
2009	16.88	20.32	72.81	\$ 110.01
2010	17.63	19.29	75.03	\$ 111.95
2011	17.60	22.54	77.94	\$ 118.08
2012	18.90	23.02	82.09	\$ 124.01
2013	18.78	23.78	84.56	\$ 127.12

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 (1)
December 31, 2013

Taxpayer	Type of Business	Full Valuation (2)	Percentage of Total Full Valuation
City of New York	Water Supply Facilities	\$ 1,225,853,964	7.8%
New York State	State Properties	337,549,894	2.1%
Central Hudson Gas & Electric	Public Utility	322,845,077	2.1%
PCK Enterprises	Shopping Mall	90,340,491	0.6%
Tech City	Business Park	64,938,652	0.4%
Verizon	Public Utility	54,286,976	0.3%
Hudson Valley New Co, LLC	Manufacturer	52,785,939	0.3%
Smiley Brothers, Inc.	Hotel Resort Complex	27,876,000	0.2%
Criterion Atlantic	Warehouse	17,743,000	0.1%
CSX Transportation, Inc.	Railroad	16,985,578	0.1%
		\$ 2,211,205,571	14.0%

Estimated 2013 Full Valuation (1) = \$ 15,739,770,554

Source: (1) Ulster County Real Property Tax Service Agency Annual Report

(2) Ulster County Real Property Tax Service Agency Principal Taxpayer Compilation

Table 11

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

Year	Population (1)	Assessed Value (2)	Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2004	177,749	9,130,079,900	123,839,375	1.3564%	696.71
2005	177,749	9,105,245,785	122,927,632	1.3501%	691.58
2006	177,749	11,192,165,536	110,780,127	0.9898%	623.24
2007	177,749	13,599,852,966	113,187,622	0.8323%	636.78
2008	177,749	14,042,946,120	110,475,359	0.7867%	621.52
2009	177,749	16,341,240,966	109,664,734	0.6711%	616.96
2010	182,493	16,246,087,904	100,597,500	0.6192%	551.24
2011	182,493	16,335,383,709	112,820,199	0.6906%	618.22
2012	182,493	15,755,567,732	100,523,573	0.6380%	550.84
2013	182,493	15,522,809,385	93,464,059	0.6021%	512.15

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, 2013

Year	Full Valuation of Real Property
2009	21,484,261,701
2010	20,945,147,626
2011	19,938,963,280
2012	18,857,224,609
2013	18,509,048,159
Total	<u>\$ 99,734,645,375</u>

Average full valuation of taxable real property \$ 19,946,929,075

Debt Limit - 7% thereof \$ 1,396,285,035

Net Bonded Debt \$ 93,464,059

Percentage of debt - contracting power exhausted 6.69%

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

Source: Ulster County Real Property Tax Service Agency Annual Reports

COUNTY OF ULSTER, NEW YORK
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds and Bond Anticipation Notes
December 31, 2013

Jurisdiction	Outstanding Indebtedness	Exclusions	Net Indebtedness
Direct:			
County of Ulster	\$ 139,584,369	46,120,310	\$ 93,464,059
Overlapping:			
Towns	61,765,748	21,724,811	40,040,937
Villages	17,816,149	10,070,375	7,745,774
City	34,237,820	16,979,496	17,258,324
School Districts	226,628,652	133,028,752	93,599,900
Fire Districts	5,341,413	819,882	4,521,531
Total Overlapping	345,789,782	182,623,316	163,166,466
Total	\$ 485,374,151	\$ 228,743,626	\$ 256,630,525

Source: Fiscal Advisors & Marketing, Inc. (Bond & BAN issuance statement 11/15/13)
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
2004	\$ 9,112,485	\$ 280,552,050	3.25%
2005	\$ 11,654,790	\$ 276,116,067	4.22%
2006	\$ 15,617,667	\$ 281,323,720	5.55%
2007	\$ 12,362,076	\$ 275,215,455	4.49%
2008	\$ 12,798,023	\$ 294,390,238	4.35%
2009	\$ 34,602,357	\$ 320,314,680	10.80%
2010	\$ 14,525,877	\$ 305,488,471	4.75%
2011	\$ 14,768,593	\$ 307,918,145	4.80%
2012	\$ 15,247,718	\$ 319,832,872	4.77%
2013	\$ 12,736,030	\$ 320,108,980	3.98%

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)
2004	177,749	28,667	28,278	4.9%
2005	177,749	30,373	28,174	4.4%
2006	177,749	32,570	27,667	4.2%
2007	177,749	34,051	27,001	4.3%
2008	177,749	36,521	26,591	5.5%
2009	177,749	36,519	26,053	7.7%
2010	182,493	37,741	25,643	8.2%
2011	182,493	39,589	24,901	8.2%
2012	182,493	42,937	24,332	8.8%
2013	182,493	N/A	23,878	7.8%

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

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

Table 16

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

Year	Assessed Value (1)	Exemptions (1)	Total	Units of Construction (2)	Average Value (3)	Construction Value
2004	9,130,079,900	143,325,329	9,273,405,229	807	202,416	163,349,712
2005	9,105,245,785	129,776,073	9,235,021,858	767	199,678	153,153,026
2006	11,192,165,536	190,692,399	11,382,857,935	530	203,408	107,806,240
2007	13,599,852,966	197,345,307	13,797,198,273	418	215,469	90,066,042
2008	14,042,946,120	188,283,589	14,231,229,709	270	206,055	55,634,850
2009	16,341,240,966	219,156,780	16,560,397,746	171	237,692	40,645,332
2010	16,246,087,904	219,107,591	16,465,195,495	168	257,775	43,306,200
2011	16,335,383,709	225,560,778	16,560,944,487	146	319,017	46,576,536
2012	15,755,567,732	222,764,397	15,978,332,129	156	223,896	34,927,735
2013	15,522,809,385	216,961,169	15,739,770,554	142	266,877	37,896,480

Note: Assessed Values includes all classifications of taxable real property

Source: (1) Ulster County Real Property Tax Service Agency Annual Reports
(2) Schedule of Total Residential Building Permits 2004 - 2013 per the Bureau of Census Residential Construction Branch.
(3) Schedule of Average Value of Construction 2004 - 2013 per the Bureau of Census Building Permits Annual Summary

Table 17

COUNTY OF ULSTER, NEW YORK
Miscellaneous Statistics
December 31, 2013

Date Founded	November 1, 1683
Form of Government	Charter
Area in Square Miles	1,127
Miles of County Roads	425
Taxable Parcels of Property	84,888
Facilities & Services Not Included in the Reporting Entity	
Number of Cities	1
Number of School Districts	15
Number of Towns	20
Number of Villages	3
Number of Fire Districts	56
Number of Hospitals	3

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