

COUNTY OF SULLIVAN, NEW YORK

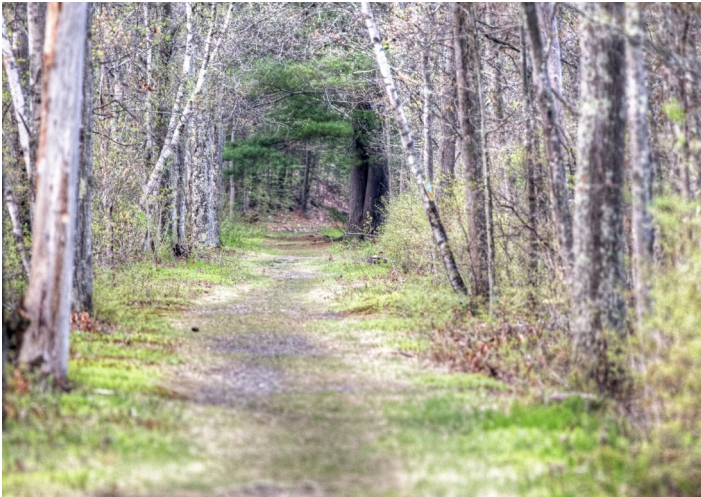


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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
DECEMBER 31, 2016

COUNTY OF SULLIVAN, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

PREPARED BY:
COUNTY OF SULLIVAN
TREASURER'S OFFICE
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INTRODUCTORY SECTION



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To The Legislature of the
County of Sullivan, New York

July 27, 2017

The Comprehensive Annual Financial Report ("CAFR") for the County of Sullivan, New York for the fiscal year ended December 31, 2016 is submitted herewith. New York State requires the County to submit an annual report of our financial records and transactions presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to that requirement.

This report consists of management's representations concerning the finances of the County of Sullivan. 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, the management of the County has established a comprehensive internal control framework that is designed to both protect the County's assets 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. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's basic financial statements have been audited by Drescher & Malecki, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the fiscal year ended December 31, 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 unqualified opinion that the County of Sullivan's basic financial statements for the fiscal year ended December 31, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The financial section also includes a narrative introduction, overview and analysis of the December 31, 2016 financial statements to accompany the basic financial statements in the form of Management's

Discussion and Analysis (“MD&A”). The letter of transmittal was designed to complement the 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 auditor.

The independent audit of the basic financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to not only report on the fair presentation of the basic 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.

GOVERNMENTAL STRUCTURE

The County operates under a Charter form of government, which allows the local community to have greater control over certain governmental issues. The Charter provides for a County Legislature form of government with nine members. Each Legislator has one vote representing a separate legislative district. Districts were determined by dividing the County on the basis of population. Each Legislator is elected to a four year term. An appointed County Manager is the Chief Executive Officer of the County. The County Treasurer is the Chief Fiscal Officer of the County, and is elected for a four year term.

In accordance with the Laws of the State of New York, the County has formally established budgetary accounting control for its operating funds. Budgetary control is maintained at the department or function level by the encumbrance of estimated purchase amounts before the release of purchase orders to vendors. Purchase orders that result in an overrun of division balances are not released until additional appropriations are made available through transfer from other accounts, either by approval of budget modifications by the County Legislature or by administrative transfer.

The charter mandates a review every 10 years, by a Charter Review Commission appointed to research and assess issues affecting the effectiveness of the County’s government. This entity submits recommendations for change to the County Legislature and if the legislature approves the recommendations, it adopts a local law(s) some of which may be subject to a public referendum, presented to the voters to accept or reject proposed changes to the County’s form of government.

GENERAL INFORMATION

Sullivan County, formerly a part of Ulster County, was created by a special act of the New York State Legislature in 1809. The County’s geographic location and economic history make it very unique in terms of its population trends and economic transition. Located approximately 85 miles northwest of the New York City Metropolitan Area, the County is experiencing steady growth as a result of the out-migration of individuals from the New York Metropolitan Area, Orange and Ulster counties, and an influx of second home owners. Much of this growth is driven by lower median sale prices of homes compared to other neighboring counties in the Hudson-Delaware Region (i.e. Orange, Putnam, Rockland), and

the County's desirability as a place to live.

The year-round population of the County has remained relatively stable for the last four years. According to the US Census Bureau, between 2010 and 2016 Sullivan County experienced a 3.5% decrease in population while New York State exhibited a 1.9% growth. Although Sullivan County is fairly large in terms of area, approximately 968 square miles, the average population density is 79 persons per square mile. Indeed this number is higher in the County's larger towns and villages, which has implications for added infrastructure, water quality, and attention to long-term capital planning.

It is important to note that the County's population size is more than just year-round residents: second home owners and seasonal populations have implications for County development as well. The County's Division of Planning and Economic Development released a study of Second Home Owners in 2008 which stated that the County has over 10,000 second home owners spending between two weeks to four months a year here. In addition to homeowners, the County still has several facilities that attract visitors for seasonal, weekly, or daily stays.

The New York State Gaming Commission awarded Montreign Resort Casino a gaming license in December 2015. The resort casino is only part of a \$1.2 billion four-season destination resort under construction in the Town of Thompson. The resort casino, which is designed to meet 5-star and 5-diamond standards, is expected to include an 18-story hotel, a casino floor exceeding 100,000 square feet and 27,000 square feet of multi-purpose meeting and entertainment space. The casino is anticipated to open to the public in March 2018 and is estimated to bring 4 million new visitors annually to the County of Sullivan. State gaming officials estimate the casino will create 1,209 full-time and 96 part-time permanent jobs and hundreds of additional construction jobs to the region. An estimated \$10.3 million in casino revenue will be split annually between Orange, Ulster, Dutchess, Greene and Columbia counties - along with another \$10.3 split between Sullivan and the host Town of Thompson.

With a gaming facility being constructed in the near future, the County's population growth rate over the next ten years could range between a minimum of 12% to a maximum of 28%.

The net effect of this development could yield a total year-round population ranging from 101,767 persons to 129,284 by the year 2020. These unique fluctuations and nuances in population have significant benefits and implications for sales tax revenues. For instance, given these trends, the tourism industry will be able to capture over \$4.5 million in County sales tax and employ more than 4,000 people with an estimated payroll of over \$50 million. While tourism remains an important aspect of the economy of the County, the tourism industry has changed to attract and accommodate the outdoor adventurer. The County has actively pursued a comprehensive strategy to diversify the economic base. In addition, through natural changes in the regional economy, Sullivan County has also experienced a gradual metamorphosis in its economic base which the County seeks to preserve and build on.

ECONOMIC CONDITION AND OUTLOOK

Historically, the economy of Sullivan County relied heavily on resort hotel based tourism. With the decline in this industry, tourism has reinvented itself in the form of eco-tourism activities, sightseeing, second homes, and arts and cultural industries spearheaded by the opening of the Bethel Woods Performing Arts Center (BPAC) located at the historic site of the 1969 Woodstock Music Festival on Hurd Road in the Town of Bethel. BPAC commenced its twelfth concert season with scheduled performances by Neil Diamond, Zac Brown Band, John Mellencamp, Luke Bryan, Foreigner, Cheap Trick, Rod Stewart, Santana and Sting, together with many other exciting performances.

The summer of 2017 marks another significant milestone for BPAC in that the organization will feature the tenth year of the 40,000 square foot Museum and Interpretive Center. The facility offers a permanent exhibition depicting the political, social, and cultural transformation of the 1960's that led to the famous 1969 rock festival that took place on that very site, and impacted the world. In its 2008 opening season, thousands of visitors enjoyed the Museum's many attractions and found that more than one visit was necessary in order to fully enjoy the experience. This year the Museum is featuring Love For Sale: The Commercialization of the Counterculture. This exhibit will examine the pervasive influence of the Counterculture on American popular culture and commerce. Using a 1970 suburban home as a backdrop, the exhibition shows how "peace, love, and free expression" became commonplace in living rooms, dining rooms, and children's rooms across America and how the Counterculture was trivialized and marginalized in the process.

Since the New York State Gaming Commission awarded Montreign Resort Casino awarded a gaming license in December 2015, significant work has been done on the site, including the construction of the hotel, roads and installation of infrastructure. The developer's overall investment in the property is approximated at \$1.2 billion. The property will be divided between four main features: a casino, entertainment village, the golf course and indoor water park. The \$750 million casino and resort will be known as "Resorts World". The casino and resort will sit on 1,700 wooded acres near the location of the old Concord hotel.

The Town of Thompson Planning Board approved the Developer's plans in January 2014 and additional revisions were approved in June 2014. Construction for the casino and resort began in March 2015. To add to its already impressive portfolio, the Developer has already started breaking ground for the indoor waterpark and revamped golf courses.

With the approval of casino gaming, the County, with the assistance of the Partnership for Economic Development in Sullivan County, Inc., is investing in our residents and preparing for an influx of new opportunities by forming the Catskill Hospitality Workforce Alliance, where they will provide training and certification for these specialized jobs such as cashiers, dealers and security.

It is anticipated that the expected revenue from this project would certainly translate to better overall fiscal conditions, cash flow, debt reduction, and an improved bond rating from rating agencies. These monies would most likely be used for economic and community development, infrastructure improvements, jail and landfill construction as well as monies for school districts and other local governments.

The Monticello Motor Club is now enjoying its ninth successful season featuring fast, expensive sports cars and a state of the art 4.1 mile race track. The Motor Club has recently added a 40 bay garage and a professional starting stand to their already impressive site in the town of Thompson. The Karting Track opened at the start of the 2014 season giving families an alternative to racing cars. Future plans include developing an additional 400 acres, off road courses, a winter driving series, year-round trails, on-site overnight accommodations and private residences. Recent approvals and construction of housing opportunities will increase the use and foster further development of this County asset. In addition, adjacent to the Monticello Motor Club is a residential gated community of 34 homes and a 17,000 square foot club house which is presently under construction. Recent approvals and construction of housing opportunities will increase the use and foster further development of this County asset.

Sullivan Renaissance is a beautification and community development program that provides communities in Sullivan County with seed money for beautification projects. The mission of Sullivan Renaissance is to enhance the appearance of Sullivan County while building a sense of pride and community spirit. Since its beginning in 2001, the program has grown to include edible gardens at schools, internships and scholarships for youth, mini-grants and façade grants for businesses, seasonal demonstration grants, a Community Mitzvah Award for summer camps and bungalow colonies, municipal partnerships, technical assistance grants, environmental grants and special endeavors like the SullivanArc Garden Tour and the EaT Kitchen at Cornell Cooperative Extension Sullivan County. Over the last 15 years, Sullivan County community volunteer organizations have received over 3 million dollars in grants. These grants have leveraged nearly 9.5 million dollars in beautification and community development throughout Sullivan County.

Sullivan County launched a land use and economic development plan, in conjunction with the Village of Monticello and the Town of Thompson, for the area surrounding the Montreign-Adelaar casino resort project. Funded by USDA as “The Monticello-Thompson Gateway Corridor Strategic Plan,” the effort has been dubbed the “Grow the Gateways (GTG)” project by its steering committee to reflect its focus on revitalizing the major County “gateways” to new resort development and existing attractions such as Bethel Woods. The project study area covers the Route 17 corridor extending from Exit 107 to Exit 104, including East Broadway, Broadway, Jefferson Street, and NYS Route 42 and 17B. The Grow the Gateways plan is being developed by Sullivan County in partnership with Town of Thompson, Village of Monticello, Sullivan Renaissance and the Partnership for Economic Development. It is expected to result in an implementable plan for activating the underutilized land in the study area.

Thanks to a USDA Rural Business Opportunity Grant the County is in the process of finalizing a Comprehensive Economic Development Strategy. This Plan will outline priorities for the various economic development agencies and community partners operating in the County to create economic opportunity.

The draft plan notes three main areas of economic activity in the County — agriculture, tourism and healthcare. Within this last category, the Center for Discovery and Catskill Regional Medical Center (CRMC) have been two of the County’s larger employers. The Center for Discovery is a world-class facility and practice focused on the delivery of

educational and support services for developmentally disabled adults and children. The Center for Discovery received \$2.5 million through the 2012 round of the Mid-Hudson Regional Council CFA funding, in order to expand its capabilities through the creation of an assessment center and integrated specialty hospital for children with autism, severe developmental disabilities, and medical complexities in Harris, Sullivan County. The project is on schedule, construction is slated to begin in 2015.

CRMC is a regional hospital and medical facility emphasizing a Planetree model of patient care. In July 2014, CRMC's laboratories in Harris and Callicoon, NY were awarded national accreditation by the College of American Pathologists. In addition, in September 2014, the New York State Department of Health specified CRMC's Harris Campus as a designated Stroke Center. The Grover Hermann Division of CRMC in Callicoon was recently awarded a three year accreditation in mammography services by the American College of Radiology.

A coalition of area organizations, businesses, and individuals has come together to develop Catskills Food Hub, an exciting opportunity for farmers, food producers and end-users, based out of Liberty, New York. Project partners include Cornell Cooperative Extension Sullivan County, the County of Sullivan Industrial Development Agency, Hudson Valley Agribusiness Development Corporation, the Sullivan County Chamber of Commerce, the Sullivan County Visitors Association, Sullivan Renaissance, local growers, and small business owners. Catskills Food Hub is in the process of attaining its nonprofit 501(c)(3) status. Through a new non-profit online marketplace geared toward matching growers and producers with commercial and institutional buyers in Sullivan County and the Southern Catskills region, Catskills Food Hub provides a streamlined way for producers to sell their items to a far larger customer base. The market will be integrated with a professional, transportation option, so farmers and producers can focus on their core business, reducing time and energy spent on marketing and distribution logistics. The Board anticipates opening the 2017 growing season with a pilot of eight to fifteen producers with diverse product offerings including produce, meat, dairy, value-added products, and more. The hub is working with Cornell Cooperative Extension Sullivan County and the Sullivan County Visitors Association to identify participant producers and buyers.

Although agriculture comprises less than 2% of the County's employment, this sector yields a significant economic impact in cash receipts. This impact is a major multiplier in supporting equipment sales and services, as well as professional services in the County that include veterinary clinics.

The County is now playing a pro-active role in promoting new agricultural ventures and retention of farmland. The County recently prepared a Farmland Protection Plan which is essentially a road map for agricultural development within the County over the next ten years. An Agricultural Task Force will be instituted to implement the plan.

In June 2004, Crystal Run Health Care, a major medical service facility focusing on quality primary care, arrived at the Emerald Corporate Center. It is estimated that 45,000 of 77,000 Sullivan County residents have been treated by Crystal Run Healthcare. The Emerald Corporate Center is one of several shovel-ready parks within the County in various stages of development. The Airport Industrial Park, Glen Wild Industrial Park, Liberty Business

Park and the Sullivan County Community College Start Up New York have been designed to accommodate differing business needs.

The County remains in the New York State Empire Zone program to assist with the development of retail businesses and shovel-ready sites for business attraction. The Sullivan County Partnership for Economic Development has intensified its business relocation and outreach efforts, and the incentives of the Empire Zone have been an important tool to attract new companies to Sullivan County.

MAJOR INITIATIVES AND THE FUTURE

The prediction for the County's future is steady, planned growth. There exists solid support for a diversified economic base that fits the County's location within the Hudson-Delaware Region. The economic diversification promotes business clusters that include healthcare, food processing and agricultural technology, building trade and green technology, ecotourism, arts and culture, light assembly and light manufacturing.

- Sullivan County was recently given approval by the New York State Empire State Development to establish the Sullivan County Land Bank Corporation, a County-wide, not-for-profit corporation established to acquire and stabilize vacant, abandoned and derelict properties. After eliminating barriers to redevelopment, land banks transfer properties to responsible ownership and productive use in accordance with local land use goals and priorities. The Sullivan County Land Bank Corporation will be a tool to help correct market deficiencies and encourage neighborhood reinvestment, complementing other strategies and activities such as code enforcement, zoning updates, planning and community. The Sullivan County Land Bank was awarded a grant from the New York State Attorney General's Office in the sum of \$920,000 which will help the land bank quickly start its operations, including developing policies and procedures, creating a web site and marketing materials and drafting a strategic plan.
- SUNY Sullivan, which is part of the State University of New York (SUNY) system, has been named one of the top 10 best community colleges in New York State. EDsmart.org, a nationally recognized publisher of college resources and rankings, has named SUNY Sullivan #8 of the 121 two-year colleges in New York. According to EDSmart, each community college was evaluated and ranked based on four publicly available data points from the National Center for Education Statistics' College Navigator, dealing with accreditation, affordability, academic quality, and student satisfaction. SUNY Sullivan received a score of 86.5 out of 100.
- Sullivan County has entered into an agreement with Bethel Creamery for the expansion of its dairy processing facilities in Swan Lake. The County has been awarded \$186,500 under a Rural Business Enterprise Grant from the United States Department of Agriculture. The County will purchase the necessary equipment and lease it to Bethel Creamery. All other aspects of the facility are privately owned and Bethel Creamery will have the option to purchase the equipment at the end of the lease term. In addition, a portion of the lease amount will be forgivable if Bethel Creamery meets certain job creation requirements. This important project enables

Bethel Creamery, a local business, to expand value-added dairy processing operations, and to enable Bethel Creamery to sell their milk locally and capture a higher return than they currently get from selling to large cooperatives. Additionally, this project will make funding available for other local dairy farmers and dairy businesspeople to grow and diversify their operations, by channeling equipment lease payments into a low-interest revolving loan fund.

- NY-Sun, a \$1 billion initiative of Governor Cuomo to advance the scale-up of solar and move the State closer to having a sustainable, self-sufficient solar industry, gives awards for large solar electric projects that will increase the solar capacity in New York State. The Sullivan County Adult Care Center was chosen as one of the sites and through a partnership with SolarCity Corporation the County will develop a 2,405.40 kW solar electric system capable of meeting 100% of the electrical needs of the facility. There will be no upfront expenses to the County for this project.
- Farmers' markets in Sullivan County have formed a collective with the Sullivan County Planning Department, Cornell Cooperative Extension Sullivan County and other community stakeholders with a shared goal: to promote and improve local farmers' markets. The collective began in late 2015 with a USDA Farmers' Market Promotion grant and will be implemented now, through November 2017. After surveying hundreds of residents and visitors at the start of the project, another strong "theme" took shape for Sullivan Catskills Farmers' Markets: The public values their connection with local farmers; 78% of people who don't currently shop at markets are interested in meeting the farmers who grow their food, and 92% of market customers say that they like meeting their local farmers. Farmers value markets because they can sell directly to the consumer – without a middleman. In fact, the collective built their new "homegrown with heart" identity around this special, direct relationship between producer and consumer: Sullivan County farmers are proud to bring products that are "homegrown with heart" directly to the consumer. Another misconception that the collective hopes to overcome is the myth that market products are too expensive. This was the number one reason why people do not shop at farmers' markets. Four of the seven markets accept SNAP/EBT/Food Stamp benefits and many farmers also accept WIC and Senior FMNP checks to further promote healthy eating habits for Sullivan County Residents.
- The Upper Delaware Corridor Plan has been instituted to provide access projects to the Delaware River. It is an important site for fishermen, fishing guides, river outfitters, boaters, and other river users. The Plan has already prepared six schematic designs along the River for parking, access and picnicking areas. Work is currently being performed on the Long Eddy access site with the Delaware Highland Conservancy and the NYS DEC to obtain additional lands. The Sullivan County Division of Planning has identified the need to improve this access as part of their Local Waterfront Revitalization Program. It is an important site for fishermen, fishing guides, river outfitters, boaters, and other river users. Purchasing and improving this parcel would give residents and visitors to our region much-needed improved access and easier parking, and would bring positive economic benefits to Long

Eddy, the Town of Fremont, and the whole river corridor. Open Space Institute is helping with a zero interest loan for a portion of the purchase.

- Sullivan County projects have been awarded \$1,877,835 in New York State grants through the 2015 Consolidated Funding Application (CFA) process. This is more than two times the \$899,834 in funding secured in 2013. Projects include improvements to the already-impressive OW Rail Trail Project and the White Sulphur Springs Water District and the construction of a new Town of Highland Highway Facility.
- The Sullivan County Legislature appropriated \$100,000 in the 2016 Adopted Budget to fund the newly created Plans and Progress Small Grant Program. The Plans and Progress Small Grant Program is designed to assist local municipalities, and community and not-for-profit groups throughout Sullivan County with capital projects related to tourism, economic development, image enhancement, and other county goals. These guidelines are intended to promote use of the program countywide through an initial allocation of funding to all legislative districts, foster projects that have county-wide or regional significance, by tying applications to county goals established in comprehensive or strategic plans, and increase the impact of the grants and accountability of the program through enhanced project tracking.
- The Sullivan County Division of Planning, along with the Partnership for Economic Development and the IDA continue to administer several revolving loan funds to help new and expanding businesses throughout the County. In 2016, \$182,000 in Community Development Block Grants was issued, resulting in six new businesses within the County ranging from eateries to a new fitness center in Liberty.
- For more than 60 years, The Center For Discovery has offered services to children and adults with disabilities. Now they're building on that, with a service that allows people to build, invent, and learn new skills, at the Hurleyville Maker's Lab. The facility offers the latest in prototyping equipment, computers, metal and wood shops and digital creations. The Center hopes that this facility will help improve the local economy, as it draws more interest and creates new prototypes. The Center also hopes that the Maker's Lab will generate technology to make life easier for those living with disabilities. As part of the effort to reach out to the community, some courses offered by SUNY Sullivan will be held at the Maker's Lab.
- Sullivan County has become a destination for artisanal food and beverages. Establishments such as Callicoon Brewing Company, Catskill Brewery, Roscoe Brewery, Catskill Distilling Company, Prohibition Distillery, Bashakill Vineyards & Winery and Eminence Road Farm Winery are attracting visitors at increasing rates. Coupled with the County's numerous "farm to table restaurants" including The Heron Restaurant in Narrowsburg, Pickled Owl Gastropub in Hurleyville and Northern Farmhouse Pasta in Roscoe, Sullivan County is becoming a "foodie's" ultimate destination.
- Catskill Regional Medical Group (affiliated with Catskill Regional Medical Center) is in the final stages of construction of its new Monticello office which will house new

Urgent Care and Primary Care services for Catskill Regional Medical Group. The new Monticello location is the fourth for Catskill Regional Medical Group with existing offices in Harris, Livingston Manor and Callicoon. The 11,000-square-foot building will also feature x-ray, ultrasound and CT scan technology as well as 12 exam/procedure rooms and laboratory services. Situated on the corner of Route 42 and Concord Road in the Town of Thompson, the location will allow easy access to patients traveling in either direction on State Route 17.

- Founded in 1947, the Forestburgh Playhouse is the oldest continuously operating professional summer theatre in New York State. Under an agreement with the Actors' Equity Association, the union of professional actors and stage managers, the Playhouse employs professional actors, often with Broadway or other major credits, as well as a company of non-union professionals who earn credit toward their own eventual membership in the Actors' Equity Association. The Forestburgh Playhouse is ushering in its 71st anniversary season with a variety of musicals, dramas and cabarets, featuring many hit shows, including *Funny Girl*, *the Little Mermaid*, *Bye Bye Birdie* and *the Graduate*.
- The Veria Lifestyle Wellness Resort is being built on a 300-acre parcel just off Anawana Lake Road, on the site of the old Kutsher's Hotel & Country Club in the Town of Thompson. The \$90 million project will feature a 68,000-square-foot wellness center with a spa, yoga and fitness center, nutrition center, 36 massage rooms, salon, exterior amphitheater, and 131 lake view guest rooms. This project is expected to create new and permanent jobs, as well as a new stream of business to local vendors, suppliers, and service providers. In addition, the project is expected to generate additional tax dollars for the local schools and community.
- Metallized Carbon Corporation of Ossining, N.Y., recently broke ground on a pilot plant at the Glenwild Industrial Park in the Town of Fallsburg. The plant, to benefit its Aerospace Materials Division, will be manufacturing critical components for commercial aircraft engines. Various sites were considered throughout the Hudson Valley, Capital District, Pennsylvania, and Virginia before Metallized Carbon decided on Sullivan County. Current construction plans call for a 15,000-square-foot facility that will employ 10 people when full production is achieved in 2017. The property is approved for a total of 65,000 square feet to accommodate anticipated future expansion. At full build-out, the facility may employ as many as 100 people. The facility will house all-new, state-of-the-art processing equipment designed to produce the highest quality self-lubricating materials for the aerospace, petro chemical, desalinization, power generation, and food processing industries, among others.

In summary Sullivan County remains well prepared for population growth, both anticipated and actual, together with proactive steps to diversify the County's economic base.

FINANCIAL POLICIES

Over the last few years the County has implemented or modified several policies, including Capital Planning, Strategic Planning, Performance Budgeting, the Delinquent Tax Installment Program, a Debt Management Plan, and a Fund Balance Policy.

The Capital Planning Program requires the preparation of a plan listing proposed capital projects to be undertaken during the succeeding six-year period. The plan includes a description of the project, total cost, method of financing, along with other pertinent information.

The Strategic Plan is similar to Capital Planning in that it outlines, in order of priority, the programs and fiscal priorities set by and for each department for the succeeding two years. In both programs, the Legislature has the authority to adopt and amend the plans as needed. These plans provide information necessary to prioritize departmental goals and prepare the County budget.

The County continues to offer an installment payment option to delinquent taxpayers. The program allows all property owners to enter into agreements which, after an initial down payment, converts the delinquent tax balance into 24 equal monthly payments and stays tax foreclosure proceedings. During the contract term, the property owner is required to pay any subsequent taxes when due in addition to the installment payments. Failure to do so results in a default of the agreement, forfeiture of payments made and eventual tax foreclosure.

The County also adopted a Debt Management Policy in 2013 in an effort to standardize and support the issuance and management of debt. This policy will help to establish conditions for the use of debt and create procedures and policies that minimize debt service and issuance costs, maintain the highest practical credit rating, and provide full and complete financial disclosure and reporting.

A Fund Balance Policy was created to establish clear policies and procedures for developing, appropriating, and managing the County's operating budget and capital program. This includes a policy for establishing year-end fund balances that meet specific targets for ensuring accounting and fiscal stability.

AWARDS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015.

In order to award a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

CONCLUSION

The County, in anticipation of future expenses, has a committed General Fund fund balance for landfill construction/closure cost, building construction/repairs and infrastructure. The total is in excess of \$6.7 million. The assigned fund balance is \$24.7 million and the undesignated, unassigned fund balance for 2016 is \$11.9 million.

In the County's 2017 budget, we feel that have continued to project our revenues at reasonable levels. The County's financial outlook continues to be optimistic, however, in the present economy we are carefully monitoring expenses and capital commitments in light of revenues that are holding their own. We will continue to monitor as well as cut expenditures in the future as necessary, pending an upswing in the economy locally, statewide and nationally.

ACKNOWLEDGMENTS

Preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Treasurer's Office to whom I would like to express my deep felt appreciation. My thanks are directed as well to our independent auditors, Drescher & Malecki LLP, who assisted and contributed to its preparation. I would also like to thank the County Legislature and the Commissioner of Management and Budget for their interest and support in the financial operations of the County.

Respectfully submitted,



Nancy Buck
Sullivan County Treasurer

COUNTY OF SULLIVAN
List of Elected and Appointed Officials
December 31, 2016

Legislature:

District 1 Scott B. Samuelson
District 2 Nadia Rajsz
District 3 Mark Mccarthy
District 4 Catherine Owens
District 5 Terri Ward
District 6 Luis Alvarez
District 7 Joseph Perrello
District 8 Ira M. Steingart
District 9 Alan Sorensen

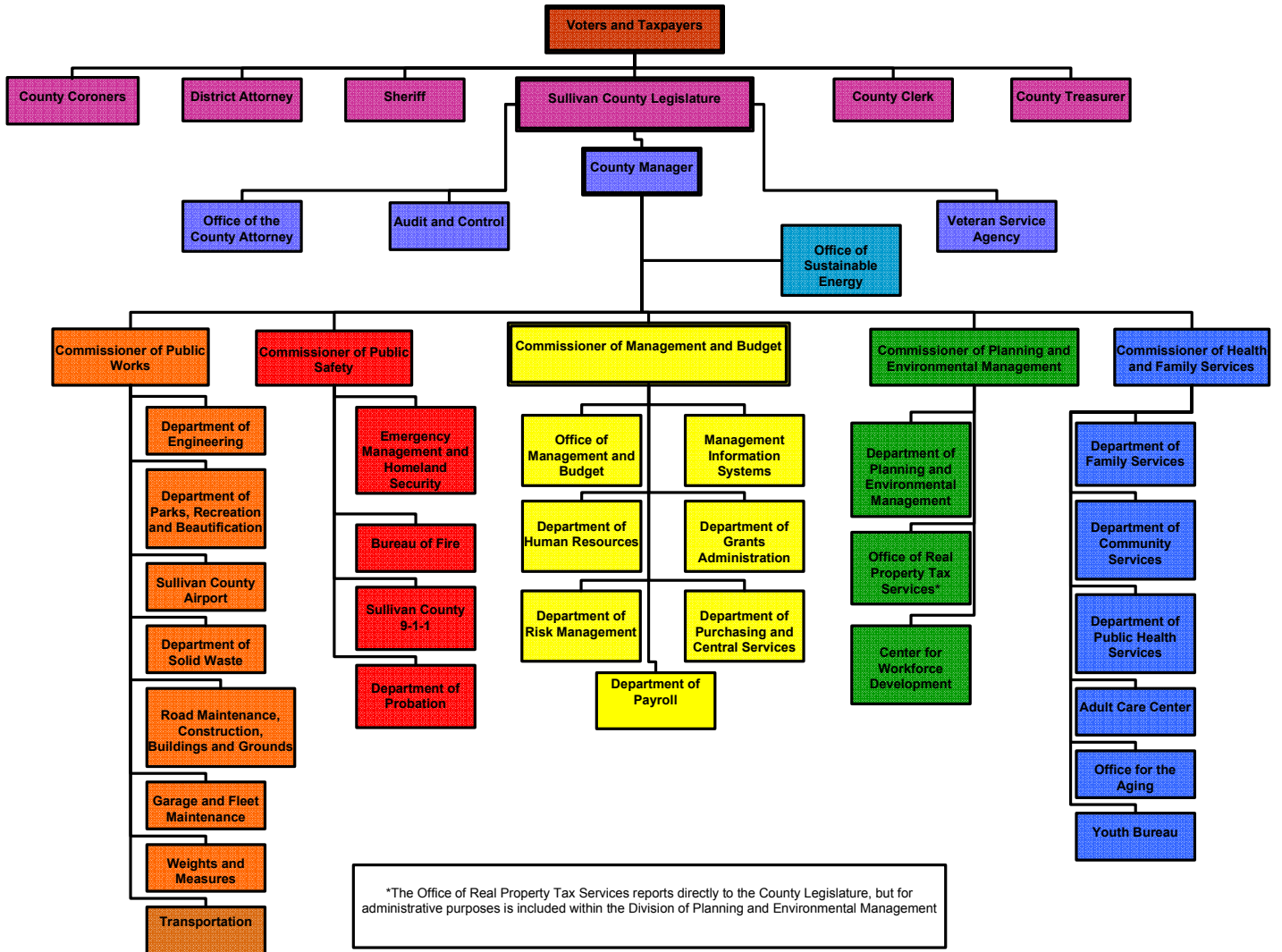
Elected Officials:

County Clerk Daniel L. Briggs
District Attorney James R. Farrell
Sheriff Michael A. Schiff
County Treasurer Nancy Buck

Appointed Officials:

County Manager Joshua Potosek
Deputy County Treasurer Kathleen Lara

SULLIVAN COUNTY GOVERNMENT: ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Sullivan
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

FINANCIAL SECTION

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Honorable Legislature of
the County of Sullivan, 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 Sullivan, New York (the "County"), as of and for the year ended December 31, 2016 (with the Sullivan County Community College for the year ended August 31, 2016), 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 Sullivan County Community College, Sullivan County Industrial Development Agency, Sullivan County Funding Corporation, the Emerald Corporate Center Economic Development Corporation, and the Sullivan County Infrastructure Local Development Corporation which represent 18.7 percent, 4.2 percent, 1.2 percent, 1.2 percent and 73.7 percent, respectively of the assets and 82.5 percent, 5.3 percent, 2.6 percent, 3.0 percent, 2.5 percent, respectively of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sullivan County Community College, Sullivan County Industrial Development Agency, Sullivan County Funding Corporation, and the Emerald Corporate Center Economic Development Corporation, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the County has restated net position of internal service funds and fund balance of governmental funds as of December 31, 2015. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Introductory Section, Supplementary Information Section, 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 Section, 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.

Drescher & Malecki LLP

July 16, 2017

COUNTY OF SULLIVAN, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2016

As management of the County of Sullivan, New York (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2016. This document should be read in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative. For comparative purposes, certain items from the prior year have been reclassified to conform with the current year presentation.

Financial Highlights

- The assets and deferred outflows of resources of the County's primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$20,048,002 (*net position*). Of this amount \$47,532,803 represents governmental activities net position and \$(27,484,801) represents business-type activities net position.
- The County's primary government total net position decreased \$2,100,543 during the year ended December 31, 2016. Net position increased \$2,292,017 for governmental activities and decreased \$4,392,560 for business-type activities.
- At the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$131,377,255, an increase of \$101,613,306 in comparison with the prior year's fund balance of \$29,763,949, as restated. This increase is primarily due to the issuance of serial bonds to fund the ongoing capital projects.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$11,862,438, or 7.1 percent of total General Fund expenditures and transfers out. This amount constitutes approximately 30.9 percent of the General Fund's total fund balance of \$38,340,965 at December 31, 2016, and may be available for spending per the County's policy on fund balance.
- The County's serial bonds for governmental activities increased by \$101,803,459 during the current year as a result the issuance of serial bonds of \$108,822,000 offset by scheduled principal payments of \$7,018,541. During the year ended December 31, 2016, the Sullivan Tobacco Asset Securitization Corporation ("STASC"), a business-type activity, issued \$16,685,000 tobacco settlement bonds refunding Series 2016B and 2016C which defeased \$10,810,000 of the remaining STASC 2001 bond. As a result of the refunding, STASC made a payment of \$8,192,100 to Sullivan County to be used for capital purposes.

Overview of the Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements—The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, liabilities and deferred inflows/outflows 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 the County's 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 related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the 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 a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services. The business-type activities of the County include the Sullivan County Adult Care Center, a skilled nursing facility and the STASC.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also legally separate entities, reported as discretely presented component units (the Sullivan County Community College, the Sullivan County Industrial Development Agency, the Sullivan County Soil and Water Conservation District, the Sullivan County Funding Corporation, the Emerald Corporate Center Economic Development Corporation, and the Sullivan County Infrastructure Local Development Corporation) for which the County is financially accountable. Financial information for the County's component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 29-30 of this report.

Fund financial statements—A *fund* is a grouping of related accounts that is 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 compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and the fiduciary fund.

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

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

The County maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, County Road, Refuse and Garbage, and Capital Projects funds, which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor funds is provided in the form of the combining statements in the Supplementary Information section of this report.

The basic governmental fund financial statements can be found on pages 31-34 of this report.

Proprietary funds—The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for the Adult Care Center and the STASC. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the operation of the workers' compensation and dental benefits self-insurance programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Adult Care Center and the STASC, which are considered to be major funds of the County. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary fund financial statements can be found on pages 35-38 of this report.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the County's own programs. The County maintains one fiduciary fund, the Agency Fund.

The Agency Fund reports resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The Agency Fund financial statement can be found on page 39 of this report.

Component Units—As discussed above, component units are legally separate entities for which the County is financially accountable. The component units addressed above are reported in the aggregate in the government-wide financial statements. The combining statements can be found on pages 40-42 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-98 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County's progress in funding its obligation to provide post-employment benefits to its employees, the County's net pension liability/(asset), and the County's budgetary comparison for the General, County Road, and Refuse and Garbage funds. Required Supplementary Information and a related note to the Required Supplementary Information can be found on pages 99-107 of this report.

Detail schedules in connection with major governmental funds, combining statements referred to earlier in connection with nonmajor governmental funds, combining statements for internal service funds, and a statement of changes in assets and liabilities of the Agency Fund are presented immediately following the Required Supplementary Information in the Combining and Individual Fund Financial Statements and Schedules section of this report on pages 108-127.

Finally, the Statistical Section can be found on pages 128-147 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County's primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$20,048,002 at the close of the most recent fiscal year, as compared to \$22,148,545 at the close of the fiscal year ended December 31, 2015.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities		Business-type Activities		Total	
	December 31,		December 31,		December 31,	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$214,116,784	\$113,628,777	\$ 4,770,914	\$ 1,033,338	\$218,887,698	\$114,662,115
Capital assets	175,785,787	156,099,390	2,589,789	2,728,774	178,375,576	158,828,164
Total assets	<u>389,902,571</u>	<u>269,728,167</u>	<u>7,360,703</u>	<u>3,762,112</u>	<u>397,263,274</u>	<u>273,490,279</u>
Deferred outflows of resources	32,376,090	6,855,685	4,566,794	888,198	36,942,884	7,743,883
Current liabilities	55,201,952	56,466,528	1,836,384	1,473,945	57,038,336	57,940,473
Noncurrent liabilities	314,444,144	173,877,137	36,874,460	26,127,526	351,318,604	200,004,663
Total liabilities	<u>369,646,096</u>	<u>230,343,665</u>	<u>38,710,844</u>	<u>27,601,471</u>	<u>408,356,940</u>	<u>257,945,136</u>
Deferred inflows of resources	5,099,762	999,401	701,454	141,080	5,801,216	1,140,481
Net position:						
Net investment in capital assets	115,374,686	101,642,615	2,011,150	2,696,176	117,385,836	104,338,791
Restricted	2,220,351	4,980,874	202,718	-	2,423,069	4,980,874
Unrestricted	<u>(70,062,234)</u>	<u>(61,382,703)</u>	<u>(29,698,669)</u>	<u>(25,788,417)</u>	<u>(99,760,903)</u>	<u>(87,171,120)</u>
Total net position	<u>\$ 47,532,803</u>	<u>\$ 45,240,786</u>	<u>\$ (27,484,801)</u>	<u>\$ (23,092,241)</u>	<u>\$ 20,048,002</u>	<u>\$ 22,148,545</u>

The largest portion of the County's net position reflects its net investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Accordingly, 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 the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$2,423,069 represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining component of the County's net position, \$(99,760,903), represents unrestricted net position. This deficit does not mean that the County does not have resources available to meet its obligations in the ensuing year. Rather it reflects liabilities not related to the County's capital assets and

are not expected to be repaid from current resources. These long-term liabilities including landfill post-closure costs, compensated absences, retirement incentives, other post-employment benefits (“OPEB”) obligations, claims payable, and net pension liability are funded annually within the funds.

Table 2, as presented below, shows the changes in net position for the years ended December 31, 2016 and December 31, 2015.

Table 2—Condensed Statements of Changes in Net Position—Primary Government

	Governmental activities		Business-type activities		Total	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 40,758,449	\$ 40,874,445	\$ 11,967,585	\$ 12,966,995	\$ 52,726,034	\$ 53,841,440
Operating Grants and contributions	35,877,893	32,975,310	10,804,326	1,893,210	46,682,219	34,868,520
Capital Grants and contributions	5,487,781	7,362,987	-	-	5,487,781	7,362,987
General revenues:						
Property taxes	56,874,718	55,805,788	-	-	56,874,718	55,805,788
Other taxes	8,403,849	8,431,127	-	-	8,403,849	8,431,127
Non property taxes	41,659,523	38,813,293	-	-	41,659,523	38,813,293
Use of money and property	220,060	157,803	1,019,048	86,706	1,239,108	244,509
Sale of property and compensation for loss	1,212,261	861,228	-	-	1,212,261	861,228
Miscellaneous	8,660,361	555,723	14,026	5,437	8,674,387	561,160
Total revenues	<u>199,154,895</u>	<u>185,837,704</u>	<u>23,804,985</u>	<u>14,952,348</u>	<u>222,959,880</u>	<u>200,790,052</u>
Expenses:						
General government support	29,873,350	26,859,884	-	-	29,873,350	26,859,884
Education	5,975,783	5,368,465	-	-	5,975,783	5,368,465
Public safety	29,407,686	28,165,508	-	-	29,407,686	28,165,508
Health	24,825,500	25,406,724	-	-	24,825,500	25,406,724
Transportation	22,258,819	26,826,982	-	-	22,258,819	26,826,982
Economic Assistance and opportunity	65,156,303	54,939,775	-	-	65,156,303	54,939,775
Culture and recreation	3,909,500	3,794,095	-	-	3,909,500	3,794,095
Home and community services	12,723,655	10,571,960	-	-	12,723,655	10,571,960
Interest and fiscal charges	2,732,282	2,197,832	-	-	2,732,282	2,197,832
Adult Care Center	-	-	19,012,834	17,935,927	19,012,834	17,935,927
STASC	-	-	9,184,711	729,676	9,184,711	729,676
Total expenses	<u>196,862,878</u>	<u>184,131,225</u>	<u>28,197,545</u>	<u>18,665,603</u>	<u>225,060,423</u>	<u>202,796,828</u>
Excess (deficiency) of revenues over expenses	2,292,017	1,706,479	(4,392,560)	(3,713,255)	(2,100,543)	(2,006,776)
Transfers	-	(74,405)	-	74,405	-	-
Change in net position	2,292,017	1,632,074	(4,392,560)	(3,638,850)	(2,100,543)	(2,006,776)
Net position—beginning	45,240,786	43,608,712	(23,092,241)	(19,453,391)	22,148,545	24,155,321
Net position—ending	<u>\$ 47,532,803</u>	<u>\$ 45,240,786</u>	<u>\$(27,484,801)</u>	<u>\$(23,092,241)</u>	<u>\$ 20,048,002</u>	<u>\$ 22,148,545</u>

Governmental activities—Governmental activities increased the County’s net position by \$2,292,017. The largest funding sources for the County’s governmental activities, as a percent of total revenues and transfers, are property taxes which comprised 28.6 percent, nonproperty taxes (primarily sales tax) which comprised 20.9 percent and charges for service which comprised 20.5 percent.

The largest expense categories as a percent of total expenses for the County’s governmental activities are economic assistance and opportunity which comprised 33.1 percent, general government support which comprised 15.2 percent, and public safety which comprised 14.9 percent.

Significant changes from 2015 to 2016 in revenues and expenses for the County include the following:

- Total revenues increased \$13,317,191 primarily due to a one-time payment from STASC to the County of \$8,192,100 which occurred as a result of STASC refunding transaction to defease its previously issued 2001 bonds. Additionally, nonproperty taxes increased by \$2,846,230 mainly due to favorable sales tax collections compared to the prior year.
- Total expenses increased \$12,731,653. Economic assistance and opportunity expenses increased by \$10,216,528 primarily due to a rise in intergovernmental transfer (“IGT”)/Medicaid Upper Payment payments in 2016. General government support, home and community services, and public safety expenses increased by \$3,013,466, \$2,151,695, and 1,242,178, respectively. This is largely due to increases in the allotted expenses to the County’s pension and OPEB obligation liabilities for the year ended December 31, 2016. The increases in the pension and other postemployment benefit liabilities are allocated across program expense categories in proportion to personal service expenditures incurred within each function of the County. The increase in pension and OPEB obligation liabilities was coupled with additional legal expenses reported within general government support and additional expenses related to the long-term landfill post-closure liability within home and community services.

Business-type activities—Business-type activities decreased the County’s net position by \$4,392,560. The majority of the change can be attributed to the one-time transfer between the STASC and County as discussed above. The STASC change in net position of \$6,833,101 was partially offset by a \$2,440,541 increase in the net position of the Adult Care Center. The increase was primarily due to increased IGT revenues received during 2016 as compared to 2015.

Financial Analysis of Governmental Funds

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

Governmental funds—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 discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the County Legislature.

At December 31, 2016, the County’s governmental funds reported combined ending fund balances of \$131,377,255, an increase of \$101,613,306 in comparison with the prior year. Approximately 9.0 percent of this amount, \$11,862,438, constitutes *unassigned fund balance*, which may be available for spending per the County’s fund balance policy. The remainder of fund balance is either *restricted*, *committed*, or *assigned* to indicate that it is: (1) restricted for particular purposes, \$88,140,208, (2), committed for particular purposes, \$6,718,564 or (3) assigned for particular purposes, \$24,656,045.

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 \$11,862,438, while total fund balance increased to \$38,340,965. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to the total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 7.1 percent of the total General Fund expenditures and transfers out, while total fund balance represents approximately 23.0 percent of that same amount.

The fund balance in the County Road Fund increased \$929,200 from December 31, 2015 primarily due to interfund transfers provided by the Debt Service Fund. The ending fund balance in the County Road Fund was \$2,570,566 of which \$2,495,077 represents assigned for specific use and \$75,489 is restricted for debt service.

The fund balance in the Refuse and Garbage Fund increased \$489,538 from December 31, 2015 primarily due to an increase in departmental revenues. The ending fund balance in the Refuse and Garbage Fund was \$1,594,296 of which, \$1,593,381 represents amounts assigned for specific use and \$915 is restricted for debt service.

The fund balance in the Capital Projects Fund increased \$89,670,266 from December 31, 2015 primarily due to the issuance of \$108,822,000 of public improvement serial bonds in 2016 offset by capital outlay of \$22,265,807. These bonds were issued for the cost of the construction of a new jail facility complex. The ending fund balance in the Capital Projects Fund was \$86,407,713, which is restricted for use on capital projects.

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

Factors concerning the finances of the Enterprise Funds have already been addressed in the discussion of the County's business type activities above.

The Internal Service Fund is used to account for the County's self-insurance programs, primarily workers' compensation benefits. The total net position at the end of the fiscal year was \$(353,193). This represents an increase of \$1,021,004 due to charges for services exceeding employee benefit expenses in 2016.

General Fund Budgetary Highlights

The County's General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year's encumbrances since the funds were allocated under the previous year's budget, and the County has appropriately assigned an equal amount of fund balance at year-end for this purpose. Furthermore, the budget is allowed to be amended upward (increased) for additional current year appropriations supported by an increase in budgeted revenues. A budgetary comparison schedule within the required supplementary information section of this report has been provided to demonstrate compliance with their budget.

A summary of the General Fund results of operations for the year ended December 31, 2016 is presented in Table 6 below:

Table 6—Summary of General Fund Results of Operations

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 167,798,052	\$ 173,895,021	\$ 176,384,541	\$ 2,489,520
Expenditures and other financing uses	<u>171,892,158</u>	<u>177,247,669</u>	<u>166,540,732</u>	<u>10,706,937</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ (4,094,106)</u>	<u>\$ (3,352,648)</u>	<u>\$ 9,843,809</u>	<u>\$ 13,196,457</u>

Original budget compared to final budget—No significant adjustments were noted between the original and final budget.

Final budget compared to actual results—The General Fund had a favorable variance from final budget of \$13,196,457. The primary positive variances were realized in miscellaneous revenues \$8,252,600, due primarily to a one-time revenue paid to the County related to the STASC refunding previously issued debt. In addition, economic assistance and opportunity expenditures were less than the final budget by \$3,854,353. This positive variance was primarily a result of lower than anticipated cost related to social services administration, family assistance, and juvenile delinquent activity.

Capital Assets and Debt Administration

Capital assets—The County’s investment in capital assets for its governmental and business-type activities as of December 31, 2016 amounts to \$178,375,576 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, infrastructure, and machinery and equipment.

All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the County’s capital asset policy.

Capital assets net of depreciation for the governmental activities and business-type activities at December 31, 2016 and December 31, 2015 are presented in Table 7 below:

Table 7—Summary of Capital Assets (Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	December 31,		December 31,		December 31,	
	2016	2015	2016	2015	2016	2015
Land	\$ 8,725,687	\$ 8,659,087	\$ 44,800	\$ 44,800	\$ 8,770,487	\$ 8,703,887
Construction in progress	15,260,860	10,354,593	-	78,100	15,260,860	10,432,693
Land improvements	2,996,479	3,335,403	-	-	2,996,479	3,335,403
Buildings and improvements	26,704,800	27,410,048	2,202,289	2,460,419	28,907,089	29,870,467
Infrastructure	114,650,097	99,350,404	-	-	114,650,097	99,350,404
Machinery and equipment	7,447,864	6,989,855	342,700	145,455	7,790,564	7,135,310
Total	<u>\$175,785,787</u>	<u>\$156,099,390</u>	<u>\$ 2,589,789</u>	<u>\$ 2,728,774</u>	<u>\$178,375,576</u>	<u>\$158,828,164</u>

Significant changes from 2015 to 2016 in capital assets include

- Infrastructure increased \$23,909,508 largely due to the completion of various projects including road/bridge construction and radio communication upgrades.
- Construction in progress increased \$4,906,267 which primarily represents the jail construction project that will be completed and depreciated in future years.

The County’s infrastructure assets are recorded at historical cost in the government-wide financials statements. The County has elected to depreciate its infrastructure assets. Additional information on County’s capital assets can be found in Note 5 of this report.

Long-term debt—At December 31, 2016, The County has approximately \$171.2 million in net bonded debt for functions of the primary government. This includes serial bonds of the Sullivan Adult Care Center and bonds issued by the Sullivan Tobacco Asset Securitization Corporation (“STASC”).

A summary of the County’s long-term liabilities at December 31, 2016 and December 31, 2015 is presented in Table 8 below:

Table 8—Summary of Long-Term Liabilities

	Governmental activities		Business-type activities		Total	
	December 31,		December 31,		December 31,	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$148,705,861	\$ 46,902,402	\$ 16,139	\$ 32,598	\$148,722,000	\$ 46,935,000
Premium on bonds	4,391,882	2,180,179	-	-	4,391,882	2,180,179
Tobacco settlement bonds	-	-	16,685,000	11,995,000	16,685,000	11,995,000
Premium on bonds - STASC	-	-	1,448,294	-	1,448,294	-
Discount on bonds - STASC	-	-	-	(88,042)	-	(88,042)
Landfill post-closure costs	14,551,240	12,562,183	-	-	14,551,240	12,562,183
Compensated absences	3,285,512	3,360,858	351,639	764,745	3,637,151	4,125,603
Retirement incentives	7,657,733	8,035,657	948,560	1,106,926	8,606,293	9,142,583
Other postemployment benefit	86,395,077	76,420,772	13,231,029	11,430,612	99,626,106	87,851,384
Claims payable	18,966,797	18,140,954	-	-	18,966,797	18,140,954
Net pension liability	<u>30,490,042</u>	<u>6,274,132</u>	<u>4,193,799</u>	<u>885,687</u>	<u>34,683,841</u>	<u>7,159,819</u>
Total	<u>\$314,444,144</u>	<u>\$173,877,137</u>	<u>\$ 36,874,460</u>	<u>\$ 26,127,526</u>	<u>\$351,318,604</u>	<u>\$200,004,663</u>

Through sound financial management and manageable debt levels, the County has been successful in maintaining its high-grade rating for its general obligation bonds. The County has enjoyed a favorable Moody’s Investors Service bond rating of AA with the most current rating by Moody’s in November 2016.

The New York State Constitution limits the amount of indebtedness, both long-term and short-term which the County may incur. The State Constitution provide that the County may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the County for the most recent five years. Certain indebtedness is excluded in ascertaining the County’s authority to contract indebtedness with the constitutional limits; accordingly, debt of this kind, commonly referred to as “excluded debt”, may be issued without regard to the constitutional limits and without affecting the

County's authority to issue debt subject to the limit. At December 31, 2016, the County of Sullivan had used \$149,253,699 or 27.497% of the constitutional debt limit leaving \$403,337,100 remaining to be used.

For additional information on the County's long-term debt, refer to Note 12 of this report.

Economic Factors and Next Year's Budget

According to the New York State Department of Labor, the unemployment rate for the County of Sullivan was 4.9 percent in December 31, 2016, down from 5.2 percent in 2015. The County's December 2016 unemployment rate exceeded the State-wide rate of 4.8 percent.

Labor Department data also indicates that the number of people employed in the County increased by 0.30 percent, from 31,200 to 31,400 between April 2015 and April 2016.

The County's 2016 per capita income of \$42,053 is 70% of the State's \$60,534. The taxable assessed value of real property in the County increased from \$5,352,762,495 in 2015 to \$5,472,194,014 in 2016, with the median sales price of residential properties declining from \$122,896 in 2015 to \$120,000 in 2016.

Increased salary and wage costs, along with rising employee and retiree health care costs will continue to have a profound effect on the County's future budgets.

All of these factors were taken into consideration in developing the fiscal 2016 budget.

Requests for Information

This 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 financial information should be addressed to Nancy Buck, County Treasurer, Sullivan County Government Center, P.O. Box 5012, 100 North Street, Monticello, New York, 12701, telephone (845) 807-0210, or visit the County's web site at www.co.Sullivan.ny.us.

BASIC FINANCIAL STATEMENTS

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COUNTY OF SULLIVAN, NEW YORK

Statement of Net Position

December 31, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 42,277,355	\$ 3,915,793	\$ 46,193,148	\$ 5,257,037
Restricted cash and cash equivalents	21,085,517	1,430,551	22,516,068	1,658,361
Investments	75,046,254	-	75,046,254	27,554,895
Taxes receivable, net of allowance	28,297,338	-	28,297,338	-
Accounts receivable, net of allowance	22,589,704	1,844,717	24,434,421	1,233,729
Tobacco settlement receivable	-	1,185,229	1,185,229	-
Intergovernmental receivables	15,957,460	4,928,094	20,885,554	787,526
Notes receivable	-	-	-	167,926
Loans receivable, net of allowance	241,061	-	241,061	1,240,671
Internal balances	8,622,095	(8,622,095)	-	-
Due from component unit	-	-	-	10,000
Leases receivable	-	-	-	43,887
Inventories	-	64,811	64,811	-
Prepaid items	-	23,814	23,814	200,596
Capital assets, not being depreciated	23,986,547	44,800	24,031,347	71,053,830
Capital assets, being depreciated	151,799,240	2,544,989	154,344,229	20,787,890
Total assets	<u>389,902,571</u>	<u>7,360,703</u>	<u>397,263,274</u>	<u>129,996,348</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	897,461	236,009	1,133,470	462,070
Deferred outflows of resources—pensions	31,478,629	4,330,785	35,809,414	2,875,176
Total deferred outflows of resources	<u>32,376,090</u>	<u>4,566,794</u>	<u>36,942,884</u>	<u>3,337,246</u>
LIABILITIES				
Accounts payable	17,990,261	285,534	18,275,795	905,821
Accrued liabilities	4,369,001	864,530	5,233,531	25,932,723
Intergovernmental payables	17,760,510	-	17,760,510	117,125
Due to retirement system	6,003,308	-	6,003,308	34,148
Due to component unit	-	-	-	10,000
Unearned revenue	156,214	-	156,214	2,068,946
Deposits payable	-	123,820	123,820	567,235
Loans payable	-	-	-	199,001
Bond anticipation notes payable	2,616,000	562,500	3,178,500	-
Tax anticipation notes payable	6,300,000	-	6,300,000	-
Other liabilities	6,658	-	6,658	610,595
Noncurrent liabilities:				
Due within one year	11,747,793	558,019	12,305,812	690,305
Due in more than one year	302,696,351	36,316,441	339,012,792	100,666,895
Total liabilities	<u>369,646,096</u>	<u>38,710,844</u>	<u>408,356,940</u>	<u>131,802,794</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources—tuition	-	-	-	441,058
Deferred inflows of resources—pensions	5,099,762	701,454	5,801,216	416,193
Total deferred inflows of resources	<u>5,099,762</u>	<u>701,454</u>	<u>5,801,216</u>	<u>857,251</u>
NET POSITION				
Net investment in capital assets	115,374,686	2,011,150	117,385,836	13,587,472
Restricted	2,220,351	202,718	2,423,069	2,321,401
Unrestricted	(70,062,234)	(29,698,669)	(99,760,903)	(15,235,324)
Total net position	<u>\$ 47,532,803</u>	<u>\$ (27,484,801)</u>	<u>\$ 20,048,002</u>	<u>\$ 673,549</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Statement of Activities
Year Ended December 31, 2016

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 support	\$ 29,873,350	\$ 6,588,102	\$ 606,235	\$ -	\$ (22,679,013)	\$ -	\$ (22,679,013)	\$ -
Education	5,975,783	-	-	-	(5,975,783)	-	(5,975,783)	-
Public safety	29,407,686	3,611,717	839,532	780,567	(24,175,870)	-	(24,175,870)	-
Health	24,825,500	7,444,976	8,893,706	-	(8,486,818)	-	(8,486,818)	-
Transportation	22,258,819	6,032,541	-	4,707,214	(11,519,064)	-	(11,519,064)	-
Economic assistance and opportunity	65,156,303	4,323,812	21,217,281	-	(39,615,210)	-	(39,615,210)	-
Culture and recreation	3,909,500	618,995	4,118,035	-	827,530	-	827,530	-
Home and community services	12,723,655	12,138,306	203,104	-	(382,245)	-	(382,245)	-
Interest and fiscal charges	2,732,282	-	-	-	(2,732,282)	-	(2,732,282)	-
Total governmental activities	<u>196,862,878</u>	<u>40,758,449</u>	<u>35,877,893</u>	<u>5,487,781</u>	<u>(114,738,755)</u>	<u>-</u>	<u>(114,738,755)</u>	<u>-</u>
Business-type activities:								
Adult Care Center	19,012,834	10,632,154	10,804,326	-	-	2,423,646	-	-
STASC	9,184,711	1,335,431	-	-	-	(7,849,280)	-	-
Total business-type activities	<u>28,197,545</u>	<u>11,967,585</u>	<u>10,804,326</u>	<u>-</u>	<u>-</u>	<u>(5,425,634)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 225,060,423</u>	<u>\$ 52,726,034</u>	<u>\$ 46,682,219</u>	<u>\$ 5,487,781</u>	<u>\$ (114,738,755)</u>	<u>\$ (5,425,634)</u>	<u>\$ (114,738,755)</u>	<u>\$ -</u>
Component units:								
Total component units	<u>\$ 28,941,907</u>	<u>\$ 9,004,576</u>	<u>\$ 15,420,884</u>	<u>\$ 264,360</u>				<u>\$ (4,252,087)</u>
General revenues:								
Property taxes					56,874,718	-	56,874,718	-
Property tax items					8,403,849	-	8,403,849	-
Nonproperty tax items					41,659,523	-	41,659,523	-
Use of money and property					220,060	1,019,048	1,239,108	92,716
Sale of property and compensation for loss					1,212,261	-	1,212,261	-
Miscellaneous					8,660,361	14,026	8,674,387	16,221
Total general revenues					<u>117,030,772</u>	<u>1,033,074</u>	<u>118,063,846</u>	<u>108,937</u>
Change in net position					2,292,017	(4,392,560)	(2,100,543)	(4,143,150)
Net position—beginning					<u>45,240,786</u>	<u>(23,092,241)</u>	<u>22,148,545</u>	<u>4,816,699</u>
Net position—ending					<u>\$ 47,532,803</u>	<u>\$ (27,484,801)</u>	<u>\$ 20,048,002</u>	<u>\$ 673,549</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2016

	General	County Road	Refuse and Garbage	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 37,364,380	\$ 2,303,273	\$ 1,251,540	\$ 584,404	\$ 287,662	\$ 41,791,259
Restricted cash and cash equivalents	58,067	-	-	20,256,388	672,915	20,987,370
Investments	-	-	-	75,046,254	-	75,046,254
Taxes receivable, net of allowance	28,297,338	-	-	-	-	28,297,338
Accounts receivable, net of allowance	13,414,732	40,968	612,540	51,736	703	14,120,679
Intergovernmental receivables	13,541,502	1,067,481	12,534	1,292,831	43,112	15,957,460
Loans receivable, net of allowance	-	-	-	-	241,061	241,061
Due from other funds	8,972,638	577,793	365,013	-	1,502,638	11,418,082
Total assets	<u>\$ 101,648,657</u>	<u>\$ 3,989,515</u>	<u>\$ 2,241,627</u>	<u>\$ 97,231,613</u>	<u>\$ 2,748,091</u>	<u>\$ 207,859,503</u>
LIABILITIES						
Accounts payable	\$ 8,362,476	\$ 1,099,141	\$ 560,911	\$ 7,781,237	\$ 186,304	\$ 17,990,069
Accrued liabilities	2,322,579	319,808	86,400	-	98,072	2,826,859
Intergovernmental payables	17,760,510	-	-	-	-	17,760,510
Due to retirement system	6,003,308	-	-	-	-	6,003,308
Due to other funds	11,517,702	-	20	426,663	-	11,944,385
Unearned revenue	58,067	-	-	-	-	58,067
Bond anticipation notes payable	-	-	-	2,616,000	-	2,616,000
Tax anticipation notes payable	6,300,000	-	-	-	-	6,300,000
Other liabilities	6,658	-	-	-	-	6,658
Total liabilities	<u>52,331,300</u>	<u>1,418,949</u>	<u>647,331</u>	<u>10,823,900</u>	<u>284,376</u>	<u>65,505,856</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources—taxes	10,976,392	-	-	-	-	10,976,392
FUND BALANCES						
Restricted	636,878	75,489	915	86,407,713	1,019,213	88,140,208
Committed	6,718,564	-	-	-	-	6,718,564
Assigned	19,123,085	2,495,077	1,593,381	-	1,444,502	24,656,045
Unassigned	11,862,438	-	-	-	-	11,862,438
Total fund balances	<u>38,340,965</u>	<u>2,570,566</u>	<u>1,594,296</u>	<u>86,407,713</u>	<u>2,463,715</u>	<u>131,377,255</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 101,648,657</u>	<u>\$ 3,989,515</u>	<u>\$ 2,241,627</u>	<u>\$ 97,231,613</u>	<u>\$ 2,748,091</u>	<u>\$ 207,859,503</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position
December 31, 2016

Amounts reported for governmental activities in the statement of net position (page 29) are different because:

Total fund balances—governmental funds (page 31)		\$ 131,377,255
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$374,936,937 and the accumulated depreciation is \$199,151,150.		175,785,787
Certain revenues are not available to pay for current period expenditures and, therefore, are recorded as deferred inflows of resources in the funds.		10,976,392
Internal service funds are used by the County to charge the costs of workers' compensation and dental benefits to individual funds. Assets in excess of liabilities of the internal service funds are included within governmental activities on the statement of net position.		(353,193)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements.		
Deferred outflows related to employer contributions	\$ 5,025,656	
Deferred outflows related to changes in assumption	8,130,775	
Deferred outflows related to experience and investment earnings	18,322,198	
Deferred inflows related to pension plans	<u>(5,099,762)</u>	26,378,867
For refunding bonds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred charge and recognized as a component of interest expense over either the lesser of the life of the debt issuance or the bonds refunded for the government-wide statements.		897,461
Net accrued interest expense for general obligation bonds is not reported in the funds.		(1,295,468)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
General obligation bonds	\$ (148,705,861)	
Premiums on bonds	(4,391,882)	
Landfill post-closure	(14,551,240)	
Compensated absences	(3,285,512)	
Retirement incentives	(7,657,733)	
OPEB obligation	(86,395,077)	
Claims payable	(756,951)	
Net pension liability	<u>(30,490,042)</u>	<u>(296,234,298)</u>
Net position of governmental activities		<u>\$ 47,532,803</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds
Year Ended December 31, 2016

	General	County Road	Refuse and Garbage	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Real property taxes	\$ 57,546,461	\$ -	\$ -	\$ -	\$ -	\$ 57,546,461
Other property tax items	8,403,849	-	-	-	-	8,403,849
Non property tax items	41,659,523	-	-	-	-	41,659,523
Departmental income	18,055,079	-	11,940,219	-	744,912	30,740,210
Intergovernmental charges	445,647	265,395	-	-	-	711,042
Licenses and permits	61,820	2,100	-	-	-	63,920
Fines and forfeitures	345,342	-	-	-	-	345,342
Use of money and property	162,776	346	660	47,310	8,617	219,709
Sale of property and compensation for loss	751,016	45	237,739	-	90,066	1,078,866
Miscellaneous	11,752,943	180,679	4,967	-	13,213	11,951,802
State aid	20,265,596	3,553,986	12,273	636,340	12,250	24,480,445
Federal aid	15,244,570	698,812	-	396,412	153,838	16,493,632
Total revenues	<u>174,694,622</u>	<u>4,701,363</u>	<u>12,195,858</u>	<u>1,080,062</u>	<u>1,022,896</u>	<u>193,694,801</u>
EXPENDITURES						
Current:						
General government support	25,795,307	-	-	-	17,042	25,812,349
Education	5,654,545	-	-	-	-	5,654,545
Public safety	25,139,387	573,859	-	-	-	25,713,246
Health	22,800,971	-	-	-	-	22,800,971
Transportation	1,140,260	15,333,920	-	-	3,257,760	19,731,940
Economic assistance and opportunity	60,597,993	-	-	-	-	60,597,993
Culture and recreation	3,397,302	-	-	-	-	3,397,302
Home and community service	1,524,744	-	7,028,338	-	9,194	8,562,276
Debt service:						
Principal	-	-	-	-	7,018,541	7,018,541
Interest	109,944	98,482	5,212	-	1,700,307	1,913,945
Capital outlay	-	-	-	22,265,807	-	22,265,807
Total expenditures	<u>146,160,453</u>	<u>16,006,261</u>	<u>7,033,550</u>	<u>22,265,807</u>	<u>12,002,844</u>	<u>203,468,915</u>
Excess (deficiency) of revenues over expenditures	<u>28,534,169</u>	<u>(11,304,898)</u>	<u>5,162,308</u>	<u>(21,185,745)</u>	<u>(10,979,948)</u>	<u>(9,774,114)</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	(20,380,279)	(3,122,158)	(4,914,335)	(112,725)	(3,554,857)	(32,084,354)
Transfers in	1,689,919	15,356,256	250,565	2,146,736	12,640,878	32,084,354
Premium on general obligation bonds	-	-	-	-	2,565,420	2,565,420
Proceeds of long-term obligations	-	-	-	108,822,000	-	108,822,000
Total other financing sources (uses)	<u>(18,690,360)</u>	<u>12,234,098</u>	<u>(4,663,770)</u>	<u>110,856,011</u>	<u>11,651,441</u>	<u>111,387,420</u>
Net change in fund balances (deficit)	9,843,809	929,200	498,538	89,670,266	671,493	101,613,306
Fund balances (deficit)—						
beginning, as restated	28,497,156	1,641,366	1,095,758	(3,262,553)	1,792,222	29,763,949
Fund balances—ending	<u>\$ 38,340,965</u>	<u>\$ 2,570,566</u>	<u>\$ 1,594,296</u>	<u>\$ 86,407,713</u>	<u>\$ 2,463,715</u>	<u>\$ 131,377,255</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—
Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2016

Amounts reported for governmental activities in the statement of activities (page 30) are different because:

Net change in fund balances—total governmental funds (page 33)		\$ 101,613,306
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		
Capital asset additions, net	\$ 31,258,282	
Depreciation expense	<u>(11,571,885)</u>	19,686,397
<p>Certain tax and other revenue in the governmental funds is deferred or not recognized because it is not available soon enough after year-end to pay for the current period's expenditures in the governmental funds when it is due. However, on the statement of activities, this is recognized as revenue regardless of when it is collected.</p>		
		(671,743)
<p>Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:</p>		
Direct pension contributions	\$ 5,025,656	
Cost of benefits earned net of employee contributions	<u>(7,658,347)</u>	(2,632,691)
<p>Internal services funds are used by management to charge the costs of workers' compensation and dental benefits to individual funds. The change in net position of the internal service funds of \$1,481,026 is reported within governmental activities.</p>		
		1,012,004
<p>For refunding bonds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred charge on the government-wide statements and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.</p>		
		(163,175)
<p>In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.</p>		
		(655,162)
<p>The issuance of long-term debt 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. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and related items is as follows:</p>		
Proceeds from general obligation bonds	\$ (108,822,000)	
Principal payments on general obligation bonds	7,018,541	
Premium on general obligation bonds	(2,565,420)	
Amortization of bond premiums	353,717	
Change in landfill post-closure	(1,989,057)	
Change in compensated absences	75,346	
Change in retirement incentives	377,924	
Change in OPEB obligation	(9,974,305)	
Change in claims payable	<u>(371,665)</u>	(115,896,919)
Change in net position of governmental activities		<u>\$ 2,292,017</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Statement of Net Position—Proprietary Funds
December 31, 2016

	Business-type Activities			Governmental Activities
	Adult Care Center	STASC	Total	Internal Service Funds
ASSETS				
Cash and cash equivalents	\$ 3,442,993	\$ 472,800	\$ 3,915,793	\$ 486,096
Restricted cash and cash equivalents	326,532	1,104,019	1,430,551	98,147
Accounts receivable, net of allowance	1,844,717	-	1,844,717	8,469,025
Tobacco settlement receivable	-	1,185,229	1,185,229	-
Intergovernmental receivables	4,928,094	-	4,928,094	-
Due from other funds	-	-	-	9,148,398
Inventories	64,811	-	64,811	-
Prepaid items	20,457	3,357	23,814	-
Capital assets, not being depreciated	44,800	-	44,800	-
Capital assets, being depreciated	2,544,989	-	2,544,989	-
Total assets	<u>13,217,393</u>	<u>2,765,405</u>	<u>15,982,798</u>	<u>18,201,666</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	236,009	236,009	-
Deferred outflows of resources—pensions	4,330,785	-	4,330,785	-
Total deferred outflows of resources	<u>4,330,785</u>	<u>236,009</u>	<u>4,566,794</u>	<u>-</u>
LIABILITIES				
Accounts payable	285,534	-	285,534	192
Accrued liabilities	682,029	182,501	864,530	246,674
Due to other funds	8,622,095	-	8,622,095	-
Unearned revenue	-	-	-	98,147
Deposits payable	123,820	-	123,820	-
Bond anticipation notes payable	562,500	-	562,500	-
Noncurrent liabilities:				
Due within one year	133,019	425,000	558,019	1,824,085
Due in more than one year	18,608,147	17,708,294	36,316,441	16,385,761
Total liabilities	<u>29,017,144</u>	<u>18,315,795</u>	<u>47,332,939</u>	<u>18,554,859</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources—pensions	701,454	-	701,454	-
NET POSITION				
Net investment in capital assets	2,011,150	-	2,011,150	-
Restricted	202,718	-	202,718	487,856
Unrestricted	(14,384,288)	(15,314,381)	(29,698,669)	(841,049)
Total net position	<u>\$ (12,170,420)</u>	<u>\$ (15,314,381)</u>	<u>\$ (27,484,801)</u>	<u>\$ (353,193)</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds
Year Ended December 31, 2016

	Business-type Activities			Governmental Activities
	Adult Care Center	STASC	Total	Internal Service Funds
Operating revenues:				
Net patient revenue	\$ 10,131,253	\$ -	\$ 10,131,253	\$ -
Intergovernmental transfer revenue	10,691,466	-	10,691,466	-
Charges for services	500,901	-	500,901	5,644,374
Operating grants and contributions	112,860	-	112,860	-
Tobacco settlement revenues	-	1,335,431	1,335,431	-
Insurance recoveries	-	-	-	133,395
Total operating revenues	<u>21,436,480</u>	<u>1,335,431</u>	<u>22,771,911</u>	<u>5,777,769</u>
Operating expenses:				
Professional care of residents	6,152,389	-	6,152,389	-
Administrative and general services	5,164,166	29,732	5,193,898	-
Employee benefits	6,448,187	-	6,448,187	4,766,116
New York State cash assessment	620,947	-	620,947	-
Depreciation	320,603	-	320,603	-
Bad debt	284,348	-	284,348	-
Total operating expenses	<u>18,990,640</u>	<u>29,732</u>	<u>19,020,372</u>	<u>4,766,116</u>
Operating income	<u>2,445,840</u>	<u>1,305,699</u>	<u>3,751,539</u>	<u>1,011,653</u>
Nonoperating revenues (expenses)				
Interest income	2,869	81,679	84,548	351
Interest expense	(22,194)	(555,364)	(577,558)	-
Miscellaneous income	14,026	-	14,026	-
Issuance costs	-	(407,515)	(407,515)	-
Gain on sale of investments	-	934,500	934,500	-
Distribution to Residual Trusts	-	(8,192,100)	(8,192,100)	-
Total nonoperating revenues (expenses)	<u>(5,299)</u>	<u>(8,138,800)</u>	<u>(8,144,099)</u>	<u>351</u>
Change in net position	2,440,541	(6,833,101)	(4,392,560)	1,012,004
Net position—beginning, as restated	(14,610,961)	(8,481,280)	(23,092,241)	(1,365,197)
Net position—ending	<u>\$ (12,170,420)</u>	<u>\$ (15,314,381)</u>	<u>\$ (27,484,801)</u>	<u>\$ (353,193)</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2016

	Business-type Activities			Governmental Activities
	Adult Care Center	STASC	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from services provided	\$ 10,341,090	\$ -	\$ 10,341,090	\$ 5,385,730
Receipts from intergovernmental transfer	5,763,372	-	5,763,372	-
Receipts from tobacco settlement revenues	-	2,125,847	2,125,847	-
Receipts from insurance recoveries	-	-	-	133,395
Payments to suppliers of contracted services	(4,802,103)	-	(4,802,103)	-
Payments to employees	(11,480,237)	-	(11,480,237)	-
Payments to insurance carriers and claimants	-	-	-	(4,386,729)
Payments on behalf of other funds	-	-	-	(1,120,285)
Receipts from other operating revenue	613,761	(29,732)	584,029	-
Net cash used for operating activities	<u>435,883</u>	<u>2,096,115</u>	<u>2,531,998</u>	<u>12,111</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of restricted investments	-	2,177,047	2,177,047	-
Interest received	-	81,679	81,679	351
Net cash provided by investing activities	<u>-</u>	<u>2,258,726</u>	<u>2,258,726</u>	<u>351</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from County	2,376,464	-	2,376,464	-
Other non-operating activities	16,895	-	16,895	-
Principal payments on long-term debt	-	(341,785)	(341,785)	-
Issuance of tobacco settlement bonds	-	(12,231,009)	(12,231,009)	-
Premium on tobacco settlement ones	-	16,685,000	16,685,000	-
Tobacco settlement bonds issuance costs	-	1,448,294	1,448,294	-
Tobacco settlement bonds residual payment	-	(407,515)	(407,515)	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>(8,192,100)</u>	<u>(8,192,100)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital expenditures, net	(181,618)	-	(181,618)	-
Interest paid	(22,194)	-	(22,194)	-
Principal payments on short-term and long-term debt financing activities	<u>(203,959)</u>	<u>-</u>	<u>(203,959)</u>	<u>-</u>
Increase in cash and cash equivalents	2,421,471	1,315,726	3,737,197	12,462
Cash and cash equivalents—beginning (includes restricted for capital improvements)	1,224,234	261,093	1,485,327	571,781
Cash and cash equivalents—ending (includes restricted for capital improvements)	<u>\$ 3,645,705</u>	<u>\$ 1,576,819</u>	<u>\$ 5,222,524</u>	<u>\$ 584,243</u>

(continued)

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2016

	Business-type Activities			Governmental Activities
	Adult Care Center	STASC	Total	Internal Service Funds
Reconciliation of operating income to net cash used for operating activities:				
Operating income	\$ 2,445,840	\$ 1,305,699	\$ 3,751,539	\$ 1,011,653
Adjustments to reconcile operating income to net cash used for operating activities:				
Depreciation expense	320,603	-	320,603	-
(Decrease) in intergovernmental receivable	(4,928,094)	-	(4,928,094)	-
(Increase) decrease in receivables	494,185	-	494,185	(336,402)
Decrease in tobacco settlement receivable	-	790,416	790,416	-
(Increase) in due from other funds	-	-	-	(1,120,285)
Decrease in inventories	6,986	-	6,986	-
(Increase) in other assets	(600)	-	(600)	-
(Increase) in deferred outflows of resources	(3,442,587)	-	(3,442,587)	-
(Decrease) increase in accounts payable	(94,017)	-	(94,017)	192
(Decrease) in accrued liabilities	-	-	-	(74,983)
Increase in unearned revenue	-	-	-	77,758
Increase in compensated absences	123,030	-	123,030	-
(Decrease) in accrued retirement incentives	(158,366)	-	(158,366)	-
Increase in other post-employment benefits	1,800,417	-	1,800,417	-
Increase in claims payable	-	-	-	454,178
Increase in accrued net pension liability	3,308,112	-	3,308,112	-
Increase in deferred inflows of resources	560,374	-	560,374	-
Total adjustments	<u>(2,009,957)</u>	<u>790,416</u>	<u>(1,219,541)</u>	<u>(999,542)</u>
Net cash used by operating activities	<u>\$ 435,883</u>	<u>\$ 2,096,115</u>	<u>\$ 2,531,998</u>	<u>\$ 12,111</u>
Noncash investing activities				
Increase in tobacco settlement bonds payable from amortization of original issue discount	<u>\$ -</u>	<u>\$ 88,042</u>	<u>\$ -</u>	<u>\$ -</u>

(concluded)

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Statement of Net Position—Fiduciary Funds
December 31, 2016

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 2,634,131
Accounts receivable	<u>5,494</u>
Total Assets	<u>\$ 2,639,625</u>
LIABILITIES	
Accounts payable	\$ 35,035
Employee payroll deductions	184,181
Deposits	<u>2,420,409</u>
Total Liabilities	<u>\$ 2,639,625</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Net Position—Discretely Presented Component Units
December 31, 2016

	Sullivan County Community College (8/31/2016)	Sullivan County Soil and Water Conservation District	Sullivan County Industrial Development Agency	Sullivan County Funding Corporation	Emerald Corporate Center Economic Development Corporation	Sullivan County Infrastructure Local Development Corporation	Total Discretely Presented Component Units
ASSETS							
Cash and cash equivalents	\$ 1,377,665	\$ 1,297,269	\$ 1,099,415	\$ 1,390,277	\$ 16,128	\$ 76,283	\$ 5,257,037
Restricted cash and cash equivalents	64,097	-	1,210,792	-	-	383,472	1,658,361
Investments	1,653,628	-	-	-	-	25,901,267	27,554,895
Accounts receivable	1,077,363	824	22,329	9,533	4,258	119,422	1,233,729
Intergovernmental receivables	435,296	-	320,000	-	32,230	-	787,526
Notes receivable	-	-	-	167,926	-	-	167,926
Loans receivable	866,715	-	373,956	-	-	-	1,240,671
Due from component unit	-	-	10,000	-	-	-	10,000
Leases receivable	-	-	43,887	-	-	-	43,887
Prepaid items	170,230	-	18,955	-	11,411	-	200,596
Capital assets, not being depreciated	277,445	-	-	-	1,442,461	69,333,924	71,053,830
Capital assets, being depreciated	18,404,179	63,676	2,320,035	-	-	-	20,787,890
Total assets	<u>24,326,618</u>	<u>1,361,769</u>	<u>5,419,369</u>	<u>1,567,736</u>	<u>1,506,488</u>	<u>95,814,368</u>	<u>129,996,348</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	462,070	-	-	-	-	-	462,070
Deferred outflows of resources—pensions	2,676,619	198,557	-	-	-	-	2,875,176
Total deferred outflows of resources	<u>3,138,689</u>	<u>198,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,337,246</u>

(continued)

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Net Position—Discretely Presented Component Units
December 31, 2016

	Sullivan County Community College (8/31/2016)	Sullivan County Soil and Water Conservation District	Sullivan County Industrial Development Agency	Sullivan County Funding Corporation	Emerald Corporate Center Economic Development Corporation	Sullivan County Infrastructure Local Development Corporation	Total Discretely Presented Component Units
LIABILITIES							
Accounts payable	865,160	11,142	13,550	-	6,356	9,613	905,821
Accrued liabilities	1,235,594	7,100	6,999	-	-	24,683,030	25,932,723
Intergovernmental payables	64,523	-	52,602	-	-	-	117,125
Due to retirement system	-	34,148	-	-	-	-	34,148
Due to component unit	-	-	-	10,000	-	-	10,000
Unearned revenue	698,205	1,246,932	70,997	52,812	-	-	2,068,946
Deposits payable	517,235	-	-	50,000	-	-	567,235
Loans payable	199,001	-	-	-	-	-	199,001
Other liabilities	-	-	610,595	-	-	-	610,595
Noncurrent liabilities:							
Due within one year	667,590	1,600	21,115	-	-	-	690,305
Due in more than one year	27,872,867	204,573	354,046	-	-	72,235,409	100,666,895
Total liabilities	<u>32,120,175</u>	<u>1,505,495</u>	<u>1,129,904</u>	<u>112,812</u>	<u>6,356</u>	<u>96,928,052</u>	<u>131,802,794</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources—tuition	441,058	-	-	-	-	-	441,058
Deferred inflows of resources—pensions	384,725	31,468	-	-	-	-	416,193
Total deferred inflows of resources	<u>825,783</u>	<u>31,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>857,251</u>
NET POSITION							
Net investment in capital assets	9,761,300	63,676	2,320,035	-	1,442,461	-	13,587,472
Restricted	1,723,752	-	597,649	-	-	-	2,321,401
Unrestricted	(16,965,703)	(40,313)	1,371,781	1,454,924	57,671	(1,113,684)	(15,235,324)
Total net position	<u>\$ (5,480,651)</u>	<u>\$ 23,363</u>	<u>\$ 4,289,465</u>	<u>\$ 1,454,924</u>	<u>\$ 1,500,132</u>	<u>\$ (1,113,684)</u>	<u>\$ 673,549</u>

(concluded)

The notes to the financial statements are an integral part of this statement.

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Activities—Discretely Presented Component Units
Year Ended December 31, 2016

	Sullivan County Community College (8/31/2016)	Sullivan County Soil and Water Conservation District	Sullivan County Industrial Development Agency	Sullivan County Funding Corporation	Emerald Corporate Center Economic Development Corporation	Sullivan County Infrastructure Local Development Corporation	Total Discretely Presented Component Units
PROGRAM EXPENSES	\$ 25,384,173	\$ 1,055,259	\$ 484,069	\$ 106,984	\$ 56,634	\$ 1,739,059	\$ 28,826,178
PROGRAM REVENUES							
Charges for services	7,221,870	30,392	1,018,939	108,000	-	625,375	9,004,576
Operating grants and contributions	13,161,929	989,494	-	530,375	739,086	-	15,420,884
Capital grants and contributions	-	-	264,360	-	-	-	264,360
Total program revenues	20,383,799	1,019,886	1,283,299	638,375	739,086	625,375	24,689,820
Net (expense) program revenues	(5,000,374)	(35,373)	799,230	531,391	682,452	(1,113,684)	(4,136,358)
GENERAL REVENUES (EXPENSES)							
Unrestricted state aid	-	-	-	-	-	-	-
Use of money and property	69,533	3,001	12,734	7,448	-	-	92,716
Interest expense	(108,046)	-	(7,558)	-	(125)	-	(115,729)
Miscellaneous	-	6,872	9,349	-	-	-	16,221
Total general revenue	(38,513)	9,873	14,525	7,448	(125)	-	(6,792)
Change in net position	(5,038,887)	(25,500)	813,755	538,839	682,327	(1,113,684)	(4,143,150)
Net position—beginning	(441,764)	48,863	3,475,710	916,085	817,805	-	4,816,699
Net position—ending	\$ (5,480,651)	\$ 23,363	\$ 4,289,465	\$ 1,454,924	\$ 1,500,132	\$ (1,113,684)	\$ 673,549

The notes to the financial statements are an integral part of this statement.

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COUNTY OF SULLIVAN, NEW YORK
Notes to the Financial Statements
Year Ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the County of Sullivan, New York (the “County”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting principles are described below.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting Entity

The County was established in 1809. Subject to the New York State Constitution, the County operates pursuant to its Charter and Administrative Code (the “Charter”), as well as various local laws. In addition, certain New York State laws govern the County to the extent that such laws are applicable to counties operating under a charter form of government. The charter was adopted by the Board of Supervisors (now County Legislature) of the County of Sullivan on August 25, 1993 by Local Law No. 4-1993, and approved at referendum on November 2, 1993. The Administrative Code was adopted by the Board of Supervisors (now County Legislature) of the County of Sullivan on December 14, 1995 by Local Law No. 11-1995, and amended in its entirety July 17, 1997 by Local Law No. 3-1997 (subsequent amendments noted within applicable sections). The County Legislature is the legislative, appropriating, governing and policymaking body of the County and the County Manager serves as the chief executive and administrative head of the County, and the County Treasurer serves as the chief financial officer of the County.

The County provides mandated social service programs such as Medicaid, Temporary Assistance for Needy Families and Safety Net. The County also provides services and facilities in the areas of culture, recreation, education, public safety, youth, health, senior services, roads, and sanitary sewerage. These general government programs and services are financed by various taxes, state and federal aid and departmental revenue (which are primarily comprised of service fees and various types of program-related charges).

The financial reporting entity includes the County (the “primary government”) and its significant component units. A component unit is either a legally separate organization for which the elected officials of a primary government are financially accountable, or another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Discretely Presented Component Units—The component unit column in the government-wide financial statements include the financial data of the County’s discretely presented component units. These statements are presented separately from the financial data of the primary government to emphasize that they are legally separate from the County.

Sullivan County Community College—The Sullivan County Community College (the “College”) was established in 1962 under Article 126 of the Education Act of the State of New York under the sponsorship of the County and is operated by a Board of Trustees under Paragraph (c) of Subdivision 6 of Section 6304 of the Education Act of the State of New York. The College is administered by a nine member Board of Trustees. Five members are appointed by the County Legislature and four members are appointed by the New York State Governor. The College’s fiscal year-end is August 31. The Faculty Student Association of Sullivan County Community College, Inc. (the “Association”) is organized under the not-for-profit laws of New York State to supplement and conduct activities and services for the students, faculty, staff and alumni of the College. The Association is presented as a component unit of the College, and its fiscal year end is August 31. The Sullivan County Community College Foundation, Inc. (the “Foundation”) is organized under the not-for-profit laws of New York State to raise funds to provide scholarships and to provide support for initiatives that will have a significant and measurable impact on the students, faculty and staff of the College. The Foundation is a component unit of the College and its fiscal year end is August 31. The Sullivan County Community College Dormitory Corporation (the "Dormitory Corporation") is organized under the not-for-profit laws of New York State to manage the dormitory buildings of the College. The Dormitory Corporation is presented as a component unit of the College and its fiscal year end is August 31.

Pursuant to New York State Education Law relating to community colleges, title to real property is held by the County in trust for the use of the College in carrying out its institutional purposes. The accompanying debt is also a legal obligation of the County. No revenues or assets of the College have been pledged or will be available to pay the principal and interest on this debt. Principal and interest payments on the debt are payable from amounts appropriated each year by the State of New York pursuant to the State Education Law, and the County in the case of County-related debt through the College’s budget, and from monies in the debt service reserve fund held by the Dormitory Authority of the State of New York (the “DASNY”) trustees. Capital appropriations include the annual debt service requirements on the Sullivan County debt. The provisions of the State Education Law regarding the State appropriations for principal and interest payments do not constitute a legally enforceable obligation of the State. The College recognizes State and County appropriation revenue for contributions of capital assets when the capital project is approved, the appropriation is made available and the expenditure is incurred.

Equipment made available to the College from its inception are stated at cost and were purchased from appropriations of the County and New York State, designated for that purpose, and from Federal grants.

Separately issued financial statements for the College may be obtained by writing the Sullivan County Community College, 112 College Road, Loch Sheidrake, New York 12759.

Sullivan County Soil and Water Conservation District—The Sullivan County Soil and Water Conservation District (the "District") was established in 1966 pursuant to Chapter 727 of the Laws of the State of New York. The District is a nonprofit organization formed to coordinate state and federal conservation programs on a local level. The District is managed by a Board of Directors consisting of seven members. Members are appointed by the County Legislature and are subject to removal at the will of the County Legislature. Separately issued financial statements for the District may be obtained

by writing the Sullivan County Soil and Water Conservation District, 64 Ferndale-Loomis Road, Liberty, New York 12754.

Sullivan County Industrial Development Agency—The Sullivan County Industrial Development Agency (the “IDA”) is a public benefit corporation established in 1970 under the mandate of Article 18-A, “New York State Industrial Development Agency Act,” of New York State general municipal law. The IDA was formed to promote and assist in acquiring or constructing various business and recreational facilities and, in the process, advances the job opportunities, health, general prosperity and economic welfare of the people of Sullivan County. The IDA’s function is to authorize the issuance of industrial revenue bonds for industrial development projects. The IDA reviews and determines whether to recommend approval of those applicants wishing to obtain financing. The IDA receives application fees from applicants and closing fees from those accepted for industrial revenue financing, such fees are recorded when earned. The IDA is managed by a Board of Directors consisting of nine members. Members are appointed by the County Legislature and are subject to removal at the will of the County Legislature. Separately issued financial statements for the IDA may be obtained by writing the County of Sullivan Industrial Development Agency, at One Cablevision Center, Ferndale, NY 12734.

Emerald Corporate Center Economic Development Corporation—The Emerald Corporate Center Economic Development Corporation (the "ECCEDC") was established in 2000 pursuant to an act of the County Legislature. The ECCEDC was formed to operate and sell shovel-ready lots within the Emerald Corporate Park for commercial office uses. The County advances funds necessary to develop the park and is reimbursed upon the sale of property within the park. The ECCEDC is governed by a nine member board of directors. Members are appointed by the County Legislative Chair, confirmed by the County Legislature, and are subject to removal at the will of the County Legislature. Separately issued financial statements for the ECCEDC may be obtained by writing the Emerald Corporate Center, 198 Bridgeville Road, Monticello, NY 12701.

Sullivan County Funding Corporation—The Sullivan County Funding Corporation (the "SCFC") was incorporated in November 2010 under Section 1411 of the Not-For-Profit Corporation Law of the State of New York. The SCFC was formed to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, and lessen the burden of government and act in the public interest. The SCFC’s public objective and mission is to lessening of the burdens of government by undertaking and promoting economic development initiatives in the County. Such initiatives include real estate leasing, acquisition, development and management, real estate project finance, and other community-based economic development activities permissible under the Not-For-Profit Corporation Law. The County is the sole appointing member of the SCFC, acting by and through the County Manager on an ex-officio basis. The SCFC is managed by a Board of Directors consisting of nine members. Members are appointed by the County Manager and are subject to removal at the will of the County Manager. Separately issued financial statements for the SCFC may be obtained by writing the Sullivan County Funding Corporation, One Cablevision Center, Ferndale, New York 12734.

Sullivan County Infrastructure Local Development Corporation—The Sullivan County Infrastructure Local Development Corporation (the “ILDC”) was established under to section 1411 of the New York Not-For-Profit Corporation Law pursuant to a resolution adopted by the County on January 28, 2016. The ILDC was formed to develop, own, construct, maintain, certain infrastructure and related improvements located on approximately 1,700 acres of land located in the Town of Thompson exercised solely in connection with the Adelaar Resort Project and related properties. The ILDC’s public objective and mission is to lessening of the burdens of government by undertaking and promoting economic development initiatives in the County that will include real estate leasing,

acquisition, development and management, real estate project finance, and other community-based economic development activities permissible under the Not-For-Profit Corporation Law. The County is initial Member of the Corporation acting by and through the County Manager on an ex-officio basis. The Corporation is managed by a Board of Directors consisting of nine members. Members are appointed by the County Manager and are subject to removal at the will of the County Manager. Separately issued financial statements for the ILDC may be obtained by writing the Sullivan County Infrastructure Local Development Corporation, 1 Cablevision Center, Ferndale, New York 12734.

Sullivan County Land Bank Corporation—The Sullivan County Land Bank Corporation (the “Land Bank”) was established under Article 16 of the Not-for-Profit Corporation Law of the State of New York pursuant to a resolution adopted by County on June 16, 2016. The land bank was formed to combat community deterioration by facilitating the return of vacant, abandoned, and tax-delinquent properties to productive use in order to eliminate the harms and liabilities caused by such properties, and lessen the burden of government and act in the public interest. The Land Bank’s public objective and mission is to lessen the burdens of the government by undertaking, promoting, and facilitating the return of vacant, abandoned, and tax delinquent properties to productive use in order to eliminate the harms and liabilities caused by such properties and to combat community deterioration in the County, that will include real estate development and management, real estate project finance, and other community-based economic and human services development activities permissible under the Not-for-Profit Corporation Law. The Land Bank is governed by a nine member board of directors. Members are appointed by the County Legislative Chair, confirmed by the County Legislature, and are subject to removal at the will of the County Legislature. Separately issued financial statements for the SCFC may be obtained by writing the Sullivan County Infrastructure Local Development Corporation, 1 Cablevision Center, Ferndale, New York 12734. No activity has been reported by the Land Bank for the year ended December 31, 2016.

Blended Component Unit—The following blended component unit is a legally separate entity from the County, but is, in substance, part of the County’s operations and therefore data from this unit is combined with data of the primary government.

Sullivan Tobacco Asset Securitization Corporation—The Sullivan Tobacco Asset Securitization Corporation (“STASC”) is a special purpose, bankruptcy remote, local development corporation organized under the Not-for-Profit Corporation Law of the State of New York and is an instrumentality of, but separate and apart from the County. STASC was incorporated for the sole purpose of issuing tobacco settlement asset backed bonds in order to provide funds to purchase from the County all of the County’s right, title, and interest in annual payments to be received in settlement of certain smoking-related litigation. Tobacco settlement bonds are payable only from the assets of STASC and are not legal obligations of the County. The Board of Directors of STASC consists of five members; the County Manager, the County's Commissioner of Financial Management, the Chairman of the County's Board of Legislators, the Majority Leader of the County's Board of Legislators and the Minority Leader of the County's Board of Legislators. Although legally separate and independent of the County, STASC is considered an affiliated organization under GASB and reported as a component unit of the County for financial reporting purposes and, accordingly, is included in the County’s financial statements. Separately issued financial statements for STASC may be obtained by writing the STASC, 100 North Street Monticello, New York 12701.

Basis of Presentation—Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government’s enterprise funds. Separate financial

statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the County has seven discretely presented component units: the College, the District, the IDA, the ECCEDC, the SCFC, the ILDC, and the Land Bank. These are aggregatedly presented within a single column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and various other functions of the County. Elimination of these changes would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—Fund Financial Statements

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

The County reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the County and is used to account for all operations not required to be accounted for in other funds.
- *County Road Fund*—The County Road Fund is used to record all revenues and expenditures related to road maintenance and construction throughout the County.
- *Refuse and Garbage Fund*—The Refuse and Garbage fund is used to record all revenues and expenditures related to the County's solid waste operations.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

The County reports the following nonmajor governmental funds:

Nonmajor Special Revenue Funds—These nonmajor governmental funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following special revenue funds are utilized:

- *Special Grant Fund*—The Special Grant Fund is used to account for financial assistance from Federal and State agencies.
- *Road Machinery Fund*—The Road Machinery Fund is used to record all revenues and expenditures related to purchase, repair, maintenance, and storage of highway machinery, tools, and equipment in accordance with New York State Laws.

Debt Service Fund—The Debt Service Fund is provided to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and for financial resources that are being accumulated for principal and interest maturing in future years.

The County reports the following major enterprise funds:

- *Sullivan County Adult Care Center (the “Adult Care Center”)*—The Adult Care Center is a nursing facility delivering long-term care and short-term rehabilitation services to the citizens of Sullivan County.
- *Sullivan Tobacco Asset Securitization Corporation (“STASC”)*—STASC is used to account for the receipt and disbursement of resources related to tobacco assets and related obligations.

Additionally, the County reports the following fund types:

Internal Service Funds—Internal service funds account for the operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The County has established its Workers’ Compensation Benefits Fund and Dental Fund as internal service funds.

Fiduciary Funds—These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. The following are the County’s fiduciary funds:

- *Agency Fund*—The Agency Fund is custodial in nature and does not involve measurement of results of operations. The Agency Fund accounts, such as payroll withholdings, are reported as liabilities.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/due to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., proprietary funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are recorded at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 90 days of the end of the current fiscal period and considers all other revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue sources (within 90 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and the amount is received during the period or within the availability period for this revenue sources (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus, but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—Cash and cash equivalents include cash on hand, demand deposits, time deposits, and short-term, highly liquid investments which are readily convertible to known amounts of cash and have a maturity date of 90 days or less from the date of acquisition. State statutes and various resolutions of the County Legislature govern the County’s investment policies. Permissible investments include obligations of the U.S. Treasury and U.S. Government agencies, repurchase agreements and obligations of New York State or its localities. Investments are stated at fair value based on quoted market prices. The County reported investments of \$75,046,254 at December 31, 2016.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent amounts to support restricted fund balance, amounts with constraints placed on their use by either external parties and/or statute and for unearned revenues.

Receivables—Receivables are stated net of allowances for estimated uncollectible amounts. Amounts due from state and federal governments represent amounts owed to the County to reimburse it for expenditures incurred pursuant to state and federally funded programs.

Capital Assets—Capital assets, which include property, buildings, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements, as well as within the individual proprietary funds. Capital assets are defined by the County as assets with an individual cost or fair market value of more than \$25,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at estimated fair market value at the date of its donation.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlay for capital assets and improvements are capitalized as projects are incurred.

The County depreciates capital assets using a straight line method over the following estimated useful lives:

Class of Asset	Years
Buildings and building improvements	20-50
Machinery and equipment	5-20
Infrastructure	25

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 highway vehicle 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).

Unearned Revenues—Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial purposes. At December 31, 2016, the County reported unearned revenues within the General Fund of \$58,067.

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. At December 31, 2016, the County has two items that qualify for reporting in this category. The first item is a deferred charge on refunding which the County reports within its governmental activities. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the government-wide financial statements, as well as within individual proprietary funds. This represents the effect of the net change in the County’s proportion of the collective net pension liability, the difference during the measurement period between the County’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension system made subsequent to the measurement date.

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. At December 31, 2016, the County has two items that qualify for reporting in this category. The first item, reported within the governmental fund financial statements represents unavailable revenues from property taxes. This amount is deferred and recognized

as an inflow of resources in the period that the amount becomes available. The final item represents the effect of the net change in the County's proportion of the collective net pension liability and the difference during the measurement periods between the County's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide financial statements.

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 report 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 considered to be applied. It is the County's position to consider restricted—net position to have been depleted before unrestricted—net position is applied.

Fund Balance Flow Assumptions—Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The County Legislature is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Fund balance is assigned through recommendation by the County Manager and County Treasurer, subsequent to review and acceptance and/or modification by the appropriate committee of the Legislature. The Legislature may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenses/Expenditures

Program Revenues—Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including

those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary Funds Operating and Nonoperating Revenues and Expenses—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 Adult Care Center, STASC, and internal services funds are charges to customers and interfund/intergovernmental entities for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property Taxes—Real property taxes attach as an enforceable lien on real property and are levied on January 1st, payable without penalty to January 31st. The towns located within the County are responsible for the billing and collection of County taxes. The towns are responsible for collection through March 31st, at which time the collection process is transferred to the County. At that time, a 5% penalty is added to the unpaid amounts. Payments received subsequent to March 31st are also charged interest at 1 % per month on the unpaid tax. The towns retain from their gross tax collection the full amount of their respective levies and return the balance of such collections, which includes the collection of relieved school district taxes, where applicable, to the County.

The County is also responsible for collecting and enforcing delinquent school taxes. Such taxes are collected by the school districts located within the County between September 1st and November 15th. On or about November 15th, the tax receivers of the school districts transmit the school tax rolls together with a listing of unpaid taxes to the appropriate school authorities. The school districts must certify such listing of unpaid taxes and transmit said listing to the County. Unpaid school taxes are relieved as part of the County tax bill due on January 1st of the next calendar year and thereafter collected and enforced in the same manner as County real property taxes. The County must satisfy the full amount of the unpaid school taxes no later than April 1st of the year following the levy of such taxes.

At December 31, 2016, the total real property tax assets relating to the County of \$29,882,323 net of an allowance for uncollectible taxes of \$1,584,985. Included in real property tax assets are current year returned school taxes of \$14,745,756, which are offset by liabilities to the school districts. The remaining portion of tax assets is partially offset by deferred inflows of resources—property taxes of \$10,976,392 in the General Fund and represents tax liens which not collected within the first sixty (60) days of the subsequent year.

Compensated Absences—The County employees are entitled, with certain limitations, to accrue sick leave and vacation time. Estimated sick leave and vacation time is accumulated by governmental fund type employees and reported as a liability and expense in the government-wide financial statements under governmental activities. For proprietary fund type employees, the accumulation is recorded as a noncurrent liability of the proprietary fund type. The compensated absences liability for the County’s governmental and business-type activities at December 31, 2016 totaled \$3,285,512 and \$351,639, respectively, and are reported in the government-wide financial statements and proprietary fund financial statements.

Pensions—The County is mandated by New York State law to participate in the New York State Teachers’ Retirement System (“TRS”) and the New York State Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension (asset)/liability, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported

by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 7.

Other Post-employment Benefits—In addition to providing pension benefits, the County provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 8.

Other

Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2016, the County implemented GASB Statement No. 72, *Fair Value Measurement and Application*; No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; No. 77, *Tax Abatement Disclosures*; No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; and No. 79, *Certain External Investment Pools and Pool Participants*. The objective of GASB Statement No. 72 is to enhance comparability of financial statements among governments by requiring measurements of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The objective of GASB Statement No. 73 is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The objective of GASB Statement No. 76 is to reduce the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The objective of GASB Statement No. 77 is to improve financial reporting by state and local governments that enter into tax abatement agreements by requiring the disclosure of information about the nature and magnitude of tax abatements and will make these transactions more transparent to financial statement users. The objective of GASB Statement No. 78 is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The objective of GASB Statement No. 79 is to establish criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. GASB Statement Nos. 72, 73, 76, 77, 78 and 79 did not have a material impact on the County's financial position or results from operations.

Future Impacts of Accounting Pronouncements—The County has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*; No. 81, *Irrevocable Split-Interest Agreements*; and No. 82, *Pension Issues; an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for the year ending December 31, 2017, No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*; No. 85, *Omnibus 2017*, and No. 86, *Certain Debt Extinguishment Issues*, effective for the year ending December 31, 2018, and No. 83, *Certain Asset Retirement Obligations*; and No. 84, *Fiduciary Activities*, effective for the year ending December 31, 2019. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 74, 75,

80, 81, 82, 83, 84 85, and 86 will have on its financial position and results of operations when such statements are adopted.

Stewardship, compliance and accountability

Legal Compliance—Budgets—The County’s annual procedures in establishing the budgetary data reflected in the basic financial statements are described below.

- No later than November 15th, the County Manager submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- After public hearings are conducted to obtain taxpayer comments, no later than December 20th, the governing board adopts the budget.
- Annual appropriations are adopted and employed for control of the General, County Road, Refuse and Garbage, Road Machinery and Debt Service funds. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting except that encumbrances if any, are reported as a budgetary expenditure in the year of incurrence of the commitment for the purchase, as well when the actual expenditure occurs in the subsequent fiscal year. All unencumbered appropriations lapse at the end of the fiscal year. At January 1st, encumbrances carried forward from the prior year are reestablished as budgeted appropriations and expenditures.
- Capital projects funds are subject to individual project expenditures determined primarily by the cost of the project together with the requirements for external borrowings used to fund a particular project rather than annual appropriations. These budgets do not lapse at year end and are carried over to the completion of the project.

Additional information regarding the County’s budgets can be found in the Required Supplementary Information section of this report.

Deficit Net Position—At December 31, 2016, the Workers’ Compensation Benefits Fund, which is reported within the Internal Service Fund, reported a deficit net position of \$841,049. This deficit results primarily from the recognition of long-term liabilities related to the workers’ compensation self-insured plan. The County anticipates that this fund deficit will be remedied through future premiums reimbursed by the appropriate County funds.

2. RESTATEMENT OF NET POSITION AND FUND BALANCE

For the fiscal year ended December 31, 2016, the County has restated beginning net position within Internal Service Funds and fund balance within the County’s governmental funds to adjust workers’ compensation expenses related to prior periods. As a result, net position of the Workers’ Compensation Benefits Fund decreased by \$1,786,869 and fund balance within the General Fund, County Road Fund, Refuse and Garbage Fund, and Road Machinery Fund increased by \$1,595,703, \$124,286, \$33,435, and \$33,445, respectively.

During the year ended December 31, 2016, the County elected to change its method of recording rehabilitation loans. These loans will be offset by restricted fund balance. Previously, these loans were offset by a deferred inflow of resources since the revenue was not available. As a result of this implementation, fund balance of the Special Grant Fund increased \$212,333, and deferred inflows of resources decreased by the same amount.

The County's net position and fund balance has been restated as shown below.

	<u>Internal Service Funds</u>
Net Position—December 31, 2015, as previously stated	\$ 421,672
Workers' Compensation	<u>(1,786,869)</u>
Net Position—December 31, 2015, as restated	<u>\$ (1,365,197)</u>
	<u>Governmental Funds</u>
Fund balance—December 31, 2015, as previously stated	\$ 27,764,747
Workers' Compensation	1,786,869
Loans Receivable	<u>212,333</u>
Fund balance—December 31, 2015, as restated	<u>\$ 29,763,949</u>

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The County's investment policies are governed by State statutes. In addition, the County has its own written investment policy.

County monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash, cash equivalents and investments at December 31, 2016 consisted of:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Petty cash (uncollateralized)	\$ 14,100	\$ 2,700	\$ -	\$ 16,800
Deposits	<u>63,348,772</u>	<u>5,343,644</u>	<u>2,634,131</u>	<u>71,326,547</u>
Total	<u>\$ 63,362,872</u>	<u>\$ 5,346,344</u>	<u>\$ 2,634,131</u>	<u>\$ 71,343,347</u>

Deposits—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2016 as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
FDIC insured	\$ 2,640,608	\$ 3,185,269
Uninsured:		
Collateral held by pledging bank's agent in the County's name	68,598,228	68,141,278
Uncollateralized	<u>1,442,766</u>	<u>-</u>
Total	<u>\$ 72,681,602</u>	<u>\$ 71,326,547</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As noted above, the State Statute all deposits in excess of

FDIC insurance coverage must be collateralized. As of December 31, 2016, \$1,442,766 of the County's deposits were not collateralized.

Restricted Cash—At December 31, 2016, total governmental activities reported restricted cash of \$20,987,370, of which \$58,067 is restricted for General Fund unearned revenue, \$20,256,388 represents Capital Project Fund unspent debt proceeds, and \$672,915 is related to Special Grant Fund revolving loan programs. Total business-type activities reported restricted cash of \$1,430,551 at December 31, 2016, of which \$202,712 is restricted for capital projects and \$123,820 represents patient deposits within the Adult Care Center Fund, and \$1,104,019 is restricted for debt service requirements within the STASC fund.

The terms of STASCs bond indenture provide for the establishment of a liquidity reserve. The reserve has been established at the maximum annual debt service requirements for Series 2016 Serial/Term Bonds and interest on 2016C Turbo Term Bonds in the current and any future fiscal year, assuming principal is paid in accordance with the requirements of the indenture.

Investments—Investments are reported at fair value. Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value of investments at December 31, 2016, categorized by the Fair Value hierarchy as Level 1, was as follows:

	Capital
	<u>Projects Fund</u>
U.S. Government Securities	<u>\$ 75,046,254</u>

Interest Rate Risk—In the case of investments, this is the risk that potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. There is the prospect of a loss should those securities be sold prior to maturity. There are no requirements limiting maturity of investments.

Custodial Credit Risk—Investments—In compliance with State law, the County’s investments are limited to special time deposit accounts in an authorized banking depository or trust company secured in the same manner prescribed by General Municipal law, Section 10; obligations of the United States of America; obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; obligations of the State of New York; obligations of other municipalities, school districts, or district corporation other than the County issued pursuant to Local Finance Law Section 24 or 25 (with approval of the State Comptroller’s Office); obligations of public benefit corporations, public housing authorities, urban renewal, agencies and industrial development agencies; certificates of deposit; and certain repurchase agreements and cooperative investments.

Sullivan Community College

Cash and Cash Equivalents—Deposits for the Collage totaled \$1,377,665 at August 31, 2016. As of August 31, 2016, \$49,897 of the College's bank balance of \$1,207,626 was exposed to custodial credit risk as they were uninsured and uncollateralized.

Investments—Investments for the College totaled \$1,653,628 at August 31, 2016 as reported by the Association, the Foundation, and Dormitory Corporation, component units of the College. The fair value investments of the Association, at August 31, 2016 totaled \$682,117. Fair value hierarchy information for investments reported by the Foundation, at August 31, 2016 was as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities			
Common stocks	\$ 583,424	\$ -	\$ 583,424
Mutual funds	29,536	-	29,536
Fixed income			
U.S. government agencies	-	45,017	45,017
Corporate and foreign bonds	-	263,125	263,125
Total	<u>\$ 612,960</u>	<u>\$ 308,142</u>	<u>\$ 921,102</u>

The fair value of investments of the Dormitory Corporation, at August 31, 2016 consisted of mutual funds measured at a fair value of \$50,409, categorized by the fair value hierarchy as Level 1.

Sullivan County Soil and Water Conservation District

Cash and Cash Equivalents—Deposits for the District totaled \$1,297,269 and were fully collateralized or insured at December 31, 2016.

Sullivan County Industrial Development Agency

Cash and Cash Equivalents—Cash and cash equivalents at the IDA totaled \$1,099,415 at December 31, 2016. The IDA’s aggregate bank balances included balances of \$1,401,375, which were not covered by depository insurance at year end, and collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the IDA’s name.

Restricted Cash and Cash Equivalents—At December 31, 2016, restricted cash and cash equivalents at the IDA totaled \$1,210,792, of which \$611,938 represents cash balances held in escrow accounts and \$373,956 represents cash balances associated with revolving loan accounts.

Emerald Corporate Center Economic Development Corporation

Cash and Cash Equivalents—Cash and cash equivalents at the ECCEDC totaled \$16,128 at December 31, 2016. The balance was within FDIC insurance limits at December 31, 2016.

Sullivan County Funding Corporation

Cash and Cash Equivalents—Cash and cash equivalents at the SCFC totaled \$1,390,277 at December 31, 2016. The SCFC's aggregate bank balances included balances of \$1,140,392, which were not covered by depository insurance at year end, and collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the SCFC's name.

Sullivan County Infrastructure Local Development Corporation

Cash and Cash Equivalents—At December 31, 2016, deposits at the ILDC totaled \$459,755 and were fully collateralized or insured.

Investments—Investments, which are in accordance with the provisions of a Trust Indenture, are reported at cost and totaled \$25,901,267 at December 31, 2016.

4. RECEIVABLES

Accounts Receivable—Represents amounts due from various sources. The County's accounts receivable and related allowances for estimated uncollectible amounts at December 31, 2016 are presented below.

	<u>Gross Receivable</u>	<u>Allowance for Uncollectables</u>	<u>Net Receivable</u>
Governmental funds:			
General Fund	\$ 13,414,732	\$ -	\$ 13,414,732
County Road Fund	40,968	-	40,968
Refuse and Garbage Fund	1,023,426	(410,886)	612,540
Capital Projects Fund	51,736	-	51,736
Nonmajor governmental funds	703	-	703
Total governmental funds	<u>\$ 14,531,565</u>	<u>\$ (410,886)</u>	<u>\$ 14,120,679</u>
Proprietary funds:			
Adult Care Center	\$ 2,394,785	\$ (550,068)	\$ 1,844,717
Internal Service Funds	8,469,025	-	8,469,025
Total proprietary funds	<u>\$ 10,863,810</u>	<u>\$ (550,068)</u>	<u>\$ 10,313,742</u>

Taxes Receivable—Represents amounts due from County taxpayers that remain unpaid. At December 31, 2016 the County recorded \$28,297,338 related to taxes receivable. These amounts are reported net of an allowance for uncollectible taxes provisions of \$1,584,985.

Loans Receivable—The County established a home repair program to provide deferred payment loans to low and moderate-income persons for necessary rehabilitation improvements to housing units. Upon completion of a loan project, the disbursement of loan proceeds is recognized with a corresponding rehabilitation loans receivable within the Special Grants Fund. The rehabilitation loans receivable is reduced upon repayment. Undisbursed funds associated with rehabilitation loans are maintained in a separate interest bearing bank account and reported as restricted cash within the Special Grants Fund.

The loans receivable balance of disbursed rehabilitation loans and restricted cash balance of undisbursed rehabilitation loans are offset by restricted fund balance as they represents funds which are subject to externally enforceable legal restrictions.

At December 31, 2016 the County reported loans receivable of \$540,261, an allowance for uncollectable amounts of \$299,200, and restricted cash of \$672,915 related to the home repair program.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State or other local governments. Intergovernmental receivables at December 31, 2016 are as shown on below.

Governmental funds:	
General Fund	\$ 13,541,502
County Road Fund	1,067,481
Refuse and Garbage Fund	12,534
Capital Projects Fund	1,292,831
Nonmajor Governmental Funds	43,112
Total	<u>\$ 15,957,460</u>
Proprietary funds:	
Adult Care Center	<u>\$ 4,928,094</u>

Sullivan County Community College

Accounts Receivable—Accounts receivable at the College are shown net of allowance for doubtful accounts and consist of the following at August 31, 2016:

	<u>Gross Receivable</u>	<u>Allowance for Uncollectables</u>	<u>Net Receivable</u>
Primary institution	\$ 1,444,051	\$ (500,050)	\$ 944,001
Association	1,118	-	1,118
Dormitory corporation	132,244	-	132,244
Total	<u>\$ 1,577,413</u>	<u>\$ (500,050)</u>	<u>\$ 1,077,363</u>

Intergovernmental Receivables—The majority of the funds reflected in this account for the College consist of appropriations from various government levels and other sponsorships of academic and other programs for student aid.

Loans Receivable—Represents funds due from students advanced to the College by the Federal government under the Federal Perkins Loans Program.

Sullivan County Industrial Development Agency

Accounts Receivable—Accounts receivable for the IDA at December 31, 2016 amounted to \$22,329.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State or other local governments. Intergovernmental receivables for the IDA at December 31, 2016 for the IDA amounted to \$320,000.

Notes Receivable—Notes receivable consists of amounts due from various business entities within Sullivan County. The purpose of these notes is to help local businesses expand and develop. Notes receivable for IDA at December 31, 2016 amounted to \$373,965.

Leases Receivable—The IDA entered into an agreement to lease equipment to a company at a rate of \$482 per month over 84 months. The lease matures in October 2023, at which time the company has the option of purchasing the equipment for \$4,345. Since the present value of the minimum lease payments are at least 90% of the value of the equipment, the transaction is being treated as a direct financing lease, which means the IDA is financing the in-substance purchase of the property by the lessee. The interest portion of the transaction of \$1,401 has been deferred and will be recognized as interest income over the term of the lease on a straight line basis. Leases receivable for the IDA at December 31, 2016 amounted to \$43,887, of which \$5,787 is collectable within a year.

Sullivan County Funding Corporation

Notes receivable—Represents amounts due from various business entities within the County. The purpose of these notes is to help local businesses expand and develop. Interest earned on the notes is reported as operating revenue in the year it is received. Notes receivable for the SCFC at December 31, 2016 amounted to \$167,926, of which \$56,860 is collectable within a year.

5. CAPITAL ASSETS

Governmental activities—Capital asset activity for the primary government’s governmental activities, for the year ended December 31, 2016, was as follows:

	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Capital assets, not being depreciated:				
Land	\$ 8,659,087	\$ 66,600	\$ -	\$ 8,725,687
Construction in progress	10,354,593	12,778,242	7,871,975	15,260,860
Total capital assets, not being depreciated	<u>19,013,680</u>	<u>12,844,842</u>	<u>7,871,975</u>	<u>23,986,547</u>
Capital assets, being depreciated:				
Land improvements	18,061,676	47,221	-	18,108,897
Buildings and building improvements	46,143,281	206,997	-	46,350,278
Machinery and equipment	32,515,704	2,121,689	1,539,420	33,097,973
Infrastructure	229,483,734	23,909,508	-	253,393,242
Total capital assets, being depreciated	<u>326,204,395</u>	<u>26,285,415</u>	<u>1,539,420</u>	<u>350,950,390</u>
Less accumulated depreciation for:				
Land improvements	14,726,273	386,145	-	15,112,418
Buildings and building improvements	18,733,233	912,245	-	19,645,478
Machinery and equipment	25,525,849	1,663,680	1,539,420	25,650,109
Infrastructure	130,133,330	8,609,815	-	138,743,145
Total accumulated depreciation	<u>189,118,685</u>	<u>11,571,885</u>	<u>1,539,420</u>	<u>199,151,150</u>
Total capital assets, being depreciated, net	<u>137,085,710</u>	<u>14,713,530</u>	<u>-</u>	<u>151,799,240</u>
Governmental activities capital assets, net	<u>\$ 156,099,390</u>	<u>\$ 27,558,372</u>	<u>\$ 7,871,975</u>	<u>\$ 175,785,787</u>

Depreciation expense for governmental activities was charged to functions and programs of the primary government's governmental activities as follows:

General government support	\$ 488,384
Education	326,423
Public safety	652,712
Public health	128,114
Transportation	8,207,862
Economic assistance and opportunity	48,792
Culture and recreation	107,180
Home and community services	<u>1,612,418</u>
Total governmental activities	<u>\$ 11,571,885</u>

Business-type activities—Capital asset activity for the primary government's business-type activities for the year ended December 31, 2016, was as follows:

	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Capital assets, not being depreciated:				
Land	\$ 44,800	\$ -	\$ -	\$ 44,800
Construction in progress	<u>78,100</u>	<u>-</u>	<u>78,100</u>	<u>-</u>
Total capital assets, not being depreciated	<u>122,900</u>	<u>-</u>	<u>78,100</u>	<u>44,800</u>
Capital assets, being depreciated:				
Buildings and improvements	12,208,558	40,809	-	12,249,367
Land improvements	87,600	-	-	87,600
Machinery and equipment	<u>596,602</u>	<u>218,909</u>	<u>-</u>	<u>815,511</u>
Total capital assets, being depreciated	<u>12,805,160</u>	<u>259,718</u>	<u>-</u>	<u>13,064,878</u>
Less accumulated depreciation for:				
Buildings and improvements	9,748,139	298,939	-	10,047,078
Land improvements	87,600	-	-	87,600
Machinery and equipment	<u>451,147</u>	<u>21,664</u>	<u>-</u>	<u>472,811</u>
Total accumulated depreciation	<u>10,199,286</u>	<u>320,603</u>	<u>-</u>	<u>10,519,889</u>
Total capital assets, being depreciated, net	<u>2,605,874</u>	<u>(60,885)</u>	<u>-</u>	<u>2,544,989</u>

Sullivan County Community College

Capital asset activity for the College, for the year ended August 31, 2016, was as follows:

	Balance 9/1/2015	Increases	Decreases	Balance 8/31/2016
Capital assets, not being depreciated:				
Land	\$ 277,445	\$ -	\$ -	\$ 277,445
Construction in progress	151,525	-	151,525	-
Total capital assets, not being depreciated	<u>428,970</u>	<u>-</u>	<u>151,525</u>	<u>277,445</u>
Capital assets, being depreciated:				
Building and improvements	45,478,622	560,659	-	46,039,281
Furniture and equipment	5,052,641	187,731	43,179	5,197,193
Total capital assets, being depreciated	<u>50,531,263</u>	<u>748,390</u>	<u>43,179</u>	<u>51,236,474</u>
Less accumulated depreciation for:				
Building and improvements	27,214,442	1,541,875	-	28,756,317
Furniture and equipment	3,620,997	498,160	43,179	4,075,978
Total accumulated depreciation	<u>30,835,439</u>	<u>2,040,035</u>	<u>43,179</u>	<u>32,832,295</u>
Total capital assets, being depreciated, net	<u>19,695,824</u>	<u>(1,291,645)</u>	<u>-</u>	<u>18,404,179</u>
Total capital assets, net	<u>\$ 20,124,794</u>	<u>\$ (1,291,645)</u>	<u>\$ 151,525</u>	<u>\$ 18,681,624</u>

Sullivan County Soil and Water Conservation District

Capital asset activity for the District, for the year ended December 31, 2016, was as follows:

	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Capital assets, being depreciated:				
Buildings	\$ 55,197	\$ -	\$ -	\$ 55,197
Machinery and equipment	144,620	28,632	-	173,252
Total capital assets, being depreciated	<u>199,817</u>	<u>28,632</u>	<u>-</u>	<u>228,449</u>
Less accumulated depreciation for:				
Buildings	37,260	1,380	-	38,640
Machinery and equipment	112,987	13,146	-	126,133
Total accumulated depreciation	<u>150,247</u>	<u>14,526</u>	<u>-</u>	<u>164,773</u>
Total capital assets, being depreciated, net	<u>\$ 49,570</u>	<u>\$ 14,106</u>	<u>\$ -</u>	<u>\$ 63,676</u>

Sullivan County Industrial Development Agency

Capital asset activity for the IDA, for the year ended December 31, 2016, was as follows:

	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Capital assets, not being depreciated:				
Construction in progress	\$ 1,721,857	\$ 31,132	\$ 1,752,989	\$ -
Buildings and improvements	-	1,590,086	-	1,590,086
Equipment	-	162,903	43,451	119,452
Total capital assets, not being depreciated	<u>1,721,857</u>	<u>1,784,121</u>	<u>1,796,440</u>	<u>1,709,538</u>
Capital assets, being depreciated:				
Equipment	466,283	245,353	-	711,636
Less: accumulated depreciation	<u>77,877</u>	<u>23,262</u>	<u>-</u>	<u>101,139</u>
Total capital assets, being depreciated, net	<u>388,406</u>	<u>222,091</u>	<u>-</u>	<u>610,497</u>
Governmental activities capital assets, net	<u>\$ 2,110,263</u>	<u>\$ 2,006,212</u>	<u>\$ 1,796,440</u>	<u>\$ 2,320,035</u>

Emerald Corporate Center Economic Development Corporation

Capital asset activity for the ECCEDC, for the year ended December 31, 2016, was as follows:

	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Capital assets, not being depreciated				
Construction-in-progress	<u>\$ 1,442,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,442,461</u>

Sullivan County Infrastructure Local Development Corporation

Capital asset activity for the ILDC, for the year ended December 31, 2016, was as follows:

	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Capital assets, not being depreciated				
Construction-in-progress	<u>\$ -</u>	<u>\$ 69,333,924</u>	<u>\$ -</u>	<u>\$ 69,333,924</u>

6. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at December 31, 2016, were as follows:

	General Fund	County Road Fund	Refused and Garbage Fund	Nonmajor Funds	Total Governmental Funds
Salaries and employee benefits	<u>\$ 2,322,579</u>	<u>\$ 319,808</u>	<u>\$ 86,400</u>	<u>\$ 98,072</u>	<u>\$ 2,826,859</u>

7. PENSION OBLIGATIONS

The County participates in the New York State and Local Employees' Retirement System ("ERS"), which is collectively referred to as the New York State and Local Retirement System (the "System"). This cost-sharing multiple-employer public employee retirement system computes contribution retirements based on the New York State Retirement and Social Security Law ("NYSRSSL").

Plan Descriptions and Benefits Provided—The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the NYSRSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The system is noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010, who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions—At December 31, 2016, the County reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2016. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of April 1, 2015, with update procedures used to roll forward the total net pension liability to the measurement date. The County's proportion of the net pension liability was based on projections of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the County.

	Governmental Activities	Business-type Activities
	ERS	
Measurement date	March 31, 2016	March 31, 2016
Net pension liability	\$ 30,490,042	\$ 4,193,799
County's portion of the Plan's total net pension liability	0.1899655%	0.0261291%

For the year ended December 31, 2016, the County recognized pension expense of \$10,490,372 and \$1,442,914 for ERS for governmental activities and business-type activities, respectively. At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown on the following page.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
	ERS			
Differences between expected and actual experiences	\$ 154,073	\$ 21,192	\$ 3,614,086	\$ 497,105
Changes of assumptions	8,130,775	1,118,360		
Net difference between projected and actual earnings on pension plan investments	18,088,366	2,487,992	1,485,676	204,349
Changes in proportion and differences between the County's contributions and proportionate share of contributions	79,759	10,971	-	-
County contributions subsequent to the measurement date	5,025,656	692,270	-	-
Total	<u>\$ 31,478,629</u>	<u>\$ 4,330,785</u>	<u>\$ 5,099,762</u>	<u>\$ 701,454</u>

The County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Governmental	Business-type
	Activities	Activities
	ERS	
2017	\$ 5,358,167	\$ 734,265
2018	5,358,167	734,265
2019	5,358,167	734,265
2020	5,278,711	734,266

Actuarial Assumptions—The total pension liability for the March 31, 2016 measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. The actuarial valuations used the actuarial assumptions presented on the following page.

	<u>ERS</u>
Actuarial cost method	Entry age normal
Inflation	2.5%
Salary scale	3.8% indexed by service
Investment rate of return, including inflation	7.0% compounded annually, net of investment expenses
Cost-of-living adjustments	1.3% annually
Decrement	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014

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

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
	<u>ERS</u>	
Measurement date	<u>March 31, 2016</u>	
Asset class:		
Domestic equities	38.0 %	7.3 %
International equities	13.0	8.6
Private equity	10.0	11.0
Real estate	8.0	8.3
Absolute return strategies	3.0	6.8
Opportunistic portfolio	3.0	8.6
Real assets	3.0	8.7
Bonds and mortgages	18.0	4.0
Cash	2.0	2.3
Inflation-indexed bonds	<u>2.0</u>	4.0
Total	<u>100.0 %</u>	

Discount Rate—The discount rate used to calculate the total pension liabilities was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below presents the County’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.0%, as well as what the County’s proportionate share of the net pension liability/(asset) would be if they were calculated using a discount rate that is one percentage-point lower (6.0%) or one percentage-point higher (8.0%) than the current assumption.

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Governmental Activities:			
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 68,752,830	\$ 30,490,042	\$ (1,840,379)
Business-type Activities:			
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 9,456,712	\$ 4,193,799	\$ (253,138)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liabilities of the employers as of the valuation dates, were as follows:

	(Dollars in Thousands)
	ERS
Measurement date	March 31, 2016
Employers' total pension liability	\$ 172,303,544
Plan fiduciary net position	<u>156,253,265</u>
Employers' net pension liability	<u>\$ 16,050,279</u>
System fiduciary net position as a percentage of total pension liability	90.68%

Sullivan County Community College

The College participates in the ERS and the Teachers’ Retirement System (“TRS”).

Plan Description and Benefits Provided

Employees’ Retirement System—The plan description is the same as disclosed within the County’s footnote.

Teachers’ Retirement System—The College participates in the New York State Teachers’ Retirement System (“TRS”). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report

which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

TRS is noncontributory except for employees who joined after July 27, 1976, who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between three percent (3%) and six percent (6%) depending on salary levels for their entire length of service. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS and by its Board of Trustees. The employer contribution rate for the plan's year ending in 2016 was 13.26%.

Pension Assets, Liabilities, Pension Expense, Deferred Outflows of Resources, and Inflows of Resources Related to Pensions—At August 31, 2016, the College reported the liabilities presented on the following page for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2016 for ERS and June 30, 2015 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS and TRS in reports provided to the College.

Measurement date	TRS		ERS	
	June 30, 2016		March 31, 2016	
Net pension liability	\$	90,296	\$	1,991,469
College's portion of the Plan's total net pension liability		0.008431%		0.012408%

For the year ended August 31, 2016, the College recognized pension expense \$356,690 for the TRS and \$670,717 for ERS. At August 31, 2016, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experiences	\$ -	\$ 10,063	\$ 29,333	\$ 236,055
Changes of assumptions	514,383	531,065	-	-
Net difference between projected and actual earnings on pension plan investments	203,033	1,181,449	-	-
Changes in proportion and differences between the College's contributions and proportionate share of contributions	636	5,210	22,299	97,038
College contributions subsequent to the measurement date	30,780	200,000	-	-
Total	<u>\$ 748,832</u>	<u>\$ 1,927,787</u>	<u>\$ 51,632</u>	<u>\$ 333,093</u>

Amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending August 31,	TRS	ERS
2017	\$ 59,303	\$ 349,971
2018	59,303	349,971
2019	216,983	349,971
2020	167,924	344,781
2021	75,120	-
Thereafter	87,787	-

Actuarial Assumptions—The total pension liability at June 30, 2016 was determined using an actuarial valuation as of June 30, 2015, with update procedures used to roll forward the total pension liability to June 30, 2016. Total pension liability at June 30, 2015 was determined by an actuarial valuation as of June 30, 2014, with update procedures used to roll forward the total pension liability to June 30, 2015. For ERS, the actuarial assumptions used are the same as disclosed within the County’s footnote. For TRS, the actuarial valuations used the actuarial assumptions presented below.

	TRS										
Inflation	2.5%										
Salary scale	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience as follows:										
	<table border="1"> <thead> <tr> <th style="text-align: center;">Service</th> <th style="text-align: center;">Rate (%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">4.72</td> </tr> <tr> <td style="text-align: center;">15</td> <td style="text-align: center;">3.46</td> </tr> <tr> <td style="text-align: center;">25</td> <td style="text-align: center;">2.37</td> </tr> <tr> <td style="text-align: center;">35</td> <td style="text-align: center;">1.90</td> </tr> </tbody> </table>	Service	Rate (%)	5	4.72	15	3.46	25	2.37	35	1.90
Service	Rate (%)										
5	4.72										
15	3.46										
25	2.37										
35	1.90										
Projected cost-of-living adjustments	1.5% compounded annually										
Investment rate of return	7.0% compounded annually, net of pension plan investment expense, including inflation										
Mortality	Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2014, applied on a generational basis. Active member mortality rates are based on plan member experience.										
Experience period	The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.										

For ERS, the long-term rate of return on pension plan investments is the same as disclosed within the County’s footnote.

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return

(expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below.

Measurement date Asset class:	Target Allocation	Long-Term Expected Real Rate of Return*
	TRS	
	June 30, 2016	
Domestic equities	37.0 %	6.1 %
International equities	18.0	7.3
Real estate	10.0	5.4
Alternative investments	7.0	9.2
Domestic fixed income securities	17.0	1.0
Global fixed income securities	2.0	0.8
Mortgages	8.0	3.1
Short-term	1.0	0.1
Total	<u>100.0</u> %	

*Real rate of return are net of the long-term inflation assumption of 2.1%.

Discount Rate—The discount rate used to calculate the total pension liabilities was 7.0% for ERS and 7.5% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart on the following page presents the College’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.0% for ERS and 7.5% for TRS, as well as what the College’s proportionate share of the net pension liability/(asset) would be if they were calculated using a discount rate that is one percentage-point lower (6.0% for ERS and 6.5% for TRS) or one percentage-point higher (8.0% for ERS and 8.5% for TRS) than the current assumption.

TRS	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability/(asset)	\$ 1,178,114	\$ 90,296	\$ (822,109)

ERS	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension liability/(asset)	\$ 4,490,619	\$ 1,991,469	\$ (120,205)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability/(asset) of the employers as of the valuation dates were as follows:

	(Dollars in Thousands)		
	TRS	ERS	Total
Measurement date	June 30, 2016	March 31, 2016	
Employers' total pension liability	\$ 108,577,184	\$ 172,303,544	\$ 280,880,728
Plan fiduciary net position	<u>107,506,142</u>	<u>156,253,265</u>	<u>263,759,407</u>
Employers' net pension liability	<u>\$ 1,071,042</u>	<u>\$ 16,050,279</u>	<u>\$ 17,121,321</u>
System fiduciary net position as a percentage of total pension liability	99.01%	90.68%	93.90%

Voluntary Defined Contribution Plan—The College also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the College will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Teachers' Insurance and Annuity Association College Retirement Equities Fund—The College participates in the Teachers' Insurance and Annuity Association College Retirement Equities Fund ("TIAA-CREF"). TIAA-CREF is a cost sharing multiple-employer defined contribution pension plan. The System provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. TIAA-CREF issues publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing the Teacher's Insurance and Annuity Association - College Retirement Equities Fund, 730 Third Avenue, New York, New York 10017.

TIAA-CREF is a privately operated defined contribution retirement plan which provides benefits to certain employees of the College. Under the plan, the College is required to make contributions based on gross salaries of the participants as shown on the following page.

Tier	Dates	Contribution
Tier 1	Membership prior to July 1, 1973	12% of the first \$16,500 of salary per calendar year, and 15% of all salary above \$16,500
Tier 2	July 1, 1973 - July 26 1976	12% of the first \$16,500 of salary per calendar year, and 15% of all salary above \$16,500
Tier 3	July 27, 1976 - August 31, 1983	9% of the first \$16,500 of salary per calendar year, and 12% of all salary above \$16,500
Tier 4	September 1, 1983 - July 16, 1992	9% of the first \$16,500 of salary per calendar year, and 12% of all salary above \$16,500
Tier 5	July 17, 1992 - March 31, 2012	8% of the first seven years of service, and 10% thereafter
Tier 6	April 1, 2012 and thereafter	8% of the first seven years of service, and 10% thereafter

Upon the completion of 366 days of service a lump sum contribution is made by the College for this initial vesting period and each pay period thereafter. An employee contribution of 3% of pay is required for Tiers 3, 4 and 5 which is eliminated after 10 years of service when the College will make an additional 3% contribution for these employees. The tier 6 employee contribution is required for the duration of their membership as follows:

Wages of \$45,000 or less	3.00%
Wages of \$45,000.01 - \$55,000	3.50%
Wages of \$55,000.01 - \$75,000	4.50%
Wages of \$75,000.01 - \$100,000	5.75%
Wages greater than \$100,000	6.00%

For the year ended August 31, 2016, employee contributions totaled \$31,099 and the College recognized pension expense of \$404,834.

At August 31, 2016, the College reported payables to the defined contribution pension plan of \$6,570 for legally required employer contributions and \$2,400 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA-CREF.

Sullivan County Soil and Water Conservation District

Employees' Retirement System—The plan description is the same as disclosed within the County's footnote.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2016, the District reported the liability presented on the following page for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to the measurement date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined.

	<u>ERS</u>
Measurement date	March 31, 2016
Net pension liability	\$ 190,018
District's portion of the Plan's total Net pension liability	0.001184%

For the year ended December 31, 2016, the District recognized ERS pension expense of \$65,663 for governmental activities. At December 31, 2016 the District reported deferred outflows of resources and deferred inflows of resources related to pensions as listed below.

	<u>ERS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 960	\$ 22,523
Changes in assumption	50,627	-
Net difference between projected and actual earnings on pension plan investments	112,729	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	48	8,945
District contributions subsequent to the measurement date	34,148	-
Total	<u>\$ 198,512</u>	<u>\$ 31,468</u>

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

<u>Year Ended December 31,</u>	<u>ERS</u>
2017	\$ 33,753
2018	33,753
2019	33,753
2020	31,681

Actuarial Assumptions—The total pension liability as of the measurement date was determined by using the same actuarial valuations as disclosed within the County's footnote.

Discount Rate—The discount rate used to calculate the total pension liability was as the same as disclosed within the County's footnote.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart on the following page presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.0%, as well as what the County's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (6.0%) or one percentage-point higher (8.0%) than the current assumption.

<u>ERS</u>	<u>Decrease (6.0%)</u>	<u>Assumption (7.0%)</u>	<u>Increase (8.0%)</u>
Employer's proportionate share of the net pension liability	\$ 428,477	\$ 190,018	\$ (11,469)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability of the employers as of the respective valuation dates, were as the same as disclosed within the County’s footnote.

8. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

Plan Description—In addition to providing pension benefits, the County provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees' covered and the percentage of contribution.

There have been no significant changes in the number of employees covered. The number of participants as of January 1, 2015, the effective date of the biannual OPEB valuation, is as follows:

Active employees	796
Retired employees	<u>457</u>
Total	<u><u>1,253</u></u>

Funding Policy—Contributions by the primary government may vary according to length of service. The cost of providing post-employment health care benefits is shared between the County and the retired employee. Substantially all employees may become eligible for those benefits if they reach normal retirement age and length of service requirement while working for these entities. The cost of retiree health care benefits is recognized as an expenditure as premiums are paid within the governmental funds.

Annual OPEB cost and net OPEB obligation—The County’s annual OPEB cost is calculated based on the annual required contribution (“ARC”) of the employer, an amount actuarially determined in accordance with the parameters of GASB. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The tables on the following page show the components of the County’s annual OPEB cost for the years ended December 31, 2016, December 31, 2015, and December 31, 2014, the amount actually contributed to the Plan, and changes in the County’s net OPEB obligation.

	Governmental Activities		
	Year Ended December 31,		
	2016	2015	2014
Annual required contribution ("ARC")	\$ 16,099,136	\$ 15,407,385	\$ 12,799,433
Interest on net OPEB obligation	3,175,283	2,767,608	2,471,186
Adjustment to ARC	(4,502,969)	(3,924,832)	(3,504,467)
Annual OPEB cost (expense)	14,771,450	14,250,161	11,766,152
Contributions made	(4,797,145)	(4,438,487)	(4,632,053)
Increase in net OPEB obligation	9,974,305	9,811,674	7,134,099
Net OPEB obligation—beginning	76,420,772	66,609,098	59,474,099
Net OPEB obligation—ending	<u>\$ 86,395,077</u>	<u>\$ 76,420,772</u>	<u>\$ 66,608,198</u>
Percentage of ARC contributed	29.8%	28.8%	36.2%

	Business-type Activities		
	Year Ended December 31,		
	2016	2015	2014
Annual required contribution ("ARC")	\$ 2,280,411	\$ 2,143,313	\$ 1,703,792
Interest on net OPEB obligation	474,942	403,465	351,154
Adjustment to ARC	(673,530)	(572,167)	(497,982)
Annual OPEB cost (expense)	2,081,823	1,974,611	1,556,964
Contributions made	(281,406)	(254,358)	(297,958)
Increase in net OPEB obligation	1,800,417	1,720,253	1,259,006
Net OPEB obligation—beginning	11,430,612	9,710,359	8,451,353
Net OPEB obligation—ending	<u>\$ 13,231,029</u>	<u>\$ 11,430,612</u>	<u>\$ 9,710,359</u>
Percentage of ARC contributed	12.3%	11.9%	17.5%

The County's schedule of contributions for the most recent three years is shown below.

Year Ended December 31,	Annual OPEB Cost	Contributions Made	Percentage Contributed	Net OPEB Obligation
2016	\$ 16,853,273	\$ 5,078,551	30.1%	\$ 99,626,106
2015	16,224,772	4,692,845	28.9%	87,851,384
2014	13,323,116	4,930,011	37.0%	76,319,457

Funding Status and Funding Progress—As of December 31, 2016, the plan was not funded. The annual required contribution for 2016 was determined based on an actuarial valuation performed as of January 1, 2015 with interim procedures performed as of January 1, 2016. The actuarial accrued liability for benefits was \$209,896,049. There were no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was \$46,925,596 and the ratio of the Unfunded Actuarial Accrued Liability (UAAL) to the covered payroll is 447.3 percent.

Actuarial Methods and Assumptions—Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposed are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 interim actuarial valuation, the liabilities were computed using the projected unit credit method. The actuarial assumptions utilized an inflation rate of 2.25% and an investment rate of return of 4.16%. The valuation assumes healthcare cost trends as follows: pre-65 medical, 7.50%; post-65 medical, 6.50%, prescription, 10.50%, and medicare part B, 5.80%. The amortization basis is the level dollar method with an open amortization approach with 20 years remaining in the amortization period.

As of December 31, 2016, the mortality assumption was revised to the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with Scale MP-2014, and then adjusted for mortality improvements with the Scale MP-2016 mortality improvement scale on a generational basis. In addition, the mortality assumption was revised to the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with Scale MP-2014, and then adjusted for mortality improvements with the Scale MP-2016 mortality improvement scale on a generational basis. The revised assumptions resulted in a minimal decrease in liabilities.

Sullivan County Community College

Plan Description—In addition to providing pension benefits, the College provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution.

The number of participants as of August 31, 2016 was as follows:

Active employees	113
Retired employees	<u>113</u>
Total	<u><u>226</u></u>

Funding Policy—Contributions by the College may vary according to length of service. The cost of providing post-employment health care benefits is shared between the College and the retired employee. Substantially all of the College's employees may become eligible for those benefits if they reach normal retirement age while working for the College.

Annual OPEB cost and net OPEB obligation—The College's annual OPEB cost is calculated based on the ARC of the employer, an amount actuarially determined in accordance with the parameters of GASB. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table show the components of the College's annual OPEB cost for the years ended August 31, 2016 and August 31, 2015, the amount actually contributed to the Plan, and changes in the College's net OPEB obligation.

	Year Ended August 31,		
	2016	2015	2014
Annual required contribution ("ARC")	\$ 2,981,137	\$ 2,566,422	\$ 2,566,422
Interest on net OPEB Obligation	605,523	535,860	110,516
Adjustment to ARC	(502,044)	(444,328)	(31,537)
Annual OPEB cost (expense)	3,084,616	2,657,954	2,645,401
Contributions made	(1,338,773)	(1,109,875)	(1,007,393)
Increase in net OPEB obligation	1,745,843	1,548,079	1,638,008
Net OPEB obligation—beginning	13,456,076	11,907,997	10,269,990
Net OPEB obligation—ending	\$ 15,201,919	\$ 13,456,076	\$ 11,907,998
Percentage of ARC contributed	44.9%	43.2%	39.3%

The College's schedule of contributions for the most recent three years is shown below:

Year Ended, August 31,	Annual OPEB Cost	Contributions Made	Percent Contributed	Net OPEB Obligation
2016	\$ 3,084,616	\$ 1,338,773	43.40%	\$ 15,201,919
2015	2,657,954	1,109,875	41.76%	13,456,076
2014	2,645,400	1,007,393	38.08%	11,907,997

Funding Status and Funding Progress—As of August 31, 2016, the plan was not funded. The annual required contribution for 2016 was determined based on an actuarial valuation performed as of September 1, 2015. The actuarial accrued liability for benefits was \$43,384,872. There were no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was \$5,584,546 and the ratio of the Unfunded Actuarial Accrued Liability (UAAL) to the covered payroll is 776.9 percent.

Actuarial Methods and Assumptions—Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposed are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The College is required to accrue on the statement of revenues, expenses and changes in net position the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rate of increase in postretirement benefits is presented below.

<u>To Fiscal</u> <u>Year Ending</u>	<u>Trend</u> <u>Rate</u>
2017	9.0%
2018	8.5%
2019	8.0%
2020	7.5%
2021	7.0%
2022	6.5%
2023	6.0%
2024	5.5%
2025	5.0%
2026	4.5%

The amortization basis is the level percentage of payroll method with an open amortization approach over a 30 year amortization period. The actuarial assumptions included a 4.5% investment return, 4.0% payroll growth and a 3.0% annual inflation rate. The College currently has no assets set aside for the purpose of paying post-employment benefits. The actuarial cost method utilized was the unit credit method.

9. RISK MANAGEMENT

The County assumes liability for some risk including, but not limited to, workers' compensation. Asserted and incurred but not reported claims and judgments are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Such recording is consistent with the requirements of GASB.

Governmental fund type estimated current contingent liabilities (i.e., those to be liquidated with available financial resources in the ensuing year) for property damage and personal injury liabilities are recorded in the General Fund. The long-term portion (i.e., liabilities to be paid from future resources) is recorded within long-term debt in the government-wide financial statements.

The County is exposed to various risks of loss related to property damage and destruction of assets, vehicle liability, injuries to employees, and unemployment insurance. The County purchases commercial insurance to cover such potential risks. The County holds various insurance policies including package, excess property, excess liability, boiler and machinery, excess employers, accidental death and dismemberment ("AD&A") volunteers, and AD&D workforce development. In addition, the County held builders risk and pollution liability policies related to the County's jail project. The County's package policy provides coverage for property, general liability, automobile liability, employee benefits liability, public officials liability, and law enforcement liability. Liability coverage under the package policy contains a \$75,000 self-insured retention and property coverage under the package policy contains a \$100,000 self-insured retention. The excess property policy provides flood, earthquake, business income, vehicle, and mobile equipment coverage ranging from \$1,000,000 to \$2,500,000 with blanket coverage of \$123,831,000 per occurrence. The general liability policy provides coverage up to \$9,000,000 per claim and in the aggregate. The County has not incurred claims over the respective coverage limits in any of the last three fiscal years.

The County adopted a self-insured workers' compensation program under the provisions of Local Law No. 1 of 1967. 15 Towns and 5 Villages located within the geographical boundaries of the County have elected to become participants in the self-insurance plan. As provided by Local Law No. 5-1979, the plan is operated on an accrued liability basis whereby the amounts charged to participants are based on the estimated total liability of participants actuarially computed, arising each year. The apportionment of costs among participants is determined on the basis of two elements: (1) claims incurred within the preceding three-year period and (2) total assessed valuation, in the manner provided in §67 of the Worker's Compensation Law.

The County reports workers' compensation and dental benefits liabilities within the Internal Service Fund and governmental activities. Additionally, the County reports general liability and assessment claim liabilities within the General Fund and governmental activities. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. As actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience. The changes in reported workers' compensation, dental benefits, and general liability claims since January 1, 2015 were as follows:

	Balance 1/1/2016	Claims and Adjustments	Claim Payments	Balance 12/31/2016	Due Within One Year
Workers' compensation	\$ 17,752,405	\$ 4,236,095	\$ 3,782,099	\$ 18,206,401	\$ 1,820,640
Dental benefits	3,263	383,253	383,071	3,445	3,445
General liability	385,286	125,174	53,573	456,887	63,529
Assessments	-	342,930	42,866	300,064	42,866
Total	<u>\$ 18,140,954</u>	<u>\$ 5,087,452</u>	<u>\$ 4,261,609</u>	<u>\$ 18,966,797</u>	<u>\$ 1,930,480</u>

	Balance 1/1/2015	Claims and Adjustments	Claim Payments	Balance 12/31/2015	Due Within One Year
Workers' compensation	\$ 16,790,964	\$ 4,720,064	\$ 3,758,623	\$ 17,752,405	\$ 1,775,000
Dental benefits	-	387,863	384,600	3,263	3,263
General liability	425,174	391,820	431,708	385,286	270,000
Total	<u>\$ 17,216,138</u>	<u>\$ 5,499,747</u>	<u>\$ 4,574,931</u>	<u>\$ 18,140,954</u>	<u>\$ 2,048,263</u>

Sullivan County Community College

The College is one of 22 participants in the Sullivan County Workers' Compensation Self Insurance Plan, a risk sharing pool, administered by Sullivan County, to insure workers' compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to workers' compensation claims.

The College is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets and natural disasters. These risks are covered by commercial insurance purchased by Sullivan County that extends coverage to the College. The self-insured retention under these policies is \$1,000,000

per claim and \$2,000,000 in the aggregate. The College also purchases an umbrella policy with coverage up to \$10,000,000.

10. LEASES

Operating Leases—The County leases buildings and equipment. Leased property, not having elements of ownership, are classified as operating leases. Operating lease payments are recorded as expenditures when payable in the fund financial statements. Total expenditures on operating leases for the fiscal year ended December 31, 2016 were approximately \$671,898. Future minimum lease payments at December 31, 2016 are presented below.

Year Ending December 31,	Operating Leases
2017	\$ 525,539
2018	505,880
2019	489,976
2020	486,728
2021	238,188
2022 and beyond	13,455
Future minimum payments	<u>\$ 2,259,766</u>

Sullivan County Community College

Capital Leases—The College has entered into a capital lease to finance the construction of energy saving improvements and equipment. The lease financed \$3,662,030 for these improvements during 2010. On June 26, 2014, the College paid off its \$3,413,000 lease with BNY Mellon at a negotiated, discounted payment of \$2,153,342, representing payment in full and has refinanced with Sterling National Bank in the amount of \$2,200,000. The interest rate on the new lease is 5.49%. The College is required to maintain \$500,000 in non-interest bearing business checking accounts with Sterling Bank as part of its loan agreement with the bank. During the 2016 year, the College negotiated with Sterling Bank and Sullivan County replacing a \$500,000 restricted bank account that the College had maintained with Sterling Bank with a \$500,000 bank account by the County with Sterling Bank in the College's place. Future minimum lease payments for the College as of August 31, 2016 are shown below.

Year Ending August 31,	Principal	Interest
2017	\$ 193,281	\$ 94,180
2018	202,258	85,203
2019	213,645	73,815
2020	225,674	61,786
2021	238,380	49,080
2022 and beyond	763,790	63,697
Future minimum payments	<u>\$ 1,837,028</u>	<u>\$ 427,761</u>

Interest expense for the College's year ended August 31, 2016 related to capital lease obligations was \$108,046.

11. SHORT-TERM DEBT

Bond Anticipation Notes—The County issues bond anticipation notes (“BANs”) to finance capital purchases in anticipation of issuing long-term bonds. Liabilities for BANs are generally accounted for in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the life of permanent financing, provided that annual reductions of principal are made.

The following is a summary of the County’s short-term capital debt for the year ended December 31, 2016:

	Original Issue	Maturity Date	Interest Rate	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016
Governmental activities:							
Computer equipment 2012	2012	3/16/2016	1.00%	\$ 400,000	\$ -	\$ 400,000	\$ -
Road Reconstruction 2012	2012	3/16/2016	1.00%	800,000	-	800,000	-
Road Reconstruction 2013	2013	3/16/2016	1.00%	2,100,000	-	2,100,000	-
Road Reconstruction 2015	2015	3/4/2016	1.25%	235,000	-	235,000	-
Highway and Bridge Reconstruction	2015	3/4/2016	1.25%	6,300,000	-	6,300,000	-
Construction and Maintenance Equipment	2015	3/4/2016	1.25%	535,000	-	535,000	-
Computer equipment 2012	2012	3/3/2017	2.00%	-	200,000	-	200,000
Road Reconstruction 2012	2012	3/3/2017	2.00%	-	400,000	-	400,000
Road Reconstruction 2013	2013	3/3/2017	2.00%	-	1,400,000	-	1,400,000
Road Reconstruction 2015	2015	3/3/2017	2.00%	-	188,000	-	188,000
Construction and Maintenance Equipment	2015	3/3/2017	2.00%	-	428,000	-	428,000
Total governmental activities				<u>\$ 10,370,000</u>	<u>\$ 2,616,000</u>	<u>\$ 10,370,000</u>	<u>\$ 2,616,000</u>
Business-type activities:							
Adult Care Center Improvements	2013	3/16/2016	1.00%	\$ 750,000	\$ -	\$ 750,000	\$ -
Adult Care Center Improvements	2013	3/3/2017	2.00%	-	562,500	-	562,500
Total business-type activities				<u>\$ 750,000</u>	<u>\$ 562,500</u>	<u>\$ 750,000</u>	<u>\$ 562,500</u>

Tax Anticipation Notes—Tax anticipation notes (“TANs”) are short-term non-capital borrowings issued in anticipation of the collection of future real property taxes and assessments. On March 3, 2016, the County issued TANs in the amount of \$6,300,000 to provide monies to meet cash flow deficits expected to occur during the period that the TANs are outstanding. Such anticipated cash deficits are the result of mistiming between expenditures and the receipt of tax revenues which receipt is not congruent with the cash flow needs of the County. The TANs were issued in anticipation of the collection of real property taxes levied for County purposes for the fiscal year of the County which commenced January 1, 2016. The TANs bear interest at 2.00% and mature on March 7, 2017.

The following is a summary of the County's short-term non-capital debt for the year ended December 31, 2016:

	Year of Issue/ Maturity	Interest Rate	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016
Governmental activities:						
Tax Anticipation Note	2015/2016	1.25%	\$ 8,500,000	\$ -	\$ 8,500,000	\$ -
Tax Anticipation Note	2016/2017	2.00%	-	6,300,000	-	6,300,000
Total governmental activities			<u>\$ 8,500,000</u>	<u>\$ 6,300,000</u>	<u>\$ 8,500,000</u>	<u>\$ 6,300,000</u>

12. LONG-TERM DEBT

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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. Further, the unmatured principal of general long-term debt does not require current appropriations and expenditure of governmental fund financial resources.

The County's outstanding long-term liabilities include bonds payable, landfill closure costs, compensated absences, retirement incentives, OPEB obligation, claims payable, and net pension liability. A summary of changes in the County's long-term liabilities for the year ended December 31, 2016 is presented on the following page.

	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 46,902,402	\$ 108,822,000	\$ 7,018,541	\$ 148,705,861	\$ 7,615,861
Premiums on bonds	2,180,179	2,565,420	353,717	4,391,882	422,648
Net bonds payable	49,082,581	111,387,420	7,372,258	153,097,743	8,038,509
Landfill post-closure	12,562,183	2,516,746	527,689	14,551,240	612,185
Compensated absences	3,360,858	260,740	336,086	3,285,512	328,551
Retirement incentives	8,035,657	707,849	1,085,773	7,657,733	838,068
OPEB obligation	76,420,772	14,771,450	4,797,145	86,395,077	-
Claims payable	18,140,954	5,087,452	4,261,609	18,966,797	1,930,480
Net pension liability*	6,274,132	24,215,910	-	30,490,042	-
Total governmental activities	<u>\$ 173,877,137</u>	<u>\$ 158,947,567</u>	<u>\$ 18,380,560</u>	<u>\$ 314,444,144</u>	<u>\$ 11,747,793</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 32,598	\$ -	\$ 16,459	\$ 16,139	\$ 16,139
Tobacco settlement bonds	11,995,000	16,685,000	11,995,000	16,685,000	425,000
Premiums on bonds	-	1,448,294	-	1,448,294	-
Discounts on bonds	(88,042)	-	(88,042)	-	-
Total bonds payable	11,939,556	18,133,294	11,923,417	18,149,433	441,139
Compensated absences	764,745	-	413,106	351,639	-
Retirement incentives	1,106,926	-	158,366	948,560	116,880
OPEB obligation	11,430,612	2,081,823	281,406	13,231,029	-
Net pension liability*	885,687	3,308,112	-	4,193,799	-
Total business-type activities	<u>\$ 26,127,526</u>	<u>\$ 23,523,229</u>	<u>\$ 12,776,295</u>	<u>\$ 36,874,460</u>	<u>\$ 558,019</u>

*(Reductions to the net pension liability are shown net of additions).

General Obligation Bonds—The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 30 years.

On March 3, 2016, the County issued \$23,822,000, in public improvement serial bonds for governmental activities. Bond proceeds of \$6,300,000 redeemed outstanding BANs for highway and bridge reconstruction. The remaining bond proceeds of \$17,522,000 provided original financing for highway and bridge reconstruction, equipment purchase, building reconstruction, road reconstruction, bridge reconstruction, airport terminal improvements, airport hangar construction, and public safety communications improvements. The serial bonds were issued at a premium of \$2,224,026 with interest rates ranging from 2.00%-5.00%. Principal payments on the bonds begin on March 1, 2017 and mature on March 1, 2030.

On November 17, 2016, the County issued \$85,000,000, in public improvement serial bonds for governmental activities. The bonds were issued to provide original financing for the construction of a new jail facility complex. The serial bonds were issued at a premium of \$341,394 with interest rates ranging

from 3.00%-3.25%. Principal payments on the bonds begin on November 15, 2018 and mature on November 15, 2046.

A summary of additions and payments of general obligation bonds for the year ended December 31, 2016 is shown below.

Description	Original Issue	Year of Issue/ Maturity	Interest Rate (%)	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Governmental activities:							
Public improvements	\$ 9,976,987	1999/2019	2.66-3.38	\$ 2,120,000	\$ -	\$ 565,000	\$ 1,555,000
Refunding	5,964,729	2007/2017	5.00	947,402	-	478,541	468,861
Public improvements	15,515,000	2007/2016	4.25	1,060,000	-	1,060,000	-
Local ARRA (tax-exempt)	8,775,000	2010/2021	3.11-5.11	3,705,000	-	1,130,000	2,575,000
Build america	7,600,000	2010/2024	4.93-5.93	7,600,000	-	-	7,600,000
Recovery zone	810,000	2010/2024	5.93	810,000	-	-	810,000
Public improvements	9,495,000	2012/2026	2.00-3.00	7,225,000	-	575,000	6,650,000
Refunding	17,880,000	2013/2022	4.00-5.00	13,020,000	-	2,165,000	10,855,000
Public improvements	11,315,000	2014/2024	2.00-2.25	10,415,000	-	1,045,000	9,370,000
Public improvements	23,822,000	2016/2030	2.00-5.00	-	23,822,000	-	23,822,000
Public improvements	85,000,000	2016/2046	3.00-3.25	-	85,000,000	-	85,000,000
Total governmental activities				<u>\$46,902,402</u>	<u>\$108,822,000</u>	<u>\$7,018,541</u>	<u>\$148,705,861</u>
Business-type activities:							
Refunding	\$ 935,271	2007/2017	5.00	\$ 32,598	\$ -	\$ 16,459	\$ 16,139

The annual repayment of principal and interest on general obligation bonds are as follows:

Year Ending December 31,	General Obligation Bonds			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 7,615,861	\$ 5,345,039	\$ 16,459	\$ 403
2018	9,620,000	4,632,490	-	-
2019	8,960,000	4,250,314	-	-
2020	7,965,000	3,904,726	-	-
2021	8,220,000	3,598,053	-	-
2022-2026	33,310,000	13,597,978	-	-
2027-2031	20,855,000	9,662,875	-	-
2032-2036	15,090,000	7,233,881	-	-
2037-2041	17,280,000	4,829,356	-	-
2042 and thereafter	19,790,000	1,959,781	-	-
Total	<u>\$ 148,705,861</u>	<u>\$ 59,014,493</u>	<u>\$ 16,459</u>	<u>\$ 403</u>

Amortization of Bond Premiums—As noted above, on March 3, 2016, the County issued public improvement serial bonds totaling \$23,822,000 and received a bond premium of \$2,224,026. The premium is being amortized on a straight-line annual basis over the life of the bonds, which mature on March 1, 2030. In addition, on November 15, 2016, the County issued public improvement serial bonds

totaling \$85,000,000 and received a bond premium of \$341,394. The premium is being amortized on a straight-line annual basis over the life of the bonds, which mature on November 15, 2046.

Tobacco Settlement Bonds—On August 8, 2001, STASC issued \$16,965,000 of Tobacco Settlement Asset-Backed Bonds, Series 2001 pursuant to an indenture dated as of August 1, 2001. The net proceeds of the Series 2001 Bonds were used to purchase from the County all of the County’s right, title and interest to Tobacco Settlement Revenues (“TSRs”) to which the County would otherwise be entitled under the Master Settlement Agreement (“MSA”) and Consent Decree and Final Judgment (the “Decree”). The tobacco settlement bonds were issued at a discount of \$197,383 with interest rates ranging from 5.00%-6.00%.

On September 22, 2016, STASC issued \$16,685,000 of Tobacco Settlement Asset Backed Refunding Bonds, Series 2016, pursuant to an indenture dated as of September 1, 2016. The \$16,685,000 bond issuance was comprised of \$8,100,000 Tobacco Settlement Pass-Through Bonds, Series 2016B Term Bonds and \$8,585,000 Tobacco Settlement Pass-Through Bonds, Series 2016C Turbo Term Bonds. The proceeds of the Series 2016 Bonds and the release of certain reserve funds were used to defease \$10,810,000 of the outstanding Series 2001 Bonds, make a payment to the County, fund the Series 2016B and Series 2016C Liquidity Reserve Accounts, fund the Operating Expense Reserve Account, pay a portion Series 2016B and Series 2016C interest due June 1, 2016, and pay the costs of issuance. The tobacco settlement bonds were issued at a premium of \$1,448,294 with interest rates ranging from 2.45%-5.00%. The County’s liability balance for tobacco settlement bonds amounts \$16,685,000 at December 31, 2016, for business-type activities.

A summary of tobacco settlement bonds additions and payments for the year ended December 31, 2016 is shown below.

Description	Original Issue	Year of Issue/ Maturity	Interest Rate (%)	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Business-type activities:							
Tobacco settlement bonds:							
Series 2001	\$ 16,695,000	2001/2027	5.00-6.00	\$ 11,995,000	\$ -	\$ 11,995,000	\$ -
Series 2016B	8,100,000	2016/2041	5.00	-	8,100,000	-	8,100,000
Series 2016C	8,585,000	2016/2051	2.45-4.00	-	8,585,000	-	8,585,000
Total				<u>\$ 11,995,000</u>	<u>\$ 16,685,000</u>	<u>\$ 11,995,000</u>	<u>\$ 16,685,000</u>

The annual repayment of principal and interest on tobacco settlement bonds are as follows:

Year Ending, December 31,	Business-type Activities	
	Tobacco Settlement Bonds	
	Principal	Interest
2017	\$ 425,000	\$ 833,274
2018	445,000	687,275
2019	455,000	674,374
2020	630,000	657,634
2021	650,000	636,330
2022 and thereafter	<u>14,080,000</u>	<u>5,673,298</u>
Total	<u>\$ 16,685,000</u>	<u>\$ 9,162,185</u>

Landfill Post-Closure—State and federal laws and regulations require the County to place a final cover on a section of the landfill site when it reaches final elevation and to perform certain maintenance and monitoring functions at the site for a minimum of thirty years after closure. The \$14,551,240 landfill closure and post-closure liability reported at December 31, 2016, represents the estimated cost of post-closure based on the use of 100 percent of the landfill capacity less closure expenditures of \$31,947,451. These expenditures have been charged to the Capital Projects Fund, which had a total project budget of \$32,061,004. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Compensated Absences—As explained in Note 1, the County records the value of governmental fund type compensated absences in the governmental activities. The payment of compensated absences and is dependent on many factors and, therefore, cannot be reasonable estimated as to future timing of payment. Under the terms of existing collective bargaining agreements, County employees are granted vacation and sick leave in varying amounts. Upon retirement or separation of service, employees may be compensated for unused vacation time to a maximum of 30 days at the current daily rate of pay. Employees represented by the Brotherhood of Teamsters can accumulate up to 200 days of sick leave. Upon retirement, those employees who have accumulated more than 165 sick leave days shall receive a sum equal to 25% of the employees' daily rate of pay for sick leave accumulations in excess of 165 days up to a maximum of 200 days. The other collective bargaining agreements provide that employees can accumulate up to 200 days of sick leave. Upon retirement, those employees can apply 50% for each unused sick leave day in excess of 120 days to their share of retiree medical premiums. The compensated absences liability for the County's governmental and business-type activities at December 31, 2016 totaled \$3,637,151 and is reported in the government-wide financial statements. The County estimates \$328,551 of governmental activities will be due within one year which comprises accrued vacation, sick and compensatory time.

Retirement Incentives—Legislation approved by the State and adopted by the County in 2006 permitted correction officers to avail themselves of Section 443-f of the Retirement and Social Security Law. This section provided that the retirement calculation for these employees would be based on the regular compensation earned during the last year of credited service immediately preceding the member's effective date of retirement. Enactment of this provision resulted in a liability for past service costs estimated at \$48,800. Payments are being made over a ten year period, with interest at 8% per annum. The current year cost of the program was \$6,733 and was charged to General Fund expenditures in the fund financial statements. The balance was paid off during December 31, 2016 is noted in the table below.

The 2010 State-wide Retirement Incentive Program enacted under Chapter 105 of the Laws of 2010 authorized local municipalities to offer employees a retirement incentive. Under Part A of the plan, eligible employees were granted one month of additional service credit for each year of service up to 36 years. Under Part B of the plan, eligible employees retired without penalty and benefit reduction if they were under the age of 62 and had less than 30 years of credited service. The estimated cost of the program was approximately 60% of the employee's final average salary. The County had elected to pay this obligation over a five year period, with interest. The current year cost and balance due are noted in the table below.

The State Legislature enacted Chapter 57 of the Laws of 2010. This Chapter authorized local governments, at their option, to amortize a portion of their respective ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The County has

elected to amortize the maximum allowable ERS contributions in each of the fiscal year as noted in the table below.

	Original Amount Amortized	Balance 1/1/2016	Increases/ Adjustments	Decreases/ Adjustments	Balance 12/31/2016	Due Within One Year
Governmental activities:						
2010 ERS incentive	\$ 1,711,560	\$ 5,276	\$ -	\$ 5,276	\$ -	\$ -
2006 corrections officers	48,800	366,068	-	366,068	-	-
2012 ERS	3,037,888	2,218,810	281,135	281,134	2,218,811	289,569
2013 ERS	2,991,890	2,488,285	250,569	262,322	2,476,532	271,949
2014 ERS	1,973,605	1,797,460	176,145	170,973	1,802,632	176,358
2015 ERS	1,159,759	1,159,758	-	-	1,159,758	100,192
Total	<u>\$ 9,211,942</u>	<u>\$ 8,030,381</u>	<u>\$ 707,849</u>	<u>\$ 1,080,497</u>	<u>\$ 7,657,733</u>	<u>\$ 838,068</u>
Business-type activities:						
2010 ERS incentive	\$ 193,970	\$ 41,486	\$ -	\$ 41,486	\$ -	\$ -
2012 ERS	424,568	312,701	-	45,101	267,600	40,698
2013 ERS	463,238	384,574	-	45,801	338,773	42,395
2014 ERS	217,739	204,049	-	25,978	178,071	19,609
2015 ERS	164,116	164,116	-	-	164,116	14,178
Total	<u>\$ 1,463,631</u>	<u>\$ 1,106,926</u>	<u>\$ -</u>	<u>\$ 158,366</u>	<u>\$ 948,560</u>	<u>\$ 116,880</u>

OPEB Obligation—As explained in Note 8, the County provides medical, dental, and life insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The County’s annual OPEB cost is calculated based on the annual required contributions of the employer, an amount actuarially determined in accordance with GASB. The County’s long-term OPEB obligation is estimated to be \$86,395,077 and \$13,231,029 at December 31, 2016, for governmental and business-type activities, respectively.

Claims Payable—As discussed in Note 9, the County reports workers' compensation and dental benefits liabilities within the Internal Service Fund and governmental activities. Additionally, the County reports general liability claims liabilities within the General Fund and governmental activities. The total claims payable liability for workers’ compensation, dental benefits, general liabilities, and assessments at December 31, 2016 is \$18,966,797, of this amount, the County estimates \$1,930,480 is due within a year.

Net Pension Liability—The County reports a liability for its proportionate share of the net pension liability for the Employees’ Retirement System. The net pension liability is estimated to be \$30,490,042 and \$4,193,799 in the governmental and business-type activities, respectively. Refer to Note 7 for additional information related to the County’s net pension liability.

Sullivan County Community College

The following table summarizes changes in the College's long-term liabilities for the year ended August 31, 2016:

	Balance 9/1/2015	Additions	Reductions	Balance 8/31/2016	Due Within One Year
Capital leases	\$ 2,016,442	\$ -	\$ 179,414	\$ 1,837,028	\$ 193,281
Perkins loan fund liability	923,675	-	-	923,675	123,418
Mortgage payable	7,764,134	-	218,768	7,545,366	235,000
Compensated absences	532,696	32,462	53,270	511,888	51,189
Retirement incentives	417,133	78,532	56,849	438,816	64,702
OPEB obligation	13,456,076	3,084,616	1,338,773	15,201,919	-
Net pension liability*	408,579	1,673,186	-	2,081,765	-
Total	<u>\$ 25,518,735</u>	<u>\$ 4,868,796</u>	<u>\$ 1,847,074</u>	<u>\$ 28,540,457</u>	<u>\$ 667,590</u>

*(Reductions to the net pension liability are shown net of additions).

Capital Leases—The College entered into a long-term capital lease to finance the construction of energy saving improvements and equipment. The outstanding balance at August 31, 2016 was \$1,837,028. Refer to Note 10 for additional information related to the College’s capital lease.

Mortgage Payable—Mortgage payable consists of the issuance of \$7,442,000 Sullivan County Community College Dormitory Corporation Project Series 2014A Tax-Exempt Revenue Bonds with interest at 4.30% payable in 300 monthly installments of \$40,791 with the final maturity on July 1, 2039 and \$558,000 Sullivan County Community College Dormitory Corporation Project Series 2014B Taxable Revenue Bonds with interest at 5.34% payable in 120 monthly installments of \$6,033 with the final maturity on July 1, 2024. The balances on these mortgages are \$7,085,000 and \$460,366 at August 31, 2016. The Corporation has granted a first priority mortgage lien on and security interest in the Mortgaged Property consisting of the two buildings of dormitory housing to Sterling National Bank, as agent of the Issuer, Sullivan County Funding Corporation.

The required annual principal payments under the original terms of this mortgage for the College’s years ended August 31 are as follows:

Year Ending August 31,	Principal
2017	\$ 235,000
2018	242,000
2019	256,000
2020	271,000
2021	281,000
2022-2026	1,449,366
2027-2031	1,563,000
2032-2036	1,944,000
2037-2039	1,304,000
Total	<u>\$ 7,545,366</u>

Interest expense related to the College's mortgage payable amounting to \$345,556 was included in student housing for the year ended August 31, 2016.

Compensated Absences—The College recognizes a liability for vested sick leave and other compensated absences with similar characteristics to the extent it is probable that the College will compensate the employees for the benefits through cash payments at retirement rather than be taken as absences due to illness or other contingencies. The collective bargaining agreement between the College and the Teamsters Local 445 Union provides that upon death, retirement or separation from the College in good standing, employees will be paid the monetary value of accumulated unused vacation and compensatory time at the employee's current pay rate. Under the terms of the other existing collective bargaining agreement, the Professional Staff Association Agreement, any employee who is eligible for retirement and retires from either the New York State Retirement System or from TIAA/CREF and who has unused days of sick leave shall be paid at the current rate of pay for each employee.

Retirement Incentives—The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The County and the College have elected to amortize the maximum allowable ERS contribution in each of the fiscal years as outlined in the table below.

	Original Amount <u>Amortized</u>	Balance 9/1/2015	Increases	Decreases	Balance 8/31/2016	Due Within One Year
2015-2016 ERS	\$ 78,532	\$ -	\$ 78,532	\$ -	\$ 78,532	\$ 7,853
2014-2015 ERS	158,670	134,321	-	15,867	118,454	15,867
2013-2014 ERS	209,770	152,177	-	20,977	131,200	20,977
2012-2013 ERS	<u>200,050</u>	<u>130,635</u>	<u>-</u>	<u>20,005</u>	<u>110,630</u>	<u>20,005</u>
Total	<u>\$ 647,022</u>	<u>\$ 417,133</u>	<u>\$ 78,532</u>	<u>\$ 56,849</u>	<u>\$ 438,816</u>	<u>\$ 64,702</u>

OPEB Obligation—As explained in Note 8, the College provides medical, dental, and life insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The College's annual OPEB cost is calculated based on the annual required contributions of the employer, an amount actuarially determined in accordance with GASB. The College's long-term OPEB obligation is estimated to be \$15,201,909 at August 31, 2016.

Net Pension Liability—The College reports a liability for its proportionate share of the net pension liability for the Teachers' Retirement System and Employees' Retirement System. The net pension liability is estimated to be \$2,081,765 at August 31, 2016. Refer to Note 7 for additional information related to the College's net pension liability

Sullivan County Soil and Water Conservation District

A summary of the District’s long-term debt at December 31, 2016 follows:

	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016	Due Within One Year
Compensated absences	\$ 15,041	\$ 22,149	\$ 21,035	\$ 16,155	\$ 1,600
Net pension liability*	45,492	144,526	-	190,018	-
Total	<u>\$ 60,533</u>	<u>\$ 166,675</u>	<u>\$ 21,035</u>	<u>\$ 206,173</u>	<u>\$ 1,600</u>

*(Reductions to the net pension liability are shown net of additions).

Compensated Absences—At December 31, 2016 the liability for the District’s compensated absences is \$16,155, of which \$1,600 is estimated to be due within one year.

Net Pension Liability—The District reports a liability for its proportionate share of the net pension liability for the Employees’ Retirement System. The net pension liability is estimated to be \$190,018 at December 31, 2016. Refer to Note 7 for additional information related to the District’s net pension liability.

Sullivan County Industrial Development Agency

A summary of the IDA’s long-term debt at December 31, 2016 follows:

	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016	Due Within One Year
RMAP note payable	\$ 396,048	-	\$ 20,887	\$ 375,161	\$ 21,115

RMAP Note Payable—The IDA entered into an agreement with the United States Department of Agriculture (USDA) to create a Rural Microloan Revolving Fund (RMRF), which will provide loans to local eligible businesses. The funds drawn down from the USDA, which must be used to capitalize a Rural Microentrepreneur Assistance Program (RMAP), are in the form of a loan that must be repaid to the USDA. The outstanding balance accrues interest at 2% per annum and must be repaid in equally amortized monthly payments of principal and interest over a period not to exceed 20 years. The first payment, consisting of principal and interest, was due in May 2014.

The following is a summary of the IDA’s future debt service requirements:

Year Ending December 31,	Principal	Interest
2017	\$ 21,115	\$ 7,308
2018	21,541	6,883
2019	21,976	6,447
2020	22,420	6,004
2021	22,872	5,552
2022-2026	121,476	20,642
thereafter	143,761	7,919
Total	<u>\$ 375,161</u>	<u>\$ 60,755</u>

Sullivan County Infrastructure Local Development Corporation

The following table summarizes changes in the ILDC’s long-term liabilities for the year ended December 31, 2016:

	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016	Due Within One Year
Revenue bonds	\$ -	\$ 73,340,000	\$ -	\$ 73,340,000	\$ -
Discount on bonds	-	(1,115,750)	(11,159)	(1,104,591)	(42,027)
Total	<u>\$ -</u>	<u>\$ 72,224,250</u>	<u>\$ (11,159)</u>	<u>\$ 72,235,409</u>	<u>\$ (42,027)</u>

Revenue Bonds—The ILDC has been authorized to issue \$110,075,000 in revenue bonds to finance public infrastructure improvements, to fund a debt service reserve fund, to fund the payment of interest on the bonds prior to and during construction, and to pay costs of issuing the bonds. The Town of Thompson, New York, on behalf of the ILDC, will impose and collect special assessments in an amount sufficient to pay the annual Service Fee. The bonds are special limited obligations of the ILDC payable solely from and secured by a pledge of the Service Fee and certain funds held by the Trustee. As of December 31, 2016, the ILDC has issued \$73,340,000 of the total authorization. The bonds were issued at a discount totaling \$1,115,750, which is being amortized using the effective interest method over the life of the bonds.

Amortization of Bond Discounts—As noted above, the ILDC issued revenue bonds totaling \$73,340,000 and received a bond discount of \$1,115,750. The discount is being amortized using the effective interest method over the life of the bonds, which mature in 2049.

A summary of additions and payments of revenue bonds for the year ended December 31, 2016 is shown below.

Description	Original Issue	Year of Issue/ Maturity	Interest Rate (%)				Balance 12/31/2016
				Balance 1/1/2016	Increases	Decreases	
Series 2016A	\$ 64,170,000	2016/2049	4.85-5.35	\$ -	\$ 64,170,000	\$ -	\$ 64,170,000
Series 2016B	9,170,000	2016/2049	4.85-5.35	-	9,170,000	-	9,170,000
Total				<u>\$ -</u>	<u>\$ 73,340,000</u>	<u>\$ -</u>	<u>\$ 73,340,000</u>

The annual repayment of principal and interest on general obligation bonds are presented on the following page.

Year Ending December 31,	Principal	Interest
2017	\$ -	\$ 3,837,440
2018	-	3,837,440
2019	-	3,837,440
2020	1,090,000	3,837,440
2021	1,150,000	3,784,575
2022-2026	6,625,000	18,032,415
2027-2031	8,385,000	16,262,893
2032-2036	10,740,000	13,914,280
2037-2041	13,930,000	10,717,922
thereafter	<u>31,420,000</u>	<u>8,022,325</u>
Total	<u>\$ 73,340,000</u>	<u>\$ 86,084,170</u>

13. NET POSITION AND FUND BALANCE

The government-wide 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. A reconciliation of the County’s governmental and business-type activities net investment in capital assets is presented below.

Governmental activities:

Capital assets, net of accumulated depreciation	\$ 175,785,787
Less related debt:	
General obligation bonds	(148,705,861)
Unamortized premium	(4,391,882)
Bond anticipation notes	(2,616,000)
Unspent debt proceeds	<u>95,302,642</u>
Net investment in capital assets	<u>\$ 115,374,686</u>

Business-type activities:

Capital assets, net of accumulated depreciation	\$ 2,589,789
Less related debt:	
General obligation bonds	(16,139)
Bond anticipation notes	<u>(562,500)</u>
Net investment in capital assets	<u>\$ 2,011,150</u>

- **Restricted Net Position**—This category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The total restricted component of net position for governmental activities was \$2,220,351 at December 31, 2016, of which, \$418,788 is restricted for law enforcement, \$211,116 for Stop DWI, \$84,947 for debt service, \$487,856 for dental benefits, and \$1,017,644 for community development. The total restricted component of net

position for business-type activities was \$212,718 at December 31, 2016, which is restricted for capital improvements.

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

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. As of December 31, 2016, the County had no nonspendable fund balance.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grants, contributors, or laws and regulations of other governments) through constitutional provisions or enabling legislation. As of December 31, 2016, the County had the following restricted fund balances:

	General Fund	County Road Fund	Refuse and Garbage Fund	Capital Projects Fund	Nonmajor Funds	Total
Law enforcement	\$ 418,788	\$ -	\$ -	\$ -	\$ -	\$ 418,788
Stop DWI	211,116	-	-	-	-	211,116
Debt service	6,974	75,489	915	-	1,569	84,947
Community development	-	-	-	-	1,017,644	1,017,644
Capital projects	-	-	-	86,407,713	-	86,407,713
Total	<u>\$ 636,878</u>	<u>\$ 75,489</u>	<u>\$ 915</u>	<u>\$ 86,407,713</u>	<u>\$ 1,019,213</u>	<u>\$ 88,140,208</u>

- **Restricted for Law Enforcement**—Represents the proceeds of seized funds which are restricted by New York State Law for use in law enforcement activities.
- **Restricted Stop DWI**—Represents State revenues that must be used in accordance with the parameters of the Driving While Intoxicated Program.
- **Restricted for Debt Service**—Represents reserves which will be used for the reduction of future debt service requirements.
- **Restricted for Community Development**—Represents representing amounts related to the rehabilitation loan program with constraints placed on their use by the United States Department of Housing and Urban Development.
- **Restricted for Capital Projects**—Represents funds that have been reserved to fund future capital projects and the purchase of capital assets. This amount includes commitments for the expenditures of monies within the Capital Projects Fund.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the County’s highest level of decision-making authority. As of December 31, 2016, the County Legislature had committed \$6,718,564, of which \$6,703,684 is related to landfill construction and \$14,880 to the Fort Delaware project.

In the fund financial statements, assignments are not legally required segregations, but are subject to a purpose constraint that represents an intended use established by the County’s Legislature, or by its 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.

As of December 31, 2016, the County reported the following fund balances assignments:

	General Fund	County Road Fund	Refuse and Garbage Fund	Nonmajor Funds	Total
Encumbrances	\$ 738,192	\$ 55,555	\$ 30,897	\$ 53,971	\$ 878,615
Building construction	5,013,600	-	-	-	5,013,600
Capital improvement	2,000,000	-	-	-	2,000,000
Casino resort mitigation	2,550,000	-	-	-	2,550,000
Tobacco debt reserve	2,388,070	-	-	-	2,388,070
Subsequent year's expenditures	6,433,223	1,613,951	284,601	594,150	8,925,925
Specific use	-	825,571	1,277,883	796,381	2,899,835
Total	<u>\$ 19,123,085</u>	<u>\$ 2,495,077</u>	<u>\$ 1,593,381</u>	<u>\$ 1,444,502</u>	<u>\$ 24,656,045</u>

- **Assigned to Encumbrances**—Represents commitments related to unperformed contracts or purchase orders for goods or services.
- **Assigned to Building Construction**—Represents funds transferred to the County from STASC that have been assigned to fund various building construction projects.
- **Assigned to Capital Improvement**—Represents funds set aside to purchase capital equipment and infrastructure.
- **Assigned to Casino Resort Mitigation**—Represents casino license fee proceeds that have assigned to mitigate any future county costs associated with the casino and entertainment complex project.
- **Assigned to Tobacco Debt Reserve**—Represents funds transferred to the County from STASC that have been assigned to retire existing capital debt.
- **Assigned to Subsequent Year's Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2017 fiscal year.
- **Assigned to Specific Use**—Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignments' purpose relates to each fund's operations and represent the remaining amounts within funds that are not restricted or committed.

It is the County's policy to expend fund balances in the following order: nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

14. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. All interfund balances are expected to be collected/paid within the subsequent year. Interfund transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification. The composition of interfund balances as of December 31, 2016 is shown below.

Fund	Interfund	
	Receivable	Payable
Governmental funds:		
General Fund	\$ 8,972,638	\$ 11,517,702
County Road Fund	577,793	-
Refuse and Garbage Fund	365,013	20
Capital Projects Fund	-	426,663
Nonmajor governmental funds	1,502,638	-
Proprietary funds:		
Sullivan County Adult Care Center	-	8,622,095
Internal service funds:		
Workers' Compensation Benefits Fund	9,148,398	-
Total	<u>\$ 20,566,480</u>	<u>\$ 20,566,480</u>

Transfers are used primarily to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute of budget required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the fund making payments when due, and (3) move residual cash from closed capital projects.

The County made the following transfers during the year ended December 31, 2016:

Transfers out:	Governmental funds					Total
	Transfers in:					
	General Fund	County Road Fund	Refuse and Garbage Fund	Capital Projects Fund	Nonmajor Fund	
Governmental funds:						
General Fund	\$ -	\$ 13,967,568	\$ 250,000	\$ 892,735	\$ 5,269,976	\$ 20,380,279
County Road Fund	-	-	-	1,100,001	2,022,157	3,122,158
Refuse and Garbage Fund	500,000	-	-	94,400	4,319,935	4,914,335
Capital Projects Fund	39,359	-	-	-	73,366	112,725
Nonmajor funds	1,150,560	1,388,688	565	59,600	955,444	3,554,857
Total	<u>\$ 1,689,919</u>	<u>\$ 15,356,256</u>	<u>\$ 250,565</u>	<u>\$ 2,146,736</u>	<u>\$ 12,640,878</u>	<u>\$ 32,084,354</u>

15. LABOR RELATIONS

The County's employees operate under six collective bargaining units, the Teamsters Local 445, International Brotherhood of Teamsters contract, which is settled through December 31, 2017, the DPW Laborers' Internal Union of North America, Local No 17 contract, which is settled through December 31, 2017, the DPW Supervisory Unit Teamsters Local 445, International Brotherhood of Teamsters contract, which is settled through December 31, 2017, and the New York State Nurses Association contract, which is settled through December 31, 2017, the Sullivan County Patrolman's Benevolent Association contract, which is settled through December 31, 2017. The CSEA Sheriff Corrections contract remains unsettled at December 31, 2016.

16. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Open encumbrances are reported as an assignment of fund balance since such commitments will be honored through budget appropriations in the subsequent year. The County considers encumbrances to be significant for amounts that are encumbered in excess of \$100,000 for all funds. As of December 31, 2016, the County had two significant encumbrances for machinery and equipment of \$239,956 and \$134,805 in the Capital Project Fund.

17. TAX ABATEMENTS

The County is subject to tax abatements granted by the Sullivan County Industrial Development Agency ("SCIDA"). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the SCIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the County, the abatements have resulted in reductions of property taxes, which the County administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by SCIDA, the County collected \$976,077 during 2016 in payments in lieu of taxes ("PILOT"), these collections were made in lieu of \$1,424,216 in property taxes.

18. CONTINGENCIES

Litigation—The County is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the County. The outcome of these matters is not presently determinable but, in the opinion of management, the ultimate liability will not have a material adverse effect on the County's financial condition or results of operation.

Grants—In the normal course of operations, the County receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. any disallowed expenditures resulting from such audits could become a liability of the governmental funds. The amount of disallowance, if any, cannot be determined at this time, although the County expects any such amounts to be immaterial.

Landfill Post-closure—As discussed in Note 12, the County is responsible to perform specified operation and maintenance functions at a landfill sit for a period of thirty years. At December 31, 2016, the liability

is \$14,551,240. The landfill post-closure liability is an estimate and is subject to changes resulting from inflation, deflation, technology or changes in applicable laws or regulations.

Adult Care Center—The Center participates in a premium based general and professional liability insurance plan. The plan assumes liability for most risks included, but not limited to, personal injury, malpractice, vehicle, and general liability. At December 31, 2016, no claims or outstanding premiums exist that meet the liability criteria.

The health care industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at the time. Recently, government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. While no outstanding regulatory actions exist at December 31, 2016 for the Center, compliance with such laws and regulations can be subject to future government review and interpretations as well as regulatory actions unknown or unasserted at this time.

Sullivan County Tobacco Asset Securitization Corporation—The enforceability of the rights and remedies of the State (and thus the bondholders) and of the obligations of a participating manufacturer under the MSA are subject to the Bankruptcy Code and the other applicable insolvency, moratorium or similar laws relating to or affecting the enforcement of creditors' rights. Some of the risks include risks of delay in or reduction of amounts of payment or of non-payment under the MSA and the risk that the State (and thus the County and/or STASC) may be stayed for an extended time from enforcing any rights under the MSA and the Consent Decree or with respect to the payments owed by the bankrupt participating manufacturer or from commencing legal proceedings against the bankrupt participating manufacturer. As a result, if a participating manufacturer becomes a debtor in a bankruptcy case and defaults in making payment, funds available to STASC to pay bondholders may be reduced or eliminated

The bonds are payable only from the assets of STASC. The bonds are neither legal nor moral obligations of the County or the State of New York, and no recourse may be had thereto for payment of amounts owing on the bonds. STASC's only source of funds for payments on the bonds is the collections and amounts on deposit in pledged accounts pursuant to the indenture. STASC has no taxing power and no significant assets other than the rights to receive tobacco settlement revenues.

Sullivan Community College

Litigation—The College is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the College. The outcome of these matters is not presently determinable but, in the opinion of management, the ultimate liability will not have a material adverse effect on the College's financial condition or results of operation.

State and Federal Grant Programs and State Aid—The College participates in various State and Federal grant programs. These programs are subject to program compliance audits by the grantors or their representative. The audits of these programs are an ongoing process and many have not yet been conducted or completed. Accordingly, the College's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the College anticipates such amounts, if any, will not be material. The College's Federal compliance audit under OMB Circular A-133 and Uniform Guidance, as applicable, is performed in conjunction with the audit of the Sponsor and is included in the Sponsor's report.

The College is subject to audits of State aid by New York State. The amount of aid previously paid to the College which may be disallowed cannot be determined at this time, although the College anticipates such amounts, if any, to be immaterial.

Rate Adjustment—Operating Chargebacks—The College is authorized by the New York State Education Law to charge and collect from each county within the State for each nonresident student an allocable portion of the operating costs of the College. The College calculates this charge on a yearly basis and bills the respective counties at this rate. This rate is adjusted by the State on a two year lag period.

Sullivan County Soil and Water Conservation District

Litigation—The District is subject to various litigation and claims arising out of the course of its operations. While the results of the lawsuits cannot be predicted with certainty, management does not believe these matters will have an adverse effect on the District’s overall financial position.

The District is exposed to various risks of loss related to property damage and destruction of assets, vehicle liability, injuries to employees, health insurance and unemployment insurance. The District purchases commercial insurance to cover such potential risks. The general liability and auto policies provide coverage for up to a maximum of \$2,000,000. The District also purchases conventional health insurance coverage for its employees and participates in the Sullivan County Workers’ Compensation Benefits Fund, a risk sharing pool, which provides coverage at statutory levels. Settled claims have not exceed this commercial coverage in the last three fiscal years.

19. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 16, 2017, which is the date the financial statements are available for issuance, and have determined that there are no subsequent events that require disclosure under generally accepted accounting principles.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF SULLIVAN, NEW YORK
Schedule of Funding Progress—Other Post-Employment Benefits Plan
Year Ended December 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL")	Unfunded AAL ("UAAL")	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Primary Government:						
January 1, 2016	\$ -	\$ 209,896,049	\$ 209,896,049	-	\$ 46,925,596	447.3%
January 1, 2015	-	187,866,804	187,866,804	-	47,050,774	399.3%
January 1, 2014	-	211,447,679	211,447,679	-	45,985,981	459.8%
Sullivan County Community College:						
September 1, 2015	\$ -	\$ 43,384,872	\$ 43,384,872	-	\$ 5,584,546	776.9%
September 1, 2014	-	33,730,124	33,730,124	-	7,046,349	478.7%
September 1, 2013	-	33,730,124	33,730,124	-	7,197,500	468.6%

COUNTY OF SULLIVAN, NEW YORK
Schedule of the Local Government's Proportionate Share of the
Net Pension Liability—Teachers' Retirement System
Last Two Years*

	Year Ended August 31,	
	2016	2015
Sullivan County Community College:		
Measurement Date	June 30, 2016	June 30, 2015
Plan fiduciary net position as a percentage of the total pension liability	99.01%	110.46%
College's proportion of the net pension liability	0.0084310%	0.0080760%
College's proportionate share of the net pension liability (asset)	\$ 90,296	\$ (838,829)
College's covered-employee payroll	1,300,935	1,213,110
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	6.94%	(69.15)%

* These schedules are intended to show information for the past ten years; however information prior to the year ended August 31, 2015 was not available. Additional years will be presented as information becomes available.

COUNTY OF SULLIVAN, NEW YORK
Schedule of the Local Government's Contributions—
Teachers' Retirement System
Last Two Years*

	Year Ended August 31,	
	2016	2015
Sullivan County Community College:		
Contractually required contributions	\$ 172,504	\$ 212,658
Contributions in relation to the contractually required contribution	(172,504)	(212,658)
Contribution deficiency (excess)	\$ -	\$ -
College's covered-employee payroll	1,300,935	1,213,110
Contributions as a percentage of covered-employee payroll	13.26%	17.53%

* These schedules are intended to show information for the past ten years; however information prior to the year ended August 31, 2015 was not available. Additional years will be presented as information becomes available.

COUNTY OF SULLIVAN, NEW YORK
Schedule of the Local Government's Proportionate Share of the
Net Pension Liability—Employees' Retirement System
Last Two Years*

	Year Ended December 31,	
	2016	2015
Measurement Date	March 31, 2016	March 31, 2015
Plan fiduciary net position as a percentage of the total pension liability	90.68%	97.90%
Governmental Activities:		
County's proportion of the net pension liability	0.1899655%	0.1857220%
County's proportionate share of the net pension liability	<u>\$ 30,490,042</u>	<u>\$ 6,274,132</u>
County's covered-employee payroll	\$ 52,288,877	51,515,316
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	58.31%	12.18%
Business-type Activities:		
County's proportion of the net pension liability	0.0261291%	0.0262174%
County's proportionate share of the net pension liability	<u>\$ 4,193,799</u>	<u>\$ 885,687</u>
County's covered-employee payroll	8,063,774	7,844,031
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	52.01%	11.29%
Soil and Water Conservation District:		
District's proportion of the net pension liability	0.0011839%	0.0013466%
District's proportionate share of the net pension liability	<u>\$ 190,018</u>	<u>\$ 45,492</u>
District's covered-employee payroll	373,268	317,882
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	50.91%	14.31%
	Year Ended August 31,	
	2016	2015
Measurement Date	March 31, 2016	March 31, 2015
Plan fiduciary net position as a percentage of the total pension liability	90.68%	97.90%
Sullivan County Community College:		
College's proportion of the net pension liability	0.0124080%	0.0120940%
College's proportionate share of the net pension liability	<u>\$ 1,991,469</u>	<u>\$ 408,579</u>
College's covered-employee payroll	2,763,108	3,027,884
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	72.07%	13.49%

* Information prior to the years ended December 31, 2015 and August 31, 2015 was not available.

COUNTY OF SULLIVAN, NEW YORK
Schedule of the Local Government's Contributions—
Employees' Retirement System
Last Two Years*

	Year Ended December 31,	
	2016	2015
Governmental Activities:		
Contractually required contributions	\$ 7,341,500	\$ 7,837,849
Contributions in relation to the contractually required contribution	(7,341,500)	(7,837,849)
Contribution deficiency (excess)	\$ -	\$ -
County's covered-employee payroll	43,988,174	44,018,400
Contributions as a percentage of covered-employee payroll	16.69%	17.81%
Business-type Activities:		
Contractually required contributions	\$ 1,009,798	\$ 1,106,428
Contributions in relation to the contractually required contribution	(1,009,798)	(1,106,428)
Contribution deficiency (excess)	\$ -	\$ -
County's covered-employee payroll	6,683,257	6,772,279
Contributions as a percentage of covered-employee payroll	15.11%	16.34%
Soil and Water Conservation District:		
Contractually required contributions	\$ 44,656	\$ 65,969
Contributions in relation to the contractually required contribution	(44,656)	(65,969)
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	373,268	311,684
Contributions as a percentage of covered-employee payroll	11.96%	21.17%
Sullivan County Community College:		
Contractually required contributions	\$ 479,513	\$ 510,410
Contributions in relation to the contractually required contribution	(479,513)	(510,410)
Contribution deficiency (excess)	\$ -	\$ -
College's covered-employee payroll	2,763,108	3,027,884
Contributions as a percentage of covered-employee payroll	17.35%	16.86%

* Information prior to the years ended December 31, 2015 and August 31, 2015 was not available.

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 56,646,957	\$ 56,646,957	\$ 57,546,461	\$ 899,504
Other property tax items	6,669,893	8,243,893	8,403,849	159,956
Non property tax items	39,042,000	41,442,000	41,659,523	217,523
Departmental income	20,728,233	20,721,956	18,055,079	(2,666,877)
Intergovernmental charges	812,150	765,625	445,647	(319,978)
Licenses and permits	26,500	26,500	61,820	35,320
Fines and forfeitures	266,308	401,813	345,342	(56,471)
Use of money and property	58,850	125,850	162,776	36,926
Sale of property and compensation for loss	110,200	748,842	751,016	2,174
Miscellaneous	4,248,257	3,500,343	11,752,943	8,252,600
State aid	20,471,415	21,190,812	20,265,596	(925,216)
Federal aid	18,217,289	18,429,870	15,244,570	(3,185,300)
Total revenues	<u>167,298,052</u>	<u>172,244,461</u>	<u>174,694,622</u>	<u>2,450,161</u>
EXPENDITURES				
Current:				
General government support	26,872,163	27,797,597	25,795,307	2,002,290
Education	5,750,000	5,750,000	5,654,545	95,455
Public safety	25,831,727	26,430,278	25,139,387	1,290,891
Health	25,356,389	24,815,870	22,800,971	2,014,899
Transportation	1,667,109	1,641,396	1,140,260	501,136
Economic assistance and opportunity	60,620,304	64,452,346	60,597,993	3,854,353
Culture and recreation	3,811,062	4,002,835	3,397,302	605,533
Home and community service	1,834,720	1,842,740	1,524,744	317,996
Debt service:				
Interest	109,944	109,944	109,944	-
Total expenditures	<u>151,853,418</u>	<u>156,843,006</u>	<u>146,160,453</u>	<u>10,682,553</u>
Excess (deficiency) of revenues over expenditures	<u>15,444,634</u>	<u>15,401,455</u>	<u>28,534,169</u>	<u>13,132,714</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(20,038,740)	(20,404,663)	(20,380,279)	24,384
Transfers in	500,000	1,650,560	1,689,919	39,359
Total other financing sources (uses)	<u>(19,538,740)</u>	<u>(18,754,103)</u>	<u>(18,690,360)</u>	<u>63,743</u>
Net change in fund balance*	(4,094,106)	(3,352,648)	9,843,809	13,196,457
Fund balances—beginning, as restated	28,497,156	28,497,156	28,497,156	-
Fund balances—ending	<u>\$ 24,403,050</u>	<u>\$ 25,144,508</u>	<u>\$ 38,340,965</u>	<u>\$ 13,196,457</u>

* The net change in fund balance was included in the budget as an appropriation (i.e. spenddown) of fund balance and a re-appropriation of prior year encumbrances.

The note to the required supplementary information is an integral part of this schedule.

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—County Road Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental charges	\$ 495,806	\$ 564,873	\$ 265,395	\$ (299,478)
Licenses and permits	5,000	5,000	2,100	(2,900)
Use of money and property	-	-	346	346
Sale of property and compensation for loss	1,200	1,200	45	(1,155)
Miscellaneous	200,000	200,000	180,679	(19,321)
State aid	3,394,023	4,580,338	3,553,986	(1,026,352)
Federal aid	622,831	622,831	698,812	75,981
Total revenues	4,718,860	5,974,242	4,701,363	(1,272,879)
EXPENDITURES				
Current:				
Public safety	791,618	702,472	573,859	128,613
Transportation	15,412,720	16,541,748	15,333,920	1,207,828
Debt service:				
Interest	98,482	98,482	98,482	-
Total expenditures	16,302,820	17,342,702	16,006,261	1,336,441
Excess (deficiency) of revenues over expenditures	(11,583,960)	(11,368,460)	(11,304,898)	63,562
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,220,179)	(3,220,179)	(3,122,158)	98,021
Transfers in	14,077,866	15,281,519	15,356,256	74,737
Total other financing sources (uses)	10,857,687	12,061,340	12,234,098	172,758
Net change in fund balance*	(726,273)	692,880	929,200	236,320
Fund balances—beginning, as restated	1,641,366	1,641,366	1,641,366	-
Fund balances—ending	\$ 915,093	\$ 2,334,246	\$ 2,570,566	\$ 236,320

* The net change in fund balance was included in the budget as an appropriation (i.e. spenddown) of fund balance and a re-appropriation of prior year encumbrances.

The note to the required supplementary information is an integral part of this schedule.

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Refuse and Garbage Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Departmental income	\$ 11,013,425	\$ 11,428,425	\$ 11,940,219	\$ 511,794
Use of money and property	-	-	660	660
Sale of property and compensation for loss	255,000	255,000	237,739	(17,261)
Miscellaneous	-	-	4,967	4,967
State aid	32,500	32,500	12,273	(20,227)
Total revenues	<u>11,300,925</u>	<u>11,715,925</u>	<u>12,195,858</u>	<u>479,933</u>
EXPENDITURES				
Current:				
Home and community service	7,273,315	7,681,731	7,028,338	653,393
Debt service:				
Interest	5,212	5,212	5,212	-
Total expenditures	<u>7,278,527</u>	<u>7,686,943</u>	<u>7,033,550</u>	<u>653,393</u>
Excess (deficiency) of revenues over expenditures	<u>4,022,398</u>	<u>4,028,982</u>	<u>5,162,308</u>	<u>1,133,326</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,924,603)	(4,924,603)	(4,914,335)	10,268
Transfers in	250,000	250,000	250,565	565
Total other financing sources (uses)	<u>(4,674,603)</u>	<u>(4,674,603)</u>	<u>(4,663,770)</u>	<u>10,833</u>
Net change in fund balance*	(652,205)	(645,621)	498,538	1,144,159
Fund balances—beginning, as restated	1,095,758	1,095,758	1,095,758	-
Fund balances—ending	<u>\$ 443,553</u>	<u>\$ 450,137</u>	<u>\$ 1,594,296</u>	<u>\$ 1,144,159</u>

* The net change in fund balance was included in the budget as an appropriation (i.e. spenddown) of fund balance and a re-appropriation of prior year encumbrances.

The note to the required supplementary information is an integral part of this schedule.

COUNTY OF SULLIVAN
Note to the Required Supplementary Information
For the Year Ended December 31, 2016

1. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except the Capital Projects Fund and the Special Grant Fund. These funds are appropriated on a project-length basis; appropriations are approved through a County Legislature resolution at the project/grant's inception and lapse upon termination/completion of the project/grant.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations require the approval of the County Legislature. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the functional classification.

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

Actual results of operations presented in accordance with GAAP and the County's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed, or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements. The General Fund, County Road Fund, and Refuse and Garbage Fund original budgets for the year ended December 31, 2016 include encumbrances from the prior year of \$344,106, \$7,397 and \$6,315, respectively.

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SUPPLEMENTAL SECTION—
COMBINING AND INDIVIDUAL STATEMENTS
AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is the principal operating fund of the County and includes all operations not required to be recorded in a separate fund.

COUNTY ROAD FUND

The County Road Fund is a special revenue fund required by Highway Law §114 and accounts for salaries and expenditures of the county highway superintendent's office, maintenance of county roads and bridges, snow removal and construction and reconstruction of county roads.

REFUSE AND GARBAGE FUND

The Refuse and Garbage Fund is a special revenue fund used to record all revenues and expenditures related to solid waste operations.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of capital facilities, other than those financed by proprietary funds and equipment purchases financed in whole or in part from the proceeds of obligations.

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes:	\$ 56,646,957	\$ 56,646,957	\$ 57,546,461	\$ 899,504
Real property tax items:				
Gain from sale of tax acquired property	750,000	2,324,000	2,487,903	163,903
Other payments in lieu of taxes	919,893	919,893	976,077	56,184
Interest and penalties on real property taxes	5,000,000	5,000,000	4,939,869	(60,131)
Total real property tax items	6,669,893	8,243,893	8,403,849	159,956
Non-property tax items:				
Sales and use tax	37,000,000	39,200,000	39,296,629	96,629
Tax on hotel room occupancy	550,000	750,000	809,462	59,462
Automobile use tax	475,000	475,000	512,916	37,916
Emergency telephone system surcharge	290,000	290,000	283,076	(6,924)
OTB surtax	175,000	175,000	167,899	(7,101)
Other non-property tax	552,000	552,000	589,541	37,541
Total non-property tax items	39,042,000	41,442,000	41,659,523	217,523
Departmental income:				
General government support:				
Treasurer's fees	2,350	2,350	14,139	11,789
Tax collector's fees	356,500	488,642	624,056	135,414
Charges for tax advertising and redemption	500,000	500,000	594,521	94,521
Assessor's fees	4,020	4,020	4,731	711
Clerk's fees	1,478,116	1,478,116	2,110,057	631,941
Personnel fees	18,500	18,500	25,982	7,482
Attorney's fees	35,620	35,620	35,634	14
Other general governmental income	2,007,046	2,078,270	1,676,335	(401,935)
Public safety:				
Sheriff's fees	888,500	958,000	1,017,051	59,051
Alternative to incarceration fees	96,100	96,100	146,383	50,283
Restitution surcharge	3,500	3,500	5,730	2,230
Other public safety departmental income	35,900	35,900	45,785	9,885
Health:				
Nursing home care	4,276,124	3,568,507	2,823,291	(745,216)
Mental health fees	3,151,153	3,151,153	1,370,740	(1,780,413)
Early intervention fees for services	313,190	663,568	663,568	-
Mental health contributions from private agencies	-	-	3,500	3,500
Alcoholism clinic fees	362,466	362,466	86,780	(275,686)
Other health department income	8,300	57,889	43,903	(13,986)

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Departmental income (continued):				
Transportation:				
Public works charges	3,724,000	3,742,107	3,776,003	33,896
Airport fees and rentals	124,700	124,700	109,362	(15,338)
Other transportation income	294,175	294,175	292,777	(1,398)
Economic assistance and opportunity:				
Repayment of medical assistance	610,000	610,000	346,101	(263,899)
Repayment of family assistance	575,000	575,000	523,992	(51,008)
Repayment of child care	539,581	539,581	491,125	(48,456)
Repayment of juvenile delinquent care	20,000	20,000	16,318	(3,682)
Repayment of safety net assistance	350,000	350,000	218,707	(131,293)
Repayment of home energy assistance (HEAP)	110,000	110,000	148,164	38,164
Repayment of emergency care for adults	25,000	25,000	36,584	11,584
Repayment of day care	2,500	2,500	3,494	994
Social services recovery charges	3,800	3,800	9,659	5,859
Social services charges	97,317	100,717	145,633	44,916
Charges, program for the aging	159,675	159,675	70,368	(89,307)
Other economic assistance and opportunity income	465,960	465,960	468,676	2,716
Culture and recreation:				
Parks and recreation charges	59,140	59,140	71,015	11,875
Recreation concessions	13,500	13,500	10,606	(2,894)
Museum admissions	16,500	16,500	11,979	(4,521)
Home and community services:				
Other home and community services income	-	7,000	12,330	5,330
Total departmental income	<u>20,728,233</u>	<u>20,721,956</u>	<u>18,055,079</u>	<u>(2,666,877)</u>
Intergovernmental charges:				
General government support:				
General services, other governments	476,346	477,946	323,993	(153,953)
Election service charges	1,000	1,000	3,499	2,499
Education:				
Jail facilities, other governments	4,000	4,000	2,950	(1,050)
Health:				
Health services, other governments	218,125	170,000	84,214	(85,786)
Transportation:				
Economic assistance, other governments	112,679	112,679	30,991	(81,688)
Total intergovernmental charges	<u>812,150</u>	<u>765,625</u>	<u>445,647</u>	<u>(319,978)</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Licenses and permits:				
Business and occupational license	25,000	25,000	60,320	35,320
Permits, other	1,500	1,500	1,500	-
Total licenses and permits	<u>26,500</u>	<u>26,500</u>	<u>61,820</u>	<u>35,320</u>
Fines and forfeitures:				
Fines and forfeited bail	2,000	2,000	12,304	10,304
Stop DWI fines	254,308	254,308	157,936	(96,372)
Forfeiture of deposits	10,000	10,000	25,923	15,923
Forfeiture of crime proceeds, restricted	-	135,505	149,179	13,674
Total fines and forfeitures	<u>266,308</u>	<u>401,813</u>	<u>345,342</u>	<u>(56,471)</u>
Use of money and property:				
Interest and earnings	40,250	40,250	60,563	20,313
Rental of real property	7,800	7,800	7,800	-
Commissions	10,800	77,800	94,413	16,613
Total use of money and property	<u>58,850</u>	<u>125,850</u>	<u>162,776</u>	<u>36,926</u>
Sale of property and compensation for loss:				
Sales, other	10,200	10,200	12,374	2,174
Insurance recoveries	100,000	738,642	738,642	-
Total sale of property and compensation for loss	<u>110,200</u>	<u>748,842</u>	<u>751,016</u>	<u>2,174</u>
Miscellaneous:				
Refunds of prior years' expenditures	-	586	586	-
Gifts and donations	107,900	109,400	83,027	(26,373)
Premium on obligations	-	-	88,375	88,375
VLT/Tribal compact moneys	308,570	308,570	308,570	-
Other unclassified revenues	3,831,787	3,081,787	11,272,385	8,190,598
Total miscellaneous	<u>4,248,257</u>	<u>3,500,343</u>	<u>11,752,943</u>	<u>8,252,600</u>
State aid:				
General government support:				
State revenue sharing	1,500	1,500	15,468	13,968
Casino licensing fee	-	-	2,550,000	2,550,000
Court facilities	214,814	214,814	223,700	8,886
Indigent legal services fund	-	221,000	221,774	774
District attorney salary	76,176	76,176	76,176	-
Medical examiner	3,000	3,000	-	(3,000)
Other	38,800	52,152	59,501	7,349
Education:				
Education of handicapped children	2,853,772	2,502,808	2,047,514	(455,294)
Public safety:				
Homeland security	33,328	84,328	-	(84,328)
Probation services	229,625	229,625	178,985	(50,640)
Navigation law enforcement	4,000	4,000	3,409	(591)
Other public safety	11,500	518,555	455,337	(63,218)

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
State aid (continued):				
Health:				
Public health	1,225,746	1,258,994	1,007,874	(251,120)
Veterans services	8,529	8,529	8,529	-
Handicapped children	1,500	-	-	-
Early intervention	121,486	117,951	41,736	(76,215)
Public health, other	154,033	157,986	157,398	(588)
Narcotics addiction control	257,718	257,718	257,718	-
Other health	1,456,715	1,827,156	1,827,156	-
Mental health	3,504,347	3,504,347	2,760,312	(744,035)
Transportation:				
Buses and other mass transportation projects	7,500	7,500	48,393	40,893
Economic assistance and opportunity:				
Medical assistance	(212,000)	(212,000)	(108,660)	103,340
Family assistance	200,000	200,000	794,403	594,403
Social services administration	4,846,103	4,846,103	3,748,919	(1,097,184)
Child care	3,192,025	3,192,025	1,961,510	(1,230,515)
Juvenile delinquent	95,793	95,793	1,185	(94,608)
Safety net	1,067,157	1,067,157	785,261	(281,896)
Emergency assistance for adults	37,250	37,250	44,715	7,465
Day care	141,292	141,292	279,542	138,250
Services for recipients	78,110	78,110	(3,286)	(81,396)
Program for aging	620,021	620,021	564,626	(55,395)
Other economic assistance and opportunity	129,644	3,000	3,898	898
Culture and recreation:				
Youth programs	71,931	73,922	73,922	-
Home and community services:				
Other home and community service	-	-	178,581	178,581
Total state aid	<u>20,471,415</u>	<u>21,190,812</u>	<u>20,265,596</u>	<u>(925,216)</u>
Federal aid:				
Public safety:				
Crime control	212,400	162,400	125,739	(36,661)
Other public safety	-	-	80,678	80,678
Health:				
Public health	323,184	271,307	200,738	(70,569)
WIC program	495,618	495,062	444,361	(50,701)
Other health	300,000	300,000	147,399	(152,601)

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Federal aid (continued):				
Economic assistance and opportunity:				
Medicaid assistance	(225,000)	(225,000)	40,509	265,509
Family assistance	5,884,058	5,884,058	4,999,582	(884,476)
Social services administration	6,266,138	6,266,138	4,165,497	(2,100,641)
Flexible funding for family services (FFFS)	3,562,029	3,562,029	3,646,318	84,289
Safety net	177,500	177,500	44,673	(132,827)
Home energy assistance	(60,000)	(60,000)	(86,782)	(26,782)
Programs for the aging	480,249	668,619	544,390	(124,229)
Other economic assistance and opportunity	113,577	240,221	226,498	(13,723)
Workforce investment act	687,536	687,536	664,970	(22,566)
Total federal aid	<u>18,217,289</u>	<u>18,429,870</u>	<u>15,244,570</u>	<u>(3,185,300)</u>
Total revenues	<u>\$ 167,298,052</u>	<u>\$ 172,244,461</u>	<u>\$ 174,694,622</u>	<u>\$ 2,450,161</u>
OTHER FINANCING SOURCES				
Transfers in:				
Transfer from capital fund	\$ -	\$ -	\$ 39,359	\$ 39,359
Transfer from debt service fund	-	1,150,560	1,150,560	-
Transfer from refuse and garbage fund	500,000	500,000	500,000	-
Total other financing sources	<u>\$ 500,000</u>	<u>\$ 1,650,560</u>	<u>\$ 1,689,919</u>	<u>\$ 39,359</u>
Total revenues and other financing sources	<u>\$ 167,798,052</u>	<u>\$ 173,895,021</u>	<u>\$ 176,384,541</u>	<u>\$ 2,489,520</u>

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COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—General Fund
Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
General government support:				
Legislative board	\$ 703,310	\$ 681,341	\$ 558,825	\$ 122,516
Municipal court	7,000	7,000	5,190	1,810
District attorney	1,829,783	1,833,596	1,617,918	215,678
Public defender	1,382,757	1,603,757	1,747,864	(144,107)
Medical examiner and coroner	381,636	364,136	328,546	35,590
Municipal executive	306,721	306,567	305,276	1,291
Auditor	671,124	726,919	678,852	48,067
Treasurer	505,430	503,197	489,384	13,813
Tax collector	1,079,049	1,210,544	1,145,590	64,954
Budget	1,682,214	1,498,784	1,323,245	175,539
Purchasing	429,253	425,385	404,008	21,377
Assessment	632,254	635,066	645,792	(10,726)
Clerk	2,027,973	2,030,497	2,047,703	(17,206)
Law	989,569	1,190,547	1,164,932	25,615
Personnel	552,525	564,644	523,811	40,833
Elections	720,770	773,003	741,126	31,877
Records management	156,035	145,635	133,170	12,465
Public works administration	595,818	764,452	697,814	66,638
Central services administration	250,273	250,698	249,906	792
Operation of plant	4,604,452	4,789,860	4,364,964	424,896
Central data processing	4,086,062	4,099,437	3,661,261	438,176
Unallocated insurance	765,560	765,560	786,933	(21,373)
Municipal association dues	35,000	35,150	35,150	-
Judgments and claims	150,000	788,642	832,677	(44,035)
Other general government support	2,327,595	1,803,180	1,305,370	497,810
Total general government support	<u>26,872,163</u>	<u>27,797,597</u>	<u>25,795,307</u>	<u>2,002,290</u>
Education:				
Community college tuition	1,450,000	1,450,000	1,354,545	95,455
Contribution to community college	4,300,000	4,300,000	4,300,000	-
Total education	<u>5,750,000</u>	<u>5,750,000</u>	<u>5,654,545</u>	<u>95,455</u>
Public safety:				
Public safety administration	202,831	262,529	242,061	20,468
Public safety communication system (911)	1,609,589	1,955,861	1,734,791	221,070
Sheriff	7,857,949	7,886,161	7,463,787	422,374
Probation	2,778,961	2,777,950	2,547,974	229,976
Jail	12,061,249	12,205,362	11,935,875	269,487
Stop dwi	282,486	281,708	246,619	35,089
Fire protection	101,410	123,455	112,303	11,152
Other animal controls	2,500	2,500	-	2,500
Safety inspection	19,000	19,000	988	18,012
Other public safety	915,752	915,752	854,989	60,763
Total public safety	<u>25,831,727</u>	<u>26,430,278</u>	<u>25,139,387</u>	<u>1,290,891</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—General Fund
Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Health:				
Public health	6,866,314	5,951,072	5,753,627	197,445
Physically handicapped	13,983	10,983	5,258	5,725
Public health, other	757,535	833,717	810,593	23,124
Early intervention program	5,892,609	5,889,074	5,721,056	168,018
WIC program	699,064	702,586	618,531	84,055
Narcotics addiction control	775,667	735,667	553,019	182,648
Narcotics addiction control services	1,456,715	1,827,156	1,781,272	45,884
Alcohol addiction control	19,739	19,439	15,795	3,644
Mental health administration	2,003,825	2,005,921	1,679,593	326,328
Mental health programs	3,971,613	3,940,930	3,534,306	406,624
Contracted mental health services	2,437,991	2,437,991	1,854,797	583,194
Other health	461,334	461,334	473,124	(11,790)
Total health	<u>25,356,389</u>	<u>24,815,870</u>	<u>22,800,971</u>	<u>2,014,899</u>
Transportation:				
Airport	476,719	466,253	402,783	63,470
Other transportation	1,107,372	1,092,125	658,150	433,975
Other transportation	83,018	83,018	79,327	3,691
Total transportation	<u>1,667,109</u>	<u>1,641,396</u>	<u>1,140,260</u>	<u>501,136</u>
Economic assistance and opportunity:				
Social services administration	16,538,207	16,417,702	15,131,086	1,286,616
Day care	1,583,350	1,583,350	1,287,519	295,831
Services for recipients	634,800	634,800	626,379	8,421
Medicaid	22,051,396	25,209,396	25,155,328	54,068
Family assistance	5,210,000	5,210,000	4,284,817	925,183
Child care	5,502,631	6,318,631	6,318,268	363
Juvenile delinquent	522,600	522,600	66,301	456,299
State training school	272,000	272,000	205,959	66,041
Safety net (formerly home relief)	3,679,852	3,679,852	3,057,577	622,275
Home energy assistance	75,000	75,000	5,593	69,407
Emergency aid for adults	250,000	250,000	146,325	103,675
Workforce investment act	1,549,472	1,566,161	1,390,050	176,111
Community action administration	18,360	18,360	13,754	4,606
Other economic opportunity programs	31,396	31,396	31,396	-
Publicity	518,000	518,000	711,411	(193,411)
Veterans service	634,632	647,795	665,508	(17,713)
Consumer affairs	90,446	88,141	85,930	2,211
Other economic development	1,458,162	1,409,162	1,414,792	(5,630)
Total economic assistance and opportunity	<u>60,620,304</u>	<u>64,452,346</u>	<u>60,597,993</u>	<u>3,854,353</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—General Fund
Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Culture and recreation:				
Parks	566,491	563,445	337,256	226,189
Youth programs	195,895	197,888	197,718	170
Museum	77,721	67,447	57,386	10,061
Historical property	95,909	85,120	69,936	15,184
Other performing arts	42,803	42,803	42,803	-
Program for the aging	2,698,123	2,912,012	2,540,310	371,702
Other culture and recreation	134,120	134,120	151,893	(17,773)
Total culture and recreation	<u>3,811,062</u>	<u>4,002,835</u>	<u>3,397,302</u>	<u>605,533</u>
Home and community services:				
Planning	1,056,461	1,059,882	740,999	318,883
Human rights commission	42,040	46,640	31,149	15,491
Fish and game	12,240	12,240	12,240	-
Flood and erosion control	298,535	298,535	257,614	40,921
Cemeteries	6,451	6,450	5,569	881
Other home and community services	418,993	418,993	477,173	(58,180)
Total home and community services	<u>1,834,720</u>	<u>1,842,740</u>	<u>1,524,744</u>	<u>317,996</u>
Debt service:				
Interest	109,944	109,944	109,944	-
Total debt service	<u>109,944</u>	<u>109,944</u>	<u>109,944</u>	<u>-</u>
Total expenditures	<u>\$ 151,853,418</u>	<u>\$ 156,843,006</u>	<u>\$ 146,160,453</u>	<u>\$ 10,682,553</u>
OTHER FINANCING USES				
Transfers out:				
Transfer to capital projects fund	\$ 200,000	\$ 907,024	\$ 892,735	\$ 14,289
Transfer to county road fund	14,077,866	13,967,568	13,967,568	-
Transfer to road machinery fund	4,112,565	3,881,762	3,881,762	-
Transfer to debt service fund	1,398,309	1,398,309	1,388,214	10,095
Transfer to solid waste fund	250,000	250,000	250,000	-
Total other financing uses	<u>\$ 20,038,740</u>	<u>\$ 20,404,663</u>	<u>\$ 20,380,279</u>	<u>\$ 24,384</u>
Total expenditures and other financing uses	<u>\$ 171,892,158</u>	<u>\$ 177,247,669</u>	<u>\$ 166,540,732</u>	<u>\$ 10,706,937</u>

(concluded)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—County Road Fund
Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental charges:				
Transportation:				
Transportation services, other governments	\$ 40,000	\$ 40,000	\$ 22,710	\$ (17,290)
Snow removal, other governments	455,806	524,873	242,685	(282,188)
Total intergovernmental charges	<u>495,806</u>	<u>564,873</u>	<u>265,395</u>	<u>(299,478)</u>
Licenses and permits:				
Permits, other	5,000	5,000	2,100	(2,900)
Total licenses and permits	<u>5,000</u>	<u>5,000</u>	<u>2,100</u>	<u>(2,900)</u>
Use of money and property:				
Interest and earnings	-	-	346	346
Total use of money and property	<u>-</u>	<u>-</u>	<u>346</u>	<u>346</u>
Sale of property and compensation for loss:				
Sales, other	200	200	45	(155)
Insurance recoveries	1,000	1,000	-	(1,000)
Total sale of property and compensation for loss	<u>1,200</u>	<u>1,200</u>	<u>45</u>	<u>(1,155)</u>
Miscellaneous:				
Premium on obligations	-	-	23,688	23,688
Other unclassified revenues	200,000	200,000	156,991	(43,009)
Total miscellaneous	<u>200,000</u>	<u>200,000</u>	<u>180,679</u>	<u>(19,321)</u>
State aid:				
Transportation:				
Consolidated highway aid program (CHIPS)	2,300,000	3,486,315	3,421,939	(64,376)
Other transportation	1,094,023	1,094,023	132,047	(961,976)
Total state aid	<u>3,394,023</u>	<u>4,580,338</u>	<u>3,553,986</u>	<u>(1,026,352)</u>
Federal aid:				
Transportation:				
Other transportation	622,831	622,831	698,812	75,981
Total federal aid	<u>622,831</u>	<u>622,831</u>	<u>698,812</u>	<u>75,981</u>
Total revenues	<u>\$ 4,718,860</u>	<u>\$ 5,974,242</u>	<u>\$ 4,701,363</u>	<u>\$ (1,272,879)</u>
OTHER FINANCING SOURCES				
Transfers in:				
Transfer from debt service fund	\$ -	\$ -	\$ 73,366	\$ 73,366
Transfer from debt service fund	-	1,313,951	1,315,322	1,371
Transfer from general fund	14,077,866	13,967,568	13,967,568	-
Total other financing sources	<u>\$ 14,077,866</u>	<u>\$ 15,281,519</u>	<u>\$ 15,356,256</u>	<u>\$ 74,737</u>
Total revenues and other financing sources	<u>\$ 18,796,726</u>	<u>\$ 21,255,761</u>	<u>\$ 20,057,619</u>	<u>\$ (1,198,142)</u>

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—County Road Fund
Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Public safety:				
Traffic control	\$ 689,230	\$ 600,084	\$ 449,331	\$ 150,753
Other public safety	102,388	102,388	124,528	(22,140)
Total public safety	<u>791,618</u>	<u>702,472</u>	<u>573,859</u>	<u>128,613</u>
Transportation:				
Engineering	1,800,006	1,642,837	1,258,556	384,281
Maintenance of roads	10,390,470	11,691,908	11,055,861	636,047
Snow removal	2,509,505	2,494,264	2,252,894	241,370
Other transportation	712,739	712,739	766,609	(53,870)
Total transportation	<u>15,412,720</u>	<u>16,541,748</u>	<u>15,333,920</u>	<u>1,207,828</u>
Debt service:				
Interest	98,482	98,482	98,482	-
Total debt service	<u>98,482</u>	<u>98,482</u>	<u>98,482</u>	<u>-</u>
Total expenditures	<u>\$ 16,302,820</u>	<u>\$ 17,342,702</u>	<u>\$ 16,006,261</u>	<u>\$ 1,336,441</u>
OTHER FINANCING USES				
Transfers out:				
Transfer to capital projects fund	\$ 1,100,000	\$ 1,100,000	\$ 1,100,001	\$ (1)
Transfer to debt service fund	2,120,179	2,120,179	2,022,157	98,022
Total other financing uses	<u>\$ 3,220,179</u>	<u>\$ 3,220,179</u>	<u>\$ 3,122,158</u>	<u>\$ 98,021</u>
Total expenditures and other financing uses	<u>\$ 19,522,999</u>	<u>\$ 20,562,881</u>	<u>\$ 19,128,419</u>	<u>\$ 1,434,462</u>

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—Refuse and Garbage Fund
Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Departmental income:				
Home and community services:				
Refuse and garbage charges	\$ 11,013,425	\$ 11,428,425	\$ 11,940,219	\$ 511,794
Total departmental income	<u>11,013,425</u>	<u>11,428,425</u>	<u>11,940,219</u>	<u>511,794</u>
Use of money and property:				
Interest and earnings	-	-	660	660
Total use of money and property	<u>-</u>	<u>-</u>	<u>660</u>	<u>660</u>
Sale of property and compensation for loss:				
Sales of refuse for recycling	255,000	255,000	237,739	(17,261)
Total sale of property and compensation for loss	<u>255,000</u>	<u>255,000</u>	<u>237,739</u>	<u>(17,261)</u>
Miscellaneous:				
Premium on obligations	-	-	4,967	4,967
Total miscellaneous	<u>-</u>	<u>-</u>	<u>4,967</u>	<u>4,967</u>
State aid:				
Home and community services:				
Other home and community service	32,500	32,500	12,273	(20,227)
Total state aid	<u>32,500</u>	<u>32,500</u>	<u>12,273</u>	<u>(20,227)</u>
Total revenues	<u>\$ 11,300,925</u>	<u>\$ 11,715,925</u>	<u>\$ 12,195,858</u>	<u>\$ 479,933</u>
OTHER FINANCING SOURCES				
Transfers in:				
Transfer from debt service fund	\$ -	\$ -	\$ 565	\$ 565
Transfer from general fund	250,000	250,000	250,000	-
Total other financing sources	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,565</u>	<u>\$ 565</u>
Total revenues and other financing sources	<u>\$ 11,550,925</u>	<u>\$ 11,965,925</u>	<u>\$ 12,446,423</u>	<u>\$ 480,498</u>

COUNTY OF SULLIVAN, NEW YORK

**Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—Refuse and Garbage Fund
Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Home and community services:				
Refuse and garbage	\$ 7,168,330	\$ 7,576,746	\$ 6,929,628	\$ 647,118
Other home and community services	104,985	104,985	98,710	6,275
Total home and community services	<u>7,273,315</u>	<u>7,681,731</u>	<u>7,028,338</u>	<u>653,393</u>
Debt service:				
Interest	5,212	5,212	5,212	-
Total debt service	<u>5,212</u>	<u>5,212</u>	<u>5,212</u>	<u>-</u>
Total expenditures	<u>\$ 7,278,527</u>	<u>\$ 7,686,943</u>	<u>\$ 7,033,550</u>	<u>\$ 653,393</u>
OTHER FINANCING USES				
Transfers out:				
Transfer to general fund	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Transfer to capital projects fund	94,400	94,400	94,400	-
Transfer to debt service fund	4,330,203	4,330,203	4,319,935	10,268
Total other financing uses	<u>\$ 4,924,603</u>	<u>\$ 4,924,603</u>	<u>\$ 4,914,335</u>	<u>\$ 10,268</u>
Total expenditures and other financing uses	<u>\$ 12,203,130</u>	<u>\$ 12,611,546</u>	<u>\$ 11,947,885</u>	<u>\$ 663,661</u>

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NONMAJOR GOVERNMENTAL FUNDS

ROAD MACHINERY FUND

The Road Machinery Fund is a special revenue fund required by Highway Law §133 and accounts for purchases, repairs and maintenance of highway machinery, tools and equipment; for construction, purchase and maintenance of buildings for the storage and repair of highway machinery and equipment; and for the purchase of materials and supplies to provide an adequate central stockpile for highway, snow removal and bridge purposes.

SPECIAL GRANT FUND

The Special Grant Fund is used to account for projects financed by entitlements from the U.S. Department of Housing and Urban Development.

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources for the payment of principal and interest on long-term debt. Debt Service Funds are not required unless segregation of resources is legally mandated. Such legally mandated instances include: proceeds from the sale of property on which debt is outstanding, State and Federal Aid received for a project on which debt is outstanding, interest earned on the proceeds of long-term debt which was not budgeted as a source of financing for the project, unexpended proceeds of long-term debt, and resources for a "Reserve Fund for Payment on Bonded Indebtedness" established pursuant to General Municipal Law §6-h.

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COUNTY OF SULLIVAN, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2016

	Special Grant	Road Machinery	Debt Service	Total Nonmajor Funds
ASSETS				
Cash and cash equivalents	\$ 100,203	\$ 187,459	\$ -	\$ 287,662
Restricted cash and cash equivalents	672,915	-	-	672,915
Accounts receivable	-	703	-	703
Intergovernmental receivables	43,112	-	-	43,112
Loans receivable, net of allowance	241,061	-	-	241,061
Due from other funds	-	1,502,638	-	1,502,638
Total assets	<u>\$ 1,057,291</u>	<u>\$ 1,690,800</u>	<u>\$ -</u>	<u>\$ 2,748,091</u>
LIABILITIES				
Accounts payable	\$ 39,647	\$ 146,657	\$ -	\$ 186,304
Accrued liabilities	-	98,072	-	98,072
Total liabilities	<u>39,647</u>	<u>244,729</u>	<u>-</u>	<u>284,376</u>
FUND BALANCES				
Restricted	1,017,644	1,569	-	1,019,213
Assigned	-	1,444,502	-	1,444,502
Total fund balances	<u>1,017,644</u>	<u>1,446,071</u>	<u>-</u>	<u>2,463,715</u>
Total liabilities and fund balances	<u>\$ 1,057,291</u>	<u>\$ 1,690,800</u>	<u>\$ -</u>	<u>\$ 2,748,091</u>

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds
Year Ended December 31, 2016

	Special Grant	Road Machinery	Debt Service	Total Nonmajor Funds
REVENUES				
Departmental income	\$ 13,341	\$ 731,571	\$ -	\$ 744,912
Use of money and property	455	145	8,017	8,617
Sale of property and compensation for loss	-	90,066	-	90,066
Miscellaneous	-	13,213	-	13,213
State aid	12,250	-	-	12,250
Federal aid	-	-	153,838	153,838
Total revenues	<u>26,046</u>	<u>834,995</u>	<u>161,855</u>	<u>1,022,896</u>
EXPENDITURES				
Current:				
General government support	-	-	17,042	17,042
Transportation	-	3,257,760	-	3,257,760
Home and community service	9,194	-	-	9,194
Debt service:				
Principal	-	-	7,018,541	7,018,541
Interest	-	3,290	1,697,017	1,700,307
Total expenditures	<u>9,194</u>	<u>3,261,050</u>	<u>8,732,600</u>	<u>12,002,844</u>
Excess (deficiency) of revenues over expenditures	<u>16,852</u>	<u>(2,426,055)</u>	<u>(8,570,745)</u>	<u>(10,979,948)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(908,055)	(2,646,802)	(3,554,857)
Transfers in	-	3,988,751	8,652,127	12,640,878
Premium on general obligation bonds	-	-	2,565,420	2,565,420
Total other financing sources (uses)	<u>-</u>	<u>3,080,696</u>	<u>8,570,745</u>	<u>11,651,441</u>
Net change in fund balance	16,852	654,641	-	671,493
Fund balances—beginning, as restated	1,000,792	791,430	-	1,792,222
Fund balances—ending	<u>\$ 1,017,644</u>	<u>\$ 1,446,071</u>	<u>\$ -</u>	<u>\$ 2,463,715</u>

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Road Machinery Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Departmental income	\$ 900,000	\$ 900,000	\$ 731,571	\$ (168,429)
Use of money and property	-	-	145	145
Sale of property and compensation for loss	-	-	90,066	90,066
Miscellaneous	2,000	2,000	13,213	11,213
Total revenues	<u>902,000</u>	<u>902,000</u>	<u>834,995</u>	<u>(67,005)</u>
EXPENDITURES				
Current:				
Transportation	4,329,990	4,068,794	3,257,760	811,034
Debt service:				
Interest	3,291	3,291	3,290	1
Total expenditures	<u>4,333,281</u>	<u>4,072,085</u>	<u>3,261,050</u>	<u>811,035</u>
Excess (deficiency) of revenues over expenditures	<u>(3,431,281)</u>	<u>(3,170,085)</u>	<u>(2,426,055)</u>	<u>744,030</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(943,511)	(943,511)	(908,055)	35,456
Transfers in	4,112,565	3,881,762	3,988,751	106,989
Total other financing sources (uses)	<u>3,169,054</u>	<u>2,938,251</u>	<u>3,080,696</u>	<u>142,445</u>
Net change in fund balance*	(262,227)	(231,834)	654,641	886,475
Fund balances—beginning, as restated	757,985	757,985	757,985	-
Fund balances—ending	<u>\$ 495,758</u>	<u>\$ 526,151</u>	<u>\$ 1,412,626</u>	<u>\$ 886,475</u>

* The net change in fund balance was included in the budget as an appropriation (i.e. spenddown) of fund balance and a re-appropriation of prior year encumbrances.

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Debt Service Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 8,017	\$ 8,017
Miscellaneous	-	-	-	-
Federal aid	-	-	153,838	153,838
Total revenues	-	-	161,855	161,855
EXPENDITURES				
Current:				
General government support	4,339	4,337	17,042	(12,705)
Debt service:				
Principal	7,018,541	7,018,541	7,018,541	-
Interest	1,709,722	1,709,722	1,697,017	12,705
Total expenditures	8,732,602	8,732,600	8,732,600	-
Excess (deficiency) of revenues over expenditures	(8,732,602)	(8,732,600)	(8,570,745)	161,855
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(2,464,511)	(2,646,802)	(182,291)
Transfers in	8,732,602	8,732,600	8,652,127	(80,473)
Premium on general obligation bonds	-	-	2,565,420	2,565,420
Total other financing sources (uses)	8,732,602	6,268,089	8,570,745	2,302,656
Net change in fund balance	-	(2,464,511)	-	2,464,511
Fund balances—beginning	-	-	-	-
Fund balances—ending	\$ -	\$ (2,464,511)	\$ -	\$ 2,464,511

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INTERNAL SERVICE FUNDS

The internal service funds account for and may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary government, and its component units or to other governments on a cost reimbursement basis. These funds should only be used when the reporting government is the predominant participant in the activity.

WORKERS' COMPENSATION FUND

The Workers' Compensation Fund is used to account for the County's workers' compensation claims. Additionally, the fund is utilized to account for amounts due from other local governments within the County related to their workers' compensation liabilities.

SELF-INSURED DENTAL FUND

The Self-Insured Dental Fund is used to account for the County's self-insurance program for dental benefits.

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COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Net Position—Internal Service Funds
December 31, 2016

	<u>Workers'</u> <u>Compensation</u> <u>Benefits</u>	<u>Self-Insured</u> <u>Dental</u>	<u>Total</u> <u>Internal</u> <u>Service Funds</u>
ASSETS			
Cash and cash equivalents	\$ 13,469	\$ 472,627	\$ 486,096
Restricted cash and cash equivalents	98,147	-	98,147
Accounts receivable	8,450,351	18,674	8,469,025
Due from other funds	9,148,398	-	9,148,398
Total assets	<u>17,710,365</u>	<u>491,301</u>	<u>18,201,666</u>
LIABILITIES			
Accounts payable	192	-	192
Accrued liabilities	246,674	-	246,674
Unearned revenue	98,147	-	98,147
Noncurrent liabilities:			
Due within one year	1,820,640	3,445	1,824,085
Due in more than one year	16,385,761	-	16,385,761
Total liabilities	<u>18,551,414</u>	<u>3,445</u>	<u>18,554,859</u>
NET POSITION			
Restricted	-	487,856	487,856
Unrestricted	(841,049)	-	(841,049)
Total net position	<u>\$ (841,049)</u>	<u>\$ 487,856</u>	<u>\$ (353,193)</u>

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Revenues, Expenses and Changes in Net Position—Internal Service Funds
Year Ended December 31, 2016

	Workers' Compensation Benefits	Self-Insured Dental	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 5,170,348	\$ 474,026	\$ 5,644,374
Insurance recoveries	133,395	-	133,395
Total operating revenues	<u>5,303,743</u>	<u>474,026</u>	<u>5,777,769</u>
Operating expenses:			
Employee benefits	4,382,863	383,253	4,766,116
Total operating expenses	<u>4,382,863</u>	<u>383,253</u>	<u>4,766,116</u>
Operating income	<u>920,880</u>	<u>90,773</u>	<u>1,011,653</u>
Nonoperating revenues			
Interest income	87	264	351
Total nonoperating revenues	<u>87</u>	<u>264</u>	<u>351</u>
Income (loss) before contributions and transfers	920,967	91,037	1,012,004
Transfers in	-	-	-
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	920,967	91,037	1,012,004
Net position—beginning, as restated	<u>(1,762,016)</u>	<u>396,819</u>	<u>(1,365,197)</u>
Net position—ending	<u>\$ (841,049)</u>	<u>\$ 487,856</u>	<u>\$ (353,193)</u>

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Cash Flows—Internal Service Funds
Year Ended December 31, 2016

	Workers' Compensation Benefits	Self-Insured Dental	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from services provided	\$ 4,930,378	\$ 455,352	\$ 5,385,730
Receipts from insurance recoveries	133,395	-	133,395
Payments to insurance carriers and claimants	(4,003,658)	(383,071)	(4,386,729)
Payments on behalf of other funds	(1,120,285)	-	(1,120,285)
Net cash provided by (used for) operating activities	<u>(60,170)</u>	<u>72,281</u>	<u>12,111</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	87	264	351
Increase (decrease) in cash and cash equivalents	(60,083)	72,545	12,462
Cash and cash equivalents—beginning	171,699	400,082	571,781
Cash and cash equivalents—ending	<u>\$ 111,616</u>	<u>\$ 472,627</u>	<u>\$ 584,243</u>
Reconciliation of operating income to net cash used for operating activities:			
Operating income	\$ 920,880	\$ 90,773	\$ 1,011,653
Adjustments to reconcile operating income to net cash used for operating activities:			
(Increase) in receivables	(317,728)	(18,674)	(336,402)
(Increase) in due from other funds	(1,120,285)	-	(1,120,285)
Increase in accounts payable	192	-	192
(Decrease) in accrued liabilities	(74,983)	-	(74,983)
Increase in unearned revenue	77,758	-	77,758
Increase in claims payable	453,996	182	454,178
Total adjustments	<u>(981,050)</u>	<u>(18,492)</u>	<u>(999,542)</u>
Net cash provided by (used for) operating activities	<u>\$ (60,170)</u>	<u>\$ 72,281</u>	<u>\$ 12,111</u>

FIDUCIARY FUNDS

Fiduciary Funds account for assets held by a governmental unit in a trustee or agent capacity.

AGENCY FUND

The Agency Fund accounts for assets held by the County as an agent for individuals, private organizations or other governments and/or other funds.

COUNTY OF SULLIVAN, NEW YORK
Statement of Changes in Assets and Liabilities—Agency Fund
Year Ended December 31, 2016

	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
ASSETS				
Cash and equivalents	\$ 2,696,313	\$ 103,396,385	\$ 103,458,567	\$ 2,634,131
Accounts receivable	8,970	82,804,807	82,808,283	5,494
Total assets	<u>\$ 2,705,283</u>	<u>\$ 186,201,192</u>	<u>\$ 186,266,850</u>	<u>\$ 2,639,625</u>
LIABILITIES				
Accounts payable	\$ 42,452	\$ 30,658,058	\$ 30,665,475	\$ 35,035
Employee payroll deductions	189,781	91,328,564	91,334,164	184,181
Deposits	2,473,050	32,107,161	32,159,802	2,420,409
Total liabilities	<u>\$ 2,705,283</u>	<u>\$ 154,093,783</u>	<u>\$ 154,159,441</u>	<u>\$ 2,639,625</u>

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STATISTICAL SECTION

This part of the County’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents:	Page
Financial Trends	128
<i>These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	135
<i>These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</i>	
Debt Capacity	139
<i>These schedules present information to help the reader assess the affordability of the County’s current level of outstanding debt and the County’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	143
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.</i>	
Operating Information	145
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

COUNTY OF SULLIVAN, NEW YORK
Schedule I—Net Position by Component
Last Ten Fiscal Years
(Unaudited, accrual basis of accounting)

	2007	2008 ¹	2009	2010	2011	2012 ²	2013	2014	2015	2016
Governmental activities:										
Net investment in										
capital assets	\$ 38,417,445	\$ 61,589,988	\$ 69,015,657	\$ 70,516,266	\$ 76,768,306	\$ 81,670,910	\$ 85,262,582	\$ 88,651,807	\$ 101,642,615	\$ 115,374,686
Restricted	1,014,666	11,771,895	8,500,676	8,517,769	8,270,567	4,500,821	1,758,414	4,887,153	5,931,828	2,220,351
Unrestricted	9,607,692	(11,622,787)	(19,618,689)	(20,556,594)	(27,051,908)	(33,799,457)	(38,231,820)	(46,016,248)	(62,333,657)	(70,062,234)
Total net position— governmental activities	<u>\$ 49,039,803</u>	<u>\$ 61,739,096</u>	<u>\$ 57,897,644</u>	<u>\$ 58,477,441</u>	<u>\$ 57,986,965</u>	<u>\$ 52,372,274</u>	<u>\$ 48,789,176</u>	<u>\$ 47,522,712</u>	<u>\$ 45,240,786</u>	<u>\$ 47,532,803</u>
Business-type activities:										
Net investment in										
capital assets	\$ 2,025,110	\$ 2,076,502	\$ 2,124,380	\$ 1,883,587	\$ 1,643,913	\$ 1,413,451	\$ 1,298,706	\$ 1,613,933	\$ 2,696,176	2,011,150
Restricted	-	-	-	-	-	-	850,579	715,891	-	202,718
Unrestricted	(208,507)	(14,098,396)	(13,457,345)	(18,121,973)	(20,823,848)	(22,543,688)	(25,885,338)	(21,264,110)	(25,788,417)	(29,698,669)
Total net position— Business-type activities	<u>\$ 1,816,603</u>	<u>\$ (12,021,894)</u>	<u>\$ (11,332,965)</u>	<u>\$ (16,238,386)</u>	<u>\$ (19,179,935)</u>	<u>\$ (21,130,237)</u>	<u>\$ (23,736,053)</u>	<u>\$ (18,934,286)</u>	<u>\$ (23,092,241)</u>	<u>\$ (27,484,801)</u>
Primary government										
Net investment in										
capital assets	\$ 40,442,555	\$ 63,666,490	\$ 71,140,037	\$ 72,399,853	\$ 78,412,219	\$ 83,084,361	\$ 86,861,288	\$ 90,265,740	\$ 104,338,791	117,385,836
Restricted	1,014,666	11,771,895	8,500,676	8,517,769	8,270,567	4,500,821	2,608,993	5,603,044	5,931,828	2,423,069
Unrestricted	9,399,185	(25,721,183)	(33,076,034)	(38,678,567)	(47,875,756)	(56,343,145)	(64,117,158)	(67,280,358)	(88,122,074)	(99,760,903)
Total net position— Primary government	<u>\$ 50,856,406</u>	<u>\$ 49,717,202</u>	<u>\$ 46,564,679</u>	<u>\$ 42,239,055</u>	<u>\$ 38,807,030</u>	<u>\$ 31,242,037</u>	<u>\$ 25,353,123</u>	<u>\$ 28,588,426</u>	<u>\$ 22,148,545</u>	<u>\$ 20,048,002</u>

¹ The activities of the Sullivan Tobacco Asset Securitization Corporation that had previously been accounted for under governmental activities have been reclassified and presented under the business-type activities.

² Governmental Accounting Standards Board Statement No. 63—"Financial Reporting of Deferred Outflows of resources, Deferred Inflow of Resources and Net Position" renamed net assets to net position effective for the year ended December 31, 2012.

COUNTY OF SULLIVAN, NEW YORK
Schedule II—Changes in Net Position
Last Ten Fiscal Years
(Unaudited, accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary government:										
Expenses:										
Governmental activities:										
General government support	\$24,516,886	\$17,114,529	\$17,432,319	\$20,573,018	\$18,610,178	\$ 23,222,974	\$ 22,299,150	\$ 22,867,189	\$ 25,299,974	\$ 29,873,350
Education	5,489,354	6,622,720	6,771,949	6,011,024	5,800,343	5,775,448	6,499,480	6,272,866	5,885,213	5,975,783
Public safety	22,486,088	23,456,337	23,927,441	24,460,208	24,267,723	26,070,999	26,924,495	26,718,049	26,658,920	29,407,686
Health	23,526,196	25,389,140	23,906,533	23,818,137	24,063,061	25,388,743	24,293,812	23,145,341	23,707,230	24,825,500
Transportation	20,910,476	15,723,127	18,423,675	21,447,683	19,677,365	19,581,033	20,593,635	22,164,720	25,323,854	22,258,819
Economic assistance and opportunity	50,064,825	54,082,395	59,353,745	56,207,703	57,259,852	58,836,611	56,813,202	60,484,322	52,313,394	65,156,303
Culture and recreation	2,294,525	3,187,191	3,088,411	3,038,366	3,231,074	3,545,385	3,463,248	3,355,192	3,162,612	3,909,500
Home and community services	631,759	8,859,856	9,470,621	7,114,794	9,743,923	10,530,023	13,221,737	7,309,555	10,431,878	12,723,655
Interest and other fiscal charges	3,265,875	2,491,364	2,334,358	2,350,765	2,863,482	2,472,088	2,096,007	1,895,292	1,870,859	2,732,282
Total governmental activities	<u>153,185,984</u>	<u>156,926,659</u>	<u>164,709,052</u>	<u>165,021,698</u>	<u>165,517,001</u>	<u>175,423,304</u>	<u>176,204,766</u>	<u>174,212,526</u>	<u>174,653,934</u>	<u>196,862,878</u>
Business-type activities:										
Adult Care Center	14,427,641	14,907,433	17,212,907	16,228,151	16,827,634	17,447,113	16,165,086	16,886,860	17,935,927	19,012,834
Sullivan County TASC	-	903,018	882,994	860,655	839,981	818,639	782,343	754,869	729,676	9,184,711
Total business-type activities	<u>14,427,641</u>	<u>15,810,451</u>	<u>18,095,901</u>	<u>17,088,806</u>	<u>17,667,615</u>	<u>18,265,752</u>	<u>16,947,429</u>	<u>17,641,729</u>	<u>18,665,603</u>	<u>28,197,545</u>
Total expenses	<u>167,613,625</u>	<u>172,737,110</u>	<u>182,804,953</u>	<u>182,110,504</u>	<u>183,184,616</u>	<u>193,689,056</u>	<u>193,152,195</u>	<u>191,854,255</u>	<u>193,319,537</u>	<u>225,060,423</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government support	2,317,104	2,433,889	2,524,940	2,573,330	2,520,630	8,386,063	8,440,597	8,538,626	3,788,188	6,588,102
Education	-	67,120	52,644	42,553	235,678	462,102	-	-	257,293	-
Public safety	580,086	1,450,584	1,574,307	1,578,510	1,881,807	1,559,469	1,298,078	1,399,463	2,125,579	3,611,717
Health	10,021,037	7,679,516	10,680,595	9,505,384	8,628,023	8,775,797	7,525,923	6,572,292	6,303,080	7,444,976
Transportation	1,890,474	1,908,668	1,373,681	964,553	1,509,166	1,200,844	1,272,124	1,242,440	5,538,814	6,032,541
Economic assistance and opportunity	2,796,860	2,328,255	2,461,848	2,733,305	3,040,513	2,538,179	3,175,957	2,963,563	2,395,739	4,323,812
Culture and recreation	169,138	200,230	153,442	148,258	188,196	221,139	213,173	189,508	91,864	618,995
Home and community services	7,032,512	6,175,827	5,109,884	9,241,673	11,587,218	11,535,541	11,715,220	11,179,889	11,478,802	12,138,306
Operating grants and contributions	39,935,423	40,874,585	45,604,484	45,364,696	42,207,077	38,601,375	37,409,612	38,906,382	37,865,882	35,877,893
Capital grants and contributions	938,606	6,446,290	2,026,614	2,471,353	1,620,224	1,712,392	2,210,020	1,807,953	2,934,391	5,487,781
Total governmental activities	<u>65,681,240</u>	<u>69,564,964</u>	<u>71,562,439</u>	<u>74,623,615</u>	<u>73,418,532</u>	<u>74,992,901</u>	<u>73,260,704</u>	<u>72,800,116</u>	<u>72,779,632</u>	<u>82,124,123</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Schedule II—Changes in Net Position
Last Ten Fiscal Years
(Unaudited, accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Adult Care Center:										
Charges for services	11,009,162	12,455,417	11,090,401	10,977,303	11,460,580	11,766,216	9,241,119	9,856,047	12,966,995	10,632,154
Operating grants and contributions	-	5,792	-	-	2,626,286	3,125,999	2,555,973	10,064,732	-	10,804,326
Capital grants and contributions	-	20,000	-	-	-	-	-	-	-	-
Sullivan County TASC	-	1,334,160	1,373,566	1,106,106	1,034,231	993,587	1,075,121	1,284,271	1,893,210	1,335,431
Total business-type activities	<u>11,009,162</u>	<u>13,815,369</u>	<u>12,463,967</u>	<u>12,083,409</u>	<u>15,121,097</u>	<u>15,885,802</u>	<u>12,872,213</u>	<u>21,205,050</u>	<u>14,860,205</u>	<u>22,771,911</u>
Total program revenues	<u>76,690,402</u>	<u>83,380,333</u>	<u>84,026,406</u>	<u>86,707,024</u>	<u>88,539,629</u>	<u>90,878,703</u>	<u>86,132,917</u>	<u>94,005,166</u>	<u>87,639,837</u>	<u>104,896,034</u>
Net expense:										
Governmental activities	(87,504,744)	(87,361,695)	(93,146,613)	(90,398,083)	(92,098,469)	(100,430,403)	(102,944,062)	(101,412,410)	(101,874,302)	(114,738,755)
Business-type activities	<u>(3,418,479)</u>	<u>(1,995,082)</u>	<u>(5,631,934)</u>	<u>(5,005,397)</u>	<u>(2,546,518)</u>	<u>(2,379,950)</u>	<u>(4,075,216)</u>	<u>3,563,321</u>	<u>(3,805,398)</u>	<u>(5,425,634)</u>
Total net expense	<u>(90,923,223)</u>	<u>(89,356,777)</u>	<u>(98,778,547)</u>	<u>(95,403,480)</u>	<u>(94,644,987)</u>	<u>(102,810,353)</u>	<u>(107,019,278)</u>	<u>(97,849,089)</u>	<u>(105,679,700)</u>	<u>(120,164,389)</u>
General revenues:										
Governmental activities:										
Property taxes	47,854,011	41,809,497	46,790,101	48,690,132	48,065,549	49,824,079	53,982,110	54,940,465	55,805,788	56,874,718
Other property tax items	-	5,252,252	6,318,080	6,633,477	7,606,522	8,463,919	9,313,959	7,522,050	8,431,127	8,403,849
Non-property taxes	38,931,199	39,691,935	35,766,177	35,304,348	35,103,619	36,226,594	36,206,602	38,064,659	38,813,293	41,659,523
Use of money and property	1,579,506	504,051	158,195	112,113	75,953	79,860	74,090	69,755	44,922	220,060
Sale of property and compensation for loss	-	-	-	-	263,115	521,881	589,724	293,579	402,891	1,212,261
Miscellaneous	3,197,737	315,280	272,608	237,810	-	-	48,241	105,205	82,760	8,660,361
Transfers	<u>(2,046,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,235</u>	<u>(300,621)</u>	<u>(553,762)</u>	<u>(1,149,767)</u>	<u>(74,405)</u>	<u>-</u>
Total governmental activities	<u>89,515,753</u>	<u>87,573,015</u>	<u>89,305,161</u>	<u>90,977,880</u>	<u>91,607,993</u>	<u>94,815,712</u>	<u>99,660,964</u>	<u>99,845,946</u>	<u>103,506,376</u>	<u>117,030,772</u>
Business-type activities:										
Use of money and property	6,684	-	112,476	68,968	95,154	95,094	91,838	87,427	86,706	1,019,048
Grants and contributions not restricted to specific programs	-	-	6,192,294	-	-	-	-	-	-	-
Miscellaneous	5,400	7,590	16,093	31,008	3,050	33,933	1,064,864	1,252	5,437	14,026
Transfers	<u>2,046,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(493,235)</u>	<u>300,621</u>	<u>553,762</u>	<u>1,149,767</u>	<u>74,405</u>	<u>-</u>
Total business-type activities	<u>2,058,784</u>	<u>7,590</u>	<u>6,320,863</u>	<u>99,976</u>	<u>(395,031)</u>	<u>429,648</u>	<u>1,710,464</u>	<u>1,238,446</u>	<u>166,548</u>	<u>1,033,074</u>
Total primary government	<u>91,574,537</u>	<u>87,580,605</u>	<u>95,626,024</u>	<u>91,077,856</u>	<u>91,212,962</u>	<u>95,245,360</u>	<u>101,371,428</u>	<u>101,084,392</u>	<u>103,672,924</u>	<u>118,063,846</u>
Change in net position:										
Governmental activities	2,011,009	211,320	(3,841,452)	579,797	(490,476)	(5,614,691)	(3,283,098)	(1,566,464)	1,632,074	2,292,017
Business-type activities	<u>(1,359,695)</u>	<u>(1,987,492)</u>	<u>688,929</u>	<u>(4,905,421)</u>	<u>(2,941,549)</u>	<u>(1,950,302)</u>	<u>(2,364,752)</u>	<u>4,801,767</u>	<u>(3,638,850)</u>	<u>(4,392,560)</u>
Total change in net position	<u>\$ 651,314</u>	<u>\$ (1,776,172)</u>	<u>\$ (3,152,523)</u>	<u>\$ (4,325,624)</u>	<u>\$ (3,432,025)</u>	<u>\$ (7,564,993)</u>	<u>\$ (5,647,850)</u>	<u>\$ 3,235,303</u>	<u>\$ (2,006,776)</u>	<u>\$ (2,100,543)</u>

(concluded)

COUNTY OF SULLIVAN, NEW YORK
Schedule III—Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Unaudited, modified accrual basis of accounting)

	2007	2008 ¹	2009	2010	2011 ²	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 2,264,316	\$ 1,066,049	\$ 1,983,965	\$ 1,164,799	n/a	n/a	n/a	n/a	n/a	n/a
Unreserved	<u>22,114,837</u>	<u>19,802,670</u>	<u>17,870,045</u>	<u>23,297,252</u>	n/a	n/a	n/a	n/a	n/a	n/a
Total General Fund	<u>\$ 24,379,153</u>	<u>\$ 20,868,719</u>	<u>\$ 19,854,010</u>	<u>\$ 24,462,051</u>	n/a	n/a	n/a	n/a	n/a	n/a
All other governmental funds:										
Reserved	\$ 1,295,563	\$ 883,358	\$ 1,160,991	\$ 976,711	n/a	n/a	n/a	n/a	n/a	n/a
Unreserved, reported in:										
Special revenue funds	7,794,061	2,683,499	2,406,397	3,741,696	n/a	n/a	n/a	n/a	n/a	n/a
Capital projects fund	<u>3,051,398</u>	<u>1,314,486</u>	<u>(6,246,400)</u>	<u>(5,805,546)</u>	n/a	n/a	n/a	n/a	n/a	n/a
Total all other governmental funds	<u>\$ 12,141,022</u>	<u>\$ 4,881,343</u>	<u>\$ (2,679,012)</u>	<u>\$ (1,087,139)</u>	n/a	n/a	n/a	n/a	n/a	n/a
General Fund:										
Nonspendable	n/a	n/a	n/a	n/a	\$ -	\$ -	\$ 4,865,391	\$ 397,864	\$ 3,119,167	\$ -
Restricted	n/a	n/a	n/a	n/a	554,732	775,058	773,434	1,914,665	596,633	636,878
Committed	n/a	n/a	n/a	n/a	11,914,377	9,694,504	13,503,770	14,250,044	7,604,102	6,718,564
Assigned	n/a	n/a	n/a	n/a	7,925,968	1,116,190	1,349,150	236,404	7,370,106	19,123,085
Unassigned	n/a	n/a	n/a	n/a	<u>2,737,515</u>	<u>12,837,110</u>	<u>7,017,360</u>	<u>7,389,166</u>	<u>8,211,445</u>	<u>11,862,438</u>
Total General Fund					<u>\$ 23,132,592</u>	<u>\$ 24,422,862</u>	<u>\$ 27,509,105</u>	<u>\$ 24,188,143</u>	<u>\$ 26,901,453</u>	<u>\$ 38,340,965</u>
All other governmental funds:										
Nonspendable	n/a	n/a	n/a	n/a	\$ 675,000	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	n/a	n/a	n/a	n/a	691,527	926,902	849,658	2,815,531	740,454	87,503,330
Assigned	n/a	n/a	n/a	n/a	3,123,551	2,833,070	3,569,924	5,084,728	3,385,393	5,532,960
Unassigned	n/a	n/a	n/a	n/a	<u>(9,282,628)</u>	<u>(2,287,518)</u>	<u>(4,258,647)</u>	<u>-</u>	<u>(3,262,553)</u>	<u>-</u>
Total all other governmental funds					<u>\$ (4,792,550)</u>	<u>\$ 1,472,454</u>	<u>\$ 160,935</u>	<u>\$ 7,900,259</u>	<u>\$ 863,294</u>	<u>\$ 93,036,290</u>

¹ The activities of the Sullivan County Tobacco Asset Securitization Corporation that had previously been accounted for as a special revenue fund have been reclassified and presented as an enterprise fund.

² During the fiscal year ended December 31, 2011, the County implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

COUNTY OF SULLIVAN, NEW YORK
Schedule IV—Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited, modified accrual basis of accounting)

	2007	2008 ¹	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Real property taxes	\$ 41,745,084	\$ 39,863,381	\$ 42,132,012	\$ 49,825,309	\$ 47,403,913	\$ 51,466,856	\$ 53,786,165	\$ 55,763,769	\$ 55,328,648	\$ 57,546,461
Other property tax items	5,366,993	5,252,252	6,318,080	6,633,477	7,606,522	8,463,919	9,313,959	7,522,050	8,431,127	8,403,849
Non property tax items	38,934,175	39,691,935	35,766,177	35,304,348	35,103,619	36,226,594	36,206,602	38,064,659	38,813,293	41,659,523
Departmental income	26,880,981	24,753,634	26,319,095	30,944,301	32,498,904	32,633,592	31,608,948	29,951,852	29,612,294	30,740,210
Intergovernmental charges	3,272,524	2,162,156	2,274,525	1,966,413	1,900,270	1,741,864	1,948,855	2,167,520	1,984,646	711,042
Licenses and permit	32,645	44,590	29,860	25,910	33,600	30,541	25,467	62,900	56,420	63,920
Fines and forfeitures	282,150	217,220	336,312	313,712	253,020	497,936	322,034	283,928	258,877	345,342
Use of money and property	2,099,706	956,458	418,700	347,208	267,747	176,224	180,743	156,672	157,513	219,709
Sale of property and compensation for loss	1,327,946	1,180,834	397,610	177,224	49,790	573,178	610,247	315,710	638,062	1,078,866
Miscellaneous	4,379,722	3,288,754	5,722,219	3,301,136	3,360,287	20,569,698	18,420,941	18,284,784	3,657,270	11,951,802
Interfund revenues	1,876,365	1,782,203	1,667,981	11,083	12,801	13,264	2,810	-	-	-
State aid	21,753,982	28,109,378	22,501,577	19,793,237	19,532,927	3,405,574	3,505,962	3,641,418	23,266,268	24,480,445
Federal aid	19,120,046	17,981,659	21,700,290	24,573,646	20,841,709	18,631,685	20,360,548	21,455,917	16,672,007	16,493,632
Total revenues	<u>167,072,319</u>	<u>165,284,454</u>	<u>165,584,438</u>	<u>173,217,004</u>	<u>168,865,109</u>	<u>174,430,925</u>	<u>176,293,281</u>	<u>177,671,179</u>	<u>178,876,425</u>	<u>193,694,801</u>
Expenditures:										
Current:										
General government support	22,513,936	23,139,969	22,964,458	23,021,148	23,091,977	23,036,459	23,002,054	23,398,007	24,139,888	25,812,349
Education	5,125,716	5,267,829	5,534,473	5,509,250	5,317,421	5,297,188	5,547,733	5,457,556	5,314,383	5,654,545
Public safety	21,656,492	21,521,334	20,924,956	22,490,855	22,739,389	22,979,002	23,788,104	24,785,241	25,528,334	25,713,246
Health	23,787,895	24,627,930	23,238,111	22,938,752	23,447,003	23,150,414	23,063,706	21,926,234	23,849,742	22,800,971
Transportation	23,687,474	21,254,149	16,913,655	17,717,903	17,221,839	16,992,170	16,132,885	18,288,145	19,700,202	19,731,940
Economic assistance and opportunity	51,207,103	52,378,731	57,380,014	53,135,382	55,167,983	56,711,538	55,052,400	58,931,619	51,877,834	60,597,993
Culture and recreation	2,923,233	3,112,943	3,097,943	3,108,254	3,194,231	3,289,795	3,129,855	3,171,942	3,317,680	3,397,302
Home and community services	6,139,977	6,057,828	7,744,566	8,615,212	8,758,568	8,575,046	8,828,785	8,509,310	8,398,457	8,562,276
Debt service:										
Principal	4,933,700	4,880,524	5,016,457	5,089,763	6,163,806	8,988,877	9,332,285	9,417,516	6,728,109	7,018,541
Interest	3,247,355	2,474,081	2,361,233	2,238,712	3,194,187	2,557,391	2,179,008	2,080,666	2,190,079	1,913,945
Capital outlay	7,189,972	7,756,734	8,983,636	20,831,316	6,096,810	6,651,897	6,297,006	9,957,018	12,080,967	22,265,807
Total expenditures	<u>172,412,853</u>	<u>172,472,052</u>	<u>174,159,502</u>	<u>184,696,547</u>	<u>174,393,214</u>	<u>178,229,777</u>	<u>176,353,821</u>	<u>185,923,254</u>	<u>183,125,675</u>	<u>203,468,915</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Schedule IV—Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited, modified accrual basis of accounting)

	<u>2007</u>	<u>2008¹</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Other financing sources (uses)										
Transfers in	27,179,038	18,056,305	20,887,654	24,388,607	27,835,452	26,002,934	24,558,828	25,030,396	29,675,955	32,084,354
Transfers out	(27,946,338)	(18,056,305)	(20,887,654)	(24,388,607)	(27,342,217)	(26,303,555)	(25,112,590)	(26,180,163)	(29,750,360)	(32,084,354)
Other financing sources ²	22,233,908	-	-	17,679,457	-	11,654,747	22,719,088	13,820,204	-	111,387,420
Other financing uses	(6,303,197)	-	-	-	-	-	(20,330,062)	-	-	-
Total other financing sources (uses)	<u>15,163,411</u>	<u>-</u>	<u>-</u>	<u>17,679,457</u>	<u>493,235</u>	<u>11,354,126</u>	<u>1,835,264</u>	<u>12,670,437</u>	<u>(74,405)</u>	<u>111,387,420</u>
Net change in fund balances	<u>\$ 9,822,877</u>	<u>\$ (7,187,598)</u>	<u>\$ (8,575,064)</u>	<u>\$ 6,199,914</u>	<u>\$ (5,034,870)</u>	<u>\$ 7,555,274</u>	<u>\$ 1,774,724</u>	<u>\$ 4,418,362</u>	<u>\$ (4,323,655)</u>	<u>\$ 101,613,306</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

¹ The activities of the Sullivan County Tobacco Asset Securitization Corporation that had previously been accounted for as a special revenue fund have been reclassified and presented as an enterprise fund.

² Includes debt issuance proceeds and premiums.

(concluded)

COUNTY OF SULLIVAN, NEW YORK
Schedule V—Governmental Funds Tax Revenues by Source
Last Ten Fiscal Years
(Unaudited, modified accrual basis of accounting)

Year	Non Property Taxes						Total
	General Property Taxes	General Sales Taxes ¹	Room Occupancy Taxes ²	E-911 Taxes	Off-Track Betting Taxes	Mortgage Taxes	
2007	\$ 41,745,084	\$ 34,955,732	\$ 549,668	\$ 308,767	\$ 761,338	\$ 1,827,296	\$ 80,147,885
2008	39,863,381	36,412,777	635,613	313,009	697,269	1,102,903	79,024,952
2009	42,132,012	33,133,253	599,376	303,821	518,746	711,371	77,398,579
2010	49,825,309	32,605,248	749,105	282,018	576,753	533,659	84,572,092
2011	47,403,913	32,911,401	558,728	310,179	325,031	476,223	81,985,475
2012	51,466,856	34,034,864	629,009	291,465	323,316	469,369	87,214,879
2013	53,786,165	33,793,427	619,352	286,122	265,550	689,150	89,439,766
2014	55,763,769	35,960,305	538,021	277,083	207,963	569,181	93,316,322
2015	55,328,648	36,463,665	700,401	284,418	199,444	641,039	93,617,615
2016	57,546,461	39,296,629	809,462	283,076	167,899	584,996	98,688,523

¹ Effective June 1, 2007 local sales tax rate increased by 0.5% from 3.5% to 4.0%.

² Effective June 1, 2007, hotel room occupancy tax rate increased by 3% from 2% to 5% of taxable room rentals.

COUNTY OF SULLIVAN, NEW YORK
Schedule VI—Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Year ¹	Real Property						Total Taxable Assessed Value ²	Estimated Actual Value ³	Ratio of Assessed Value to Estimated Actual Value	Total Effective Rate ⁴
	Residential/ Commercial	State Lands	Special Franchises	Utilities	Railroad Property	Less Exempt Property				
2007	\$ 5,688,459,405	\$ 25,713,850	\$ 57,381,750	\$ 130,804,208	\$ -	\$ 1,131,444,333	\$ 4,770,914,880	\$ 7,991,235,969	59.70%	\$ 18.36
2008	5,910,095,084	25,588,520	53,071,515	126,864,212	-	1,144,119,965	4,971,499,366	9,318,389,821	53.35%	18.68
2009	6,261,297,574	25,681,290	53,082,965	119,912,271	-	1,146,947,631	5,313,026,469	9,804,980,597	54.19%	20.02
2010	6,433,054,934	25,236,574	60,821,640	114,378,957	-	1,308,569,208	5,324,922,897	11,041,711,351	48.23%	21.08
2011	6,617,749,695	25,273,775	66,046,153	115,187,844	-	1,391,241,016	5,433,016,451	9,087,396,624	59.79%	21.73
2012	6,627,350,429	25,382,375	72,095,385	114,300,718	-	1,403,003,715	5,436,125,192	8,423,392,565	64.54%	22.34
2013	6,642,143,138	25,557,665	74,964,935	112,393,145	-	1,419,105,652	5,435,953,231	8,120,649,757	66.94%	25.27
2014	6,628,056,033	25,541,375	79,082,515	110,948,188	-	1,416,147,732	5,427,480,379	7,693,733,110	70.54%	26.66
2015	6,255,700,726	25,503,795	73,691,087	109,454,436	-	1,111,587,549	5,352,762,495	7,571,719,348	70.69%	27.33
2016	6,639,053,293	25,753,365	86,390,807	108,947,813	15,643,730	1,403,594,994	5,472,194,014	7,661,276,567	71.43%	28.37

¹ The years indicated relate to the tax levy year. Assessments are compiled from the County's tax rolls for the preceding year and the equalization rate (see 2 and 3 below) shown relates to such.

² The taxable assessed values are determined by the various Town governments located within the County.

³ The estimated actual values represent the weighted average New York State equalization rate established for each Town within the County.

⁴ The total effective rate represents the average of all county tax rates per \$1,000 of assessed property value of the County of Sullivan.

Source: Sullivan County tax rolls for assessed values by type, County Legislature resolution for estimated actual full value, and County tax abstracts for direct tax rates

COUNTY OF SULLIVAN, NEW YORK
Schedule VII—Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

Year	County Effective Rates ¹	County Direct Rates ²	Overlapping Rates ³				
			Cities, Towns & Villages	School Districts	Fire Districts	Sewer Districts	Other Special Districts
2007	\$ 18.36	\$5.32-118.70	\$ 14.46	\$12.44-527.08	\$0.26-53.60	\$3.84-1,181.33	\$0.02-4.84
2008	18.68	4.73-117.19	15.50	12.39-533.26	0.29-33.44	2.99-1,152.36	0.02-10.91
2009	20.02	4.92-125.12	15.08	12.82-578.94	0.29-34.41	2.95-1,183.51	0.06-12.12
2010	21.08	5.08-141.64	15.48	13.44-610.26	0.32-39.35	2.89-1,535.74	0.01-12.05
2011	21.73	5.47-148.45	15.90	13.01-661.01	0.31-41.95	0.12-1,255.65	0.03-11.56
2012	22.34	6.06-160.96	16.20	13.44-610.26	0.19-41.63	0.36-1,273.04	0.04-10.15
2013	25.27	6.83-179.40	16.51	13.77-743.28	0.30-41.69	0.35-1,311.48	0.04-267.68
2014	26.66	7.37-186.98	16.81	14.02-787.65	0.30-36.47	0.35-1,213.28	0.04-8.20
2015	27.33	7.60-198.50	17.10	14.36-777.92	0.52-33.24	0.71-1,213.84	0.06-414.58
2016	28.37	7.60-199.03	17.38	14.85-722.60	0.31-33.29	1.04-1,214.30	0.06-414.84

¹ The County has a complex rate structure that would make the calculation of a direct rate extremely difficult, since its revenue base cannot be sufficiently disaggregated for each applicable rate. The County substituted an effective rate instead.

² Equalization rates vary by town making it necessary to present the County tax rate as a range

³ Overlapping rates are those of local governments that apply to property owners within the County of Sullivan. Not all overlapping rates apply to all the County's property owners.

Source: Annual Report of the Division of Real Property Tax, Department of Finance, County of Sullivan, New York and various Village Treasurers.

COUNTY OF SULLIVAN, NEW YORK
Schedule VIII—Principal Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Type of Business	2016			2007		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
NYSEG	Utility Company	\$ 105,732,674	1	1.59%	\$ 90,788,813	1	1.85%
Orange & Rockland	Utility Company	31,656,417	2	0.48%	-	n/a	-
State of NY	State Government	24,796,865	3	0.37%	56,165,044	2	1.15%
Catskill Devel	Housing Development	20,449,200	4	0.31%	20,449,200	5	0.42%
Verizon	Mobile	19,198,731	5	0.29%	44,609,577	3	0.91%
City of NY	Local Government	17,926,350	6	0.27%	18,326,350	6	0.38%
Wal-Mart Real	Commercial	10,000,000	7	0.15%	13,400,000	7	0.27%
Eagle Creek	Water Company	8,687,201	8	0.13%	-	n/a	-
Citizens	Bank	7,180,409	9	0.11%	7,478,188	10	0.15%
Thompson Station, Inc	Transfer Station	5,509,646	10	0.08%	-	n/a	-
Mirant	Utility Company	-	n/a	-	21,510,365	4	0.44%
Kiam. Concord	Hotel	-	n/a	-	11,100,000	8	0.23%
Kutshers's	Hotel	-	n/a	-	8,500,000	9	0.17%
Total		<u>\$ 251,137,493</u>		3.78%	<u>\$ 292,327,537</u>		5.97%

Source: Sullivan County Treasurer's Office

COUNTY OF SULLIVAN, NEW YORK
Schedule IX—Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended December 31,	County Taxes Levied for the Fiscal year ¹	Collected within the Fiscal Year of the Levy		Delinquent Collections in Subsequent Periods	Total Collections to Date	
		Amount	Percentage of Total Levy		Amount	Percentage of Levy
2007	\$ 103,343,814	\$ 87,265,798	84.44%	\$ 15,390,939	\$102,656,737	99.34%
2008	107,755,568	89,587,757	83.14%	16,426,414	106,014,171	98.38%
2009	116,465,759	96,579,088	82.92%	16,346,161	112,925,249	96.96%
2010	127,025,621	103,981,298	81.86%	15,753,484	119,734,782	94.26%
2011	128,522,636	105,162,255	81.82%	10,332,550	115,494,805	89.86%
2012	131,802,271	108,719,407	82.49%	11,512,868	120,232,275	91.22%
2013	138,206,973	114,812,766	83.07%	11,440,877	126,253,643	91.35%
2014	140,067,028	117,745,523	84.06%	10,750,635	128,496,158	91.74%
2015	143,146,268	121,508,141	84.88%	9,172,113	130,680,254	91.29%
2016	145,006,335	123,298,082	85.03%	10,149,242	133,447,324	92.03%

¹ Town receivers of taxes collect real property taxes for the respective town and County. The respective town receivers distribute the collected tax monies to the towns prior to distributing the balance collected to the County. The towns, thereby, are assured of full collections. Each year, the town receivers turn over uncollected items to the County. The County satisfies the full of the unpaid school taxes. Responsibility for the unpaid taxes rests with the County.

Source: County of Sullivan Treasurer's Office

COUNTY OF SULLIVAN, NEW YORK
Schedule X—Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Funds		Business-type Activities		Total Primary Government	Percentage of Personal Income ³	Debt per Capita ³
	General Obligation Bonds ¹	Installment Purchases	Adult Care Center Bonds	Sullivan County TASC Bonds ²			
2007	\$ 73,568,133	\$ 571,982	\$ 793,092	\$ -	\$ 74,933,207	0.04%	\$ 978.39
2008	53,612,617	485,749	462,383	14,687,289	69,248,038	0.05%	908.90
2009	48,685,843	396,066	139,158	14,302,312	63,523,379	0.05%	837.73
2010	61,344,459	302,796	120,650	13,887,318	75,655,223	0.05%	975.60
2011	55,232,702	205,796	102,456	13,616,593	69,157,547	0.06%	899.32
2012	57,840,604	104,916	84,603	13,229,185	71,259,308	0.06%	927.64
2013	52,094,158	-	66,973	12,841,774	65,002,905	0.06%	847.88
2014	56,137,663	-	49,489	12,294,366	68,481,518	0.06%	893.26
2015	49,082,581	-	32,598	11,906,958	61,022,137	0.06%	803.53
2016	153,097,743	-	16,139	18,133,294	171,247,176	0.02%	2,287.05

¹ Serial bonds are presented net of related premiums or discounts.

² The activities of the Sullivan County Tobacco Asset Securitization Corporation that had previously been accounted from under governmental activities have been reclassified and presented under business-type activities beginning in 2008. Sullivan County TASC Bonds are presented net of related premiums or discounts.

³ See Schedule XIV for personal income and population data.

COUNTY OF SULLIVAN, NEW YORK
Schedule XI—Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Year	Population	General Bonded Debt Outstanding				Percentage of	
		Estimated Actual Value of Property	Gross Bonded Debt ¹	Less: Debt Service Funds ²	Net Bonded Debt	Net Bonded Debt to Estimated Actual Value ³	Net Bonded Debt per Capita ⁴
2007	76,588	\$ 7,991,235,969	\$ 74,361,225	\$ 421,271	\$ 73,939,954	0.93%	\$ 965.42
2008	76,189	9,318,389,821	54,075,000	112,060	53,962,940	0.58%	708.28
2009	75,828	9,804,980,597	48,825,001	100,894	48,724,107	0.50%	642.56
2010	77,547	11,041,711,351	61,465,109	27,962	61,437,147	0.56%	792.26
2011	76,900	9,087,396,624	55,335,158	20,551	55,314,607	0.61%	719.31
2012	76,818	8,423,392,565	57,925,207	13,702	57,911,505	0.69%	753.88
2013	76,665	8,120,649,757	52,161,131	3,580	52,157,551	0.64%	680.33
2014	76,665	7,693,733,110	56,187,152	2,731	56,184,421	0.73%	732.86
2015	75,943	7,571,719,348	49,115,179	3,481	49,111,698	0.65%	646.69
2016	74,877	7,661,276,567	153,113,882	8,015	153,105,867	2.00%	2,044.76

Notes: Detail regarding the County's outstanding debt can be found in the notes to the financial statements.

¹ General bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums excluding amounts for Tobacco Settlement Bonds.

² Amount restricted for debt service principal payments

³ See Schedule VI for property value data.

⁴ See Schedule XIV for personal income and population data.

Source: County of Sullivan Annual Financial Report to the State of New York, Office of the State Comptroller and US Bureau of the Census, and Trial Balance

COUNTY OF SULLIVAN, NEW YORK
Schedule XII—Computation of Estimated Direct and Overlapping Debt
As of December 31, 2016
(Unaudited)

Governmental Unit	Gross Indebtedness ¹	Estimated Exclusions ²	Net Indebtedness	Percentage Applicable ³	County of Sullivan Portion
Estimated direct debt:					
County of Sullivan	\$ 153,097,743	\$ -	\$ 153,097,743	100.00%	\$ 153,097,743
Estimated overlapping debt:					
Towns:					
Bethel	5,441,516	2,720,758	2,720,758	100.00%	2,720,758
Callicoon	724,501	97,768	626,733	100.00%	626,733
Cochecton	-	-	-	100.00%	-
Delaware	243,000	215,200	27,800	100.00%	27,800
Fallsburg	11,000,571	3,493,900	7,506,671	100.00%	7,506,671
Forestburgh	100,025	-	100,025	100.00%	100,025
Fremont	-	-	-	100.00%	-
Highland	-	-	-	100.00%	-
Liberty	4,162,257	2,777,257	1,385,000	100.00%	1,385,000
Lumberland	390,000	-	390,000	100.00%	390,000
Mamakating	1,100,000	-	1,100,000	100.00%	1,100,000
Neversink	400,000	-	400,000	100.00%	400,000
Rockland	5,608,846	4,832,846	776,000	100.00%	776,000
Thompson	5,955,747	323,053	5,632,694	100.00%	5,632,694
Tusten	-	-	-	100.00%	-
Villages:					
Bloomingburg	-	-	-	100.00%	-
Jeffersonville	-	-	-	100.00%	-
Liberty	6,281,546	6,281,546	-	100.00%	-
Monticello	9,493,662	9,298,500	195,162	100.00%	195,162
Woodridge	6,692,698	6,692,698	-	100.00%	-
Wurtsboro	1,337,800	-	1,337,800	100.00%	1,337,800
School districts:					
Eldred	8,221,014	-	8,221,014	100.00%	8,221,014
Fallsburg	23,966,995	-	23,966,995	100.00%	23,966,995
Liberty	31,096,918	-	31,096,918	100.00%	31,096,918
Livingston Manor	115,000	-	115,000	100.00%	115,000
Monticello	15,704,398	-	15,704,398	100.00%	15,704,398
Roscoe	3,995,000	-	3,995,000	100.00%	3,995,000
Sullivan West	22,065,000	-	22,065,000	100.00%	22,065,000
Tri-Valley	9,875,000	-	9,875,000	100.00%	9,875,000
Total estimated overlapping debt	<u>173,971,494</u>	<u>36,733,526</u>	<u>137,237,968</u>		<u>116,572,287</u>
Total estimated direct and overlapping debt	<u>\$ 327,069,237</u>	<u>\$ 36,733,526</u>	<u>\$ 290,335,711</u>		<u>\$ 290,335,711</u>

¹ Excludes enterprise fund bonds. Direct debt includes the full amount of outstanding long-term debt instruments—including bonds, certificates of participation, loans, and capital leases—of the government.

² Exclusions reflect the amount available for repayment in debt service reserves.

³ Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Sullivan County. This process recognizes that, when considering the County's ability to issue and re-pay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Debt information is obtained from the Towns, Villages and School Districts within the County. County debt information is provided by the County

COUNTY OF SULLIVAN, NEW YORK
Schedule XIII—Legal Debt Margin Information
December 31, 2016
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2016

Estimated Actual Value of Real Property (After Exemptions):	
2012	\$ 8,423,392,565
2013	8,120,649,757
2014	7,693,733,110
2015	7,571,719,348
2016	<u>7,661,276,567</u>
Total five-year valuation	<u>39,470,771,347</u>
Average full valuation	<u>7,894,154,269</u>
Debt limit - 7% of average full valuation ¹	<u>552,590,799</u>
Debt applicable to limit:	
Governmental activities - general obligation bonds	148,705,861
Business-type activities - general obligation bonds	16,139
Governmental activities - bond anticipation notes	2,616,000
Business-type activities - bond anticipation notes	<u>562,500</u>
Net indebtedness subject to debt limit	<u>151,900,500</u>
Less other deductions allowed by law ²	
Cash on hand - earnings on investments and premiums	<u>2,646,801</u>
Total amount of net indebtedness applicable to debt limit	<u>149,253,699</u>
Legal debt margin ³	<u>\$ 403,337,100</u>
Percentage of debt contracting power exhausted	27.01%

	<u>Fiscal Year</u>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 418,676,264	\$ 478,441,119	\$ 569,605,057	\$ 600,291,330	\$ 629,359,407	\$ 635,250,346	\$ 592,419,257	\$ 592,419,257	\$ 563,964,754	\$ 552,590,799
Total net debt applicable to limit	<u>63,503,729</u>	<u>65,662,940</u>	<u>62,419,106</u>	<u>80,847,038</u>	<u>70,574,449</u>	<u>64,331,298</u>	<u>57,496,420</u>	<u>60,127,269</u>	<u>66,551,519</u>	<u>151,900,500</u>
Legal debt margin	<u>\$ 355,172,535</u>	<u>\$ 412,778,179</u>	<u>\$ 507,185,951</u>	<u>\$ 519,444,292</u>	<u>\$ 558,784,958</u>	<u>\$ 570,919,048</u>	<u>\$ 534,922,837</u>	<u>\$ 532,291,988</u>	<u>\$ 497,413,235</u>	<u>\$ 400,690,299</u>
Total net debt applicable to the limit as a percentage of debt limit	15.17%	13.72%	10.96%	13.47%	11.21%	10.13%	9.71%	10.15%	11.80%	27.49%

¹ The provisions of Section 104 of the Local Finance Law specifies debt limits of Counties of New York State.

² Under the State Constitution, indebtedness contracted for the construction of sewer facilities may be excluded, in ascertaining the debt incurring power of the County upon application to and the technical approval of the State Comptroller. The County has not submitted such application, so it cannot formally exclude such indebtedness.

³ There is no constitutional limitation of the amount that may be raised by the County by tax on real estate in any fiscal year to pay interest and principal on all indebtedness.

Sources: County of Sullivan Annual Financial Report to the State of New York, and Office of the State Comptroller.

COUNTY OF SULLIVAN, NEW YORK
Schedule XIV—Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Calendar Year	Population	Per Capita Personal Income ¹	Personal Income ²	Unemployment Rate ³
2007	76,588	\$ 33,345	\$ 2,553,827	5.2%
2008	76,189	35,007	2,667,148	6.6%
2009	75,828	34,613	2,624,635	8.8%
2010	77,547	37,416	2,901,499	9.3%
2011	76,900	39,038	3,002,022	9.2%
2012	76,818	40,863	3,139,014	9.6%
2013	76,665	41,197	3,158,368	8.8%
2014	76,665	41,197	3,158,368	6.8%
2015	75,943	39,368	2,989,724	5.2%
2016	74,877	42,053	3,148,802	4.8%

¹ Data represents per capita income for Sullivan County

² Estimated, in thousands.

³ Unemployment rates obtained from the New York State Department of Labor

Sources: U.S. Bureau of the Census, New York State Department of Labor/Empire State Development, U.S. Department of Labor—Bureau of Labor Statistics and the Bureau of Economic Analysis.

COUNTY OF SULLIVAN, NEW YORK
Schedule XV—Principal Employers—Current Year and Nine Years Ago
Current Year and Nine Years Ago
(Unaudited)

Employer	Type	2016			2007		
		Approx. No. of Employees	Rank	Percentage of Labor Force ¹	Approx. No. of Employees	Rank	Percentage of Total County Employment
SDTC the Center for Discovery	Retail	1515	1	4.66%	1,200	2	3.60%
Sullivan County Government	Local Government	1021	2	3.14%	1,247	1	3.74%
Catskill Regional Medical Center	Medical Center	818	3	2.52%	760	4	2.28%
Monticello Central School District	Public Schools	685	4	2.11%	758	5	2.28%
Murray Bresky Consultants	Food Processing	640	5	1.97%	-	-	n/a
New Hope Community Inc.	Non-profit	610	6	1.88%	505	7	1.52%
NYSARC Inc.	Non-profit	556	7	1.71%	467	8	1.40%
Wal-Mart	Retail	519	8	1.60%	519	6	1.56%
Sullivan Correctional Facility	Correctional Facility	424	9	1.30%	460	9	1.38%
Woodbourne Correctional Facility	Correctional Facility	421	10	1.30%	435	10	1.31%
United States Postal Service	Federal Government	-	-	n/a	800	3	2.40%

¹ Estimated.

Sources: Sullivan County Partnership for Economic Development and New York State Department of Labor.

COUNTY OF SULLIVAN, NEW YORK
Schedule XVI—Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program:	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government support	171	221	187	180	175	177	175	182	182	181
Public safety	185	222	228	211	212	212	216	215	215	218
Health/Adult Care Center	280	326	331	296	291	304	279	284	289	283
Transportation	127	124	113	94	96	94	94	922	92	84
Economic assistance and opportunity	194	212	212	179	169	168	175	171	184	196
Culture and recreation	18	35	35	32	32	31	34	34	33	33
Home and community services:	40	46	29	24	23	24	22	24	23	26
Total	<u>1,015</u>	<u>1,186</u>	<u>1,135</u>	<u>1,016</u>	<u>998</u>	<u>1,010</u>	<u>995</u>	<u>1,832</u>	<u>1,018</u>	<u>1,021</u>

Source: Annual County Budget

COUNTY OF SULLIVAN, NEW YORK
Schedule XVII—Operating Indicators
Last Ten Fiscal Years
(Unaudited)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Sheriff:										
Arrests	1,537	1,535	1,332	1,511	1,473	1,130	1,163	1,139	1,146	1,290
Traffic summons	1,737	2,621	2,629	3,552	2,405	1,716	1,224	1,187	1,213	2,249
DWI summons	80	81	102	110	83	49	54	70	73	44
Jail:										
Inmates	1,873	1,722	1,630	1,664	1,616	1,472	1,475	1,387	1,251	1,249
Public Works:										
Road paving (miles)	22.90	19.40	26.60	37.20	14.90	12.80	14.70	25.50	30.70	31.90
Road chip seal (miles)	57.40	-	-	38.50	29.00	22.30	-	-	-	45.00
Bridge replacement	6	2	1	2	2	1	1	1	4	4
Bridge rehabilitation	-	3	6	4	1	3	8	5	2	-
Parks and Recreation:										
Park and pavilion permits	57	85	89	80	74	58	36	73	81	32
Lake Superior attendance	17,426	17,827	14,300	16,788	14,634	13,714	12,266	11,225	12,653	14,183
Fort Delaware attendance	4,523	3,878	3,832	3,463	3,449	3,062	2,843	2,848	2,870	2,708
Refuse Collection:										
Refuse collected (tons per day)	219.29	209.30	238.30	195.00	153.00	156.00	150.00	149.00	147.00	173.00
Recyclables collected (tons per day)	16.86	16.76	21.37	17.95	13.78	14.50	15.00	16.00	17.00	17.50

Source: Various County Departments.

COUNTY OF SULLIVAN, NEW YORK
Schedule XVIII—Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sheriff:										
Jail	1	1	1	1	1	1	1	1	1	1
Vans	2	2	2	2	2	2	3	2	2	5
Cars	32	28	30	27	21	21	27	26	29	32
SUVs	10	9	8	7	8	6	6	11	11	12
Pickups	-	-	2	2	1	2	2	2	2	2
Electric cars	-	-	3	3	3	3	3	3	3	3
ATVs	-	-	3	3	3	3	3	5	5	5
Boats	1	2	2	2	2	2	2	2	2	2
Tactical vehicle	-	-	-	-	1	1	1	1	1	1
Humvee	-	-	-	-	-	1	1	1	1	1
Jet ski	-	-	-	-	-	-	-	-	1	1
Transportation:										
Roads (miles)	386.70	386.80	385.60	385.40	385.40	385.40	385.20	385.20	385.20	385.20
Traffic signals	8	8	8	9	9	10	10	10	10	10
Flashing beacons	26	26	26	25	25	25	25	25	26	26
Bridges	400	400	400	400	398	401	401	401	400	400
Culture and Recreation:										
Parks acreage	1,550	1,550	1,550	1,550	1,572	1,572	1,572	1,572	1,572	1,572
Playgrounds	2	2	2	2	2	2	2	2	2	2
Home and Community Services:										
Landfill acres	45.8	45.8	45.8	45.8	45.8	45.8	45.8	45.8	45.8	45.8
Transfer stations	5	5	5	6	6	6	6	6	6	6
Haul trucks	4	4	6	6	6	6	6	6	6	6

Source: Various County Departments.