



COUNTY OF SULLIVAN

NEW YORK



Landers River Trips

Narrowsburg, NY

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FISCAL YEAR ENDED
DECEMBER 31, 2019

COUNTY OF SULLIVAN, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

PREPARED BY:
COUNTY OF SULLIVAN
TREASURER'S OFFICE
NANCY BUCK, TREASURER

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INTRODUCTORY SECTION



Sullivan County Treasurer
SULLIVAN COUNTY GOVERNMENT CENTER
100 NORTH STREET
PO BOX 5012
MONTICELLO, NY 12701

June 30, 2020

To The Legislature of the
County of Sullivan, New York

The Comprehensive Annual Financial Report ("CAFR") for the County of Sullivan, New York (the "County") for the fiscal year ended December 31, 2019 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, 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 and Malecki, LLP, an accounting firm of licensed certified public accountants specializing in governmental and not for profit entities. 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, 2019 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 unmodified opinion that the County's basic financial statements for the fiscal year ended December 31, 2019, 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, 2019 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.

According to the US Census Bureau, between 2010 and 2018 Sullivan County experienced a 2.6% decrease in population while New York State exhibited a 0.8% growth. However, the year-round population of the County has remained relatively stable for the last four years. Although Sullivan County is fairly large in terms of area, approximately 968 square miles, the average population density is 78 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.

In February 2018, Empire Resorts opened Resorts World Catskills, a \$920 million, 1.6-million-square-foot hotel and casino on the grounds of the legendary Concord Hotel in the Town of Thompson. The 1,400-employee entertainment complex features more than 150 table games, 2,150 slot machines and 10 different restaurants and bars. The casino and hotel are the anchors of a \$1.2 billion development project that includes the Kartrite Waterpark an additional hotels and a golf course once completed.

As new tourism and economic developments emerge, the Sullivan Catskills job opportunities are expanding exponentially—with 18% of the workforce reliant on the tourism industry and unemployment at a 40-year all-time low, with unemployment at 3.2%. March of 2019 shows there was a 131% increase in leisure and hospitality jobs from 2016 to over 7,400 direct tourism jobs in 2019.

According to the Sullivan County Partnership, a nonprofit promoting economic growth in Sullivan County, by the end of 2019, Sullivan County will have added at least 3,000 new jobs and \$2 billion in commercial development. This increase in jobs has also brought a surge in the County's housing market and several large housing developments are currently in the planning stages.

With the gaming facility now operational, estimates indicate that the County's population growth rate over the next ten years could range between a minimum of 12% to a maximum of 28%.

Sullivan County's ever-growing pool of skilled workers has attracted a variety of businesses, including Kohl's Northeast Regional Distribution Center and Crystal Run Healthcare. Others, like the Center for Discovery, have been able to expand their operations significantly. In fact, the Center for Discovery, our largest employer, now provides quality jobs to over 1,400 labor shed area workers. According to the Sullivan County Partnership for Economic Development, more than 400,000 highly skilled workers live within a 30-mile commute of Sullivan County and the cost of labor in Sullivan County is the most competitive in the region. The availability of qualified workers is the number one business concern and Sullivan County delivers. Highly-skilled workers are attracted to our magnificent scenery, small-town life, and easy access to top colleges and major metropolitan centers. In fact, nearly 100,000 workers in the Sullivan County labor shed are ready for business, according to PF Resources, an independent consulting firm based in Texas. According to PF Resources, workers in our area have the skills, education, and experience to qualify for those highly skilled jobs.

ECONOMIC CONDITION AND OUTLOOK

Historically, the economy of Sullivan County relied heavily on resort hotel based tourism. Sullivan County 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.

August 2019 marked the 50th anniversary of 50th anniversary of the famous Woodstock Music and Art Fair, the now-legendary rock festival where a half million people gathered in 1969. In August 2019, Sullivan County welcomed an estimated 100,000 people to events and activities across the region to celebrate this monumental anniversary. Most notable was the anniversary weekend concerts at Bethel Woods (the original site of Woodstock in 1969) which hosted over 45,000 guests with performances from Carlos Santana, Ringo Starr, Arlo Guthrie and John Fogerty.

To add further interest, the Sullivan County Visitor's Association sponsored the now-famous "Sullivan Catskills Dove Trail©". The Dove Trail commemorates the 50th anniversary of the 1969 Woodstock festival and celebrates its impact on our Sullivan

Catskills with a collection of 50 dove sculptures perched in villages, towns, and at several tourism businesses throughout the County. Each permanently mounted dove is hand-painted by a professional local artist and inspired by the legendary event held in 1969. An official Dove Trail Map was prepared and many Dove Trail enthusiasts have revisited the Sullivan Catskills up to 7 times, just to finish the trail. Several member businesses experienced up to a 50% increase in sales and visitors claiming that this summer was their most profitable season in decades.

In February 2018, Empire Resorts opened Resorts World Catskills, a \$920 million, 1.6-million-square-foot hotel and casino in the Town of Thompson. The casino and hotel are the anchors of a \$1.2 billion development project. Resorts World Catskills also offers top-rate entertainment, including arts REO Speedwagon and Styx, Comedian Kevin James and live sports, including boxing. Resorts World Catskill is also hosting various conferences within its campus, which brings hundreds of new visitors to our area for each conference.

Located adjacent to Resorts World Catskills, The Alder is Resort's World Catskills' newest addition to the casino's scenic destination in the Catskills. The Alder offers a distinct hospitality experience while serving as an extension of the existing casino resort campus, providing guests full access to the services and amenities of Resorts World Catskills, including 100,000 square feet of gaming space, 10 dynamic dining experiences and the Crystal Life Spa. Guests of The Alder also have full access to the luxury indoor pool and fitness center within the Resorts World Catskills hotel. The impeccably designed guest rooms feature modern amenities and signature design details that marry the modern glamour of the casino resort with sweeping scenic views and the same guest-customized personal service offered throughout the Resorts World Catskills campus.

Located within The Alder, Topgolf Swing Suite is a golf and entertainment simulator experience for players of all ages and skill levels. The 350-square-foot suite is a high-tech private space with comfortable seating, HDTVs, food and top-shelf bar service. Each of the two bays accommodate up to eight players and offer interactive virtual golf and non-golf games, perfect for private parties and events. The simulators at Topgolf are the same as those used by PGA Tour professionals Tiger Woods, Jordan Spieth and Jason Day for off-course practice.

The second major addition to the Resorts World Catskills campus is the \$150 million Kartrite Hotel and Indoor Waterpark, which opened in early April 2019. The Kartrite Waterpark features two acres of four-season indoor waterpark space and a luxury hotel with 324 guest suites. The Kartrite features multiple innovative restaurants, a relaxing spa, a ropes course and an arcade. This added attraction will add employment for an additional 600 people. The new project is owned by the owners of the Poconos' award winning Camelback Lodge & Aquatopia Indoor Waterpark located in Tannersville, PA.

For the fourth year in a row, the NYS Comptroller's Office has designated Sullivan County free of fiscal stress. In October 2019, the Comptroller released its 2018 Fiscal Stress rankings for municipalities and school districts statewide, based on the annual financial reports submitted to the Office. Sullivan County again scored well, earning the best rank of "No Designation" (meaning there are no indications of the County being susceptible to fiscal stress at this time). The Comptroller's report showed that the County of Sullivan continues to maintain County government's fiscal stability.

The Sullivan County Legislature authorized a wireless broadband pilot project that, if successful, could ultimately bring high-speed Internet access to most of the unserved/underserved portions of Sullivan County. This will allow the County to enter into an agreement with Integrated Systems of Victor, NY, a current County technology vendor, to undertake the necessary work to mount equipment on the County's recently erected emergency communications tower next to the new Jail and Sheriff's headquarters in Monticello. Once operational, this equipment will transmit and receive data at broadband speeds in a roughly four-mile region surrounding the tower, including portions of the Village of Monticello. The service will be provided to paying customers, albeit at anticipated rates lower than existing providers. If the initiative proves to be as transformative as anticipated, it is planned to be expanded to every County-owned tower, so that the majority of Sullivan County's citizens and business owners can benefit from high-speed internet access. Broadband is critical for economic development.

Monticello's downtown Broadway core may soon become a National Register Historic District. A historic assessment of the area, sponsored by Sullivan Renaissance, was completed earlier this year and resulted in the creation of a formal nomination to the National Register. The Village of Monticello and Sullivan County Division of Planning have been working with the New York State Historic Preservation Office (NYSHPO) to nominate the district for inclusion and to coordinate outreach and education on what the listing means.

The latest in a series of up and coming metal fabrication projects to make Sullivan County home is Sullivan Fabricators. The company occupies approximately 25,000 square feet of manufacturing space at the 715 Glen Wild Road Industrial Campus in Woodridge, NY. The project cost is over \$8 million with state-of-the-art robotic manufacturing and finishing equipment. The demand for commercial refrigeration equipment in the United States is increasing rapidly due to the rising number of food-service operators and food retailers, as well as growth in the average amount of floor space occupied by food retail outlets. As a result, annual demand is projected to exceed \$8 billion by 2025, most of which will be comprised by repair and replacement of equipment already in use. The creation of Sullivan County Fabrication is precisely timed to respond to industry consolidation that threatens to increase the acquisition cost of supplies purchased by vendors by manufacturing many of these items internally. Sullivan Fabricators added initially thirteen new, living wage manufacturing jobs. Natural projected growth has the company creating twenty-seven living wage jobs by year three.

Plans are in the works for Seminary Suites – modern, well-appointed lodgings to visitors to the Upper Delaware Valley. Featuring small stoves and refrigerators in each unit, the suites would accommodate individuals, couples and families in spacious multi-room suites in one, two, three and four bedroom configurations. Seminary Suites will be constructed in two historic buildings at the corner of Seminary Road and State Route 97 in the Callicoon Downtown Historic District in the Town of Delaware. The oldest building was constructed in 1872.

The owners of Seminary Suites also own Seminary Hill Orchard and Seminary Hill Cidery. The Seminary Hill Cidery is currently under construction. Over 1,200 apple and pear trees have been planted at the orchard. The Cidery and Tasting Room is an almost 8,000 square foot facility designed to pass Passive House Institute US (PHIUS) Standards, which provide the most cost-effective path for achieving zero energy and carbon use. The Cidery and Tasting Room is an eco-friendly building with views overlooking the Delaware River. Seminary Hill anticipates hosting weddings and special events inside the Cidery as well as on the Seminary Hill grounds.

The Eldred Preserve is a wholly unique concept that weaves the very best of three Sullivan County legacy brands – The Eldred Preserve, The Bradstan Country Hotel, and The Old Homestead Restaurant – together to create a completely new hospitality experience. The complex is expected to open in 2020. The relocated Bradstan will include an eight-room inn, three five-room lodges and five stand-alone cabins, for a total of 28 luxury accommodations. The Homestead Restaurant will continue its highly-acclaimed fare which will have a significant farm-to-table component. Development plans for the 60-acre Eldred Preserve property include access to three large ponds and an adjoining 600 acres (including a 75-acre lake), hiking, and boating amenities.

Construction has already commenced for the County's newest resort, The Chatwal Lodge, a five-star luxury resort located within Chapin Estate, an elite housing development off Route 55 in the Town of Bethel. Nestled among 26 acres along the wooded shores of the Toronto Reservoir, The Chatwal Lodge is expected to open in spring 2022. The resort will boast 34 private villas and suite accommodations, refined rustic design and farm-to-table culinary experiences. All accommodations will be private villas, suites, cabins, tree houses and glamour tents. There will also be restaurants, event venues and a spa.

The Eldred Preserve and Chatwal Lodge's proximity to so many outstanding Sullivan County entertainment options, including Bethel Woods Center for the Arts, Resorts World Catskills, Monticello Motor Club and the Delaware River Scenic Byway, makes them ideal locations for developments of this nature.

Northwell Health, New York State's largest health care provider, has signed an affiliation agreement with The Center for Discovery® (TCFD), an internationally known facility in Harris, NY providing cutting edge research, intervention and residential services for

children and adults with complex conditions. The agreement will identify ways that the two organizations can work together to better meet the needs of individuals with developmental disabilities and medical complexities, including autism. Established in 1948, TCFD (www.tcf.org) provides health care and education for more than 1,200 children and adults with complex disabilities, medical frailties and autism spectrum disorders. TCFD educates and provides residential services for 300 children between the ages of five and 21-years old. The Center also provides residential services for nearly 200 adult residents. Designated by the New York State Department of Health as a Center of Excellence, TCFD has pioneered a Lifestyle Medicine model of care that focuses on preventative and proactive treatment of complex conditions. In addition, TCFD is creating a Children's Specialty Hospital Center and Research Institute for Brain and Body Health that will serve as a national model of care for people living with autism spectrum disorders as well as other complex conditions such as Alzheimer's, Dementia and PTSD. The Hospital is scheduled to open in early 2021.

The Sullivan County Transportation Department provides Open Public Transportation. "Move Sullivan" which is operated by local bus company, Rolling V, provides public transportation to County residents five days a week. With regular daily schedules that residents can count on and plenty of stops throughout the County's most popular destinations — including recreational, retail, dining and medical destinations – Move Sullivan is a great way for residents to get where they need to be. Move Sullivan is currently utilized by over 700 individuals each week and the County is researching ways to expand the already well-received service.

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 has established 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 \$920,000.00 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 awarded a \$1.4 million Liberty Partnerships Program grant from the New York State Education Department. The five-award will provide approximately \$281,000 per year to the college to serve 255 students annually from the Fallsburg, Liberty and Monticello School Districts in the seventh through twelfth grades.

- 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.

- The Department of Environmental Conservation (DEC) and New York State Energy Research and Development Authority (NYSERDA) recognized Sullivan County as a model municipality for its actions to strengthen resiliency and reduce greenhouse gas emissions. In recognition of this achievement, DEC designated Sullivan County as the 15th Certified Climate Smart Community in New York. In addition, NYSERDA recently designated the county as a Clean Energy Community. These achievements support the State's aggressive goals to reduce statewide greenhouse gas emissions 40 percent by 2030 and reduce emissions 80 percent by 2050.

- For more than 60 years, The Center For Discovery has offered services to children and adults with disabilities. One of the newest additions to the Center is the two-story, 25,000 square foot Hurleyville Arts Center, which is home to a 130 seat movie theater, multiple dance studios, 466 person ball room and support spaces. The Center, whose core mission is operating homes, schools and clinics that provide care for children and adults with developmental disabilities, began investing in Hurleyville nearly a decade ago and has breathed new life into the hamlet with the addition of the Arts Center and other businesses, such as Pickled Owl Gastropub and The Wild Turkey Bakery and Market, which sells baked goods and products such as teas, herbs and honey from the nonprofit's two farms, Thanksgiving Farm in Monticello and Stonewall Preserve in Hurleyville.

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. Sullivan County is earning a reputation as one of the busiest counties in the state and on an upward trajectory.

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, 2018.

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 expenditures, has a restricted fund balance for various purposes such as capital projects, debt service and grant programs of approximately \$1.9 million and committed fund balance for landfill construction/closure costs of approximately \$3.7 million. The assigned fund balance for various specific uses is approximately \$11.6 million and the unassigned fund balance for 2019 is approximately \$9.1 million.

In the County's 2020 budget, we 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 on a timely basis 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 and 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

Nancy Buck
Sullivan County Treasurer

COUNTY OF SULLIVAN, NEW YORK
List of Elected and Appointed Officials
Year Ended December 31, 2019

Elected Officials:

County Treasurer Nancy Buck
County Clerk Daniel L. Briggs
District Attorney James R. Farrell
Sheriff Michael A. Schiff
Coroner Albee Bockman
Coroner Elton Harris
Coroner Alan Kesten
Coroner Michael J. Speer

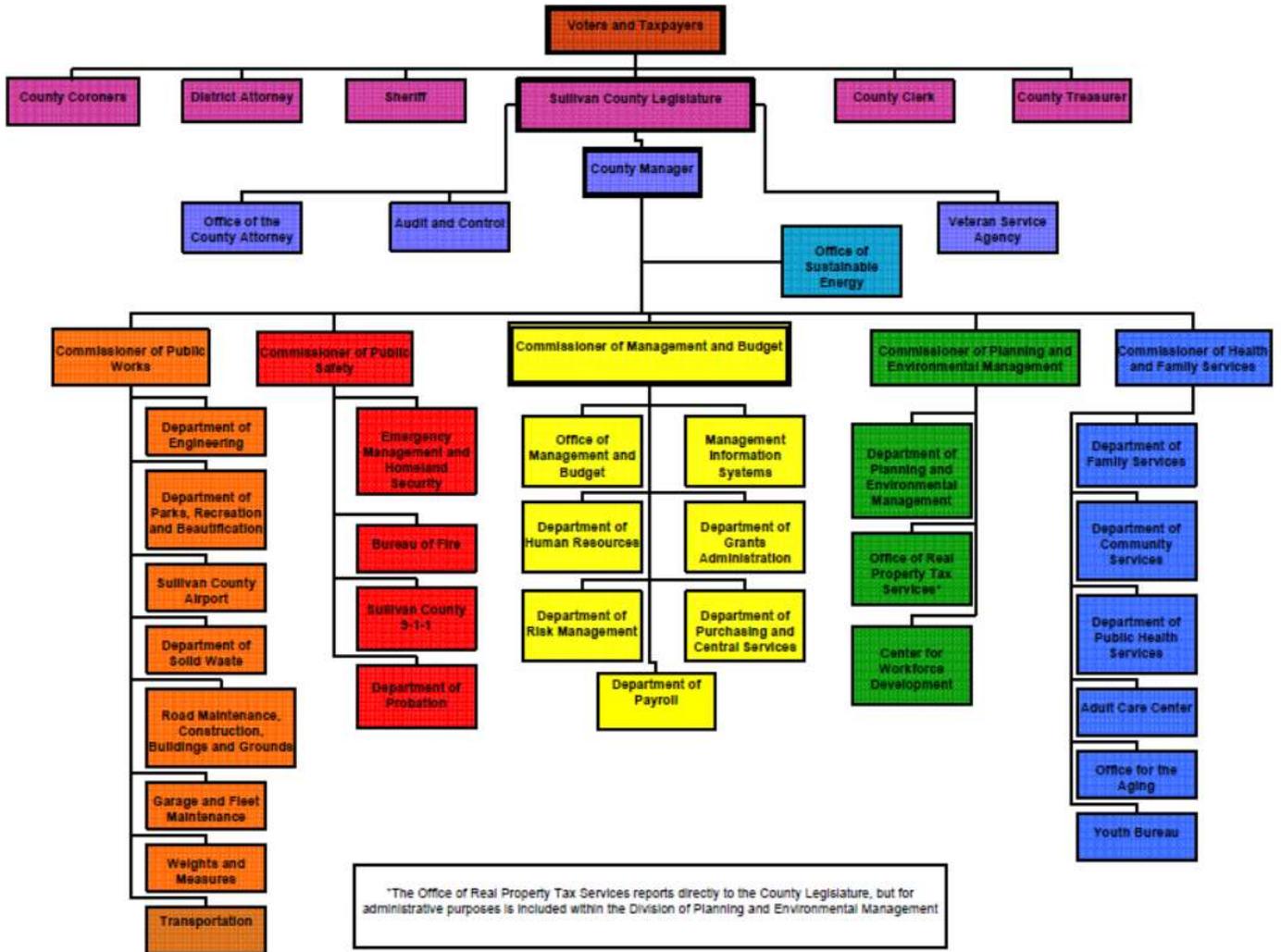
Legislature:

District 1 Scott 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 Steingart
District 9 Alan J. Sorensen

Appointed Officials:

County Manager Joshua Potosek
Deputy County Manager John Liddle
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, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable County 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, 2019 (with the Sullivan County Community College for the fiscal year ended August 31, 2019), 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.

Auditors' 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 Adult Care Center, the Sullivan Tobacco Asset Securitization Corporation, the Sullivan County Funding Corporation, or the Sullivan County Infrastructure Local Development Corporation, which represent 7.4 percent, 2.2 percent, 0.8 percent and 89.6 percent, respectively, of the assets, and 83.4 percent, 4.8 percent, 0.1 percent, and 11.7 percent, respectively, of the revenues of the business-type activities. We did not audit the financial statements of the Sullivan County Community College, Sullivan County Industrial Development Agency, the Emerald Corporate Center Economic Development Corporation, or the Sullivan County Land Bank Corporation, which represent 60.8 percent, 27.7 percent, 4.2 percent and 2.3 percent, respectively, of the assets, and 80.5 percent, 4.7 percent, 0.3 percent, and 5.7 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 Adult Care Center, the Sullivan Tobacco Asset Securitization Corporation, the Sullivan County Funding Corporation, the Sullivan County Infrastructure Local Development Corporation, Sullivan County Community College, Sullivan County Industrial Development Agency, the Emerald Corporate Center Economic Development Corporation, and the Sullivan County Land Bank Corporation, is based solely on the reports of such other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Drescher & Malecki LLP

June 30, 2020 (except as to the Sullivan County Community College, which is as of July 14, 2020)

COUNTY OF SULLIVAN, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2019

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, 2019. 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 liabilities and deferred inflows of resources of the County's primary government exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$172,754,942 (*net position*). Of this amount \$(122,502,053) represents governmental activities net position and \$(50,252,889) represents business-type activities net position.
- The County's primary government total net position decreased \$14,025,190 during the year ended December 31, 2019. Net position decreased \$3,496,555 for governmental activities and decreased \$10,528,635 for business-type activities.
- At the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$26,413,664, a decrease of \$18,295,798 in comparison with the prior year's fund balance of \$44,709,462. This decrease is primarily due to Capital Projects Fund capital outlay and a decrease in the General Fund.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$12,754,275, or 6.6 percent of total General Fund expenditures and transfers out. This amount constitutes approximately 53.8 percent of the General Fund's total fund balance of \$23,689,790 at December 31, 2019, and is available for spending per the County's policy on fund balance.
- The County's serial bonds for governmental activities decreased by \$3,520,000 due to \$6,000,000 in new general obligation bonds issued and scheduled principal payments of \$9,520,000.

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, the Sullivan County Tobacco Asset Securitization Corporation ("STASC"), the Sullivan County Funding Corporation ("SCFC"), and the Sullivan County Infrastructure Local Development Corporation ("ILDC").

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 Soil and Water Conservation District, the Sullivan County Industrial Development Agency, the Emerald Corporate Center Economic Development Corporation, and the Sullivan County Land Bank 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 enterprise funds to account for the Adult Care Center, the STASC, the SCFC and the ILDC. *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, the STASC, the SCFC and the ILDC, all of 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 40-41 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 42-97 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 net pension liability/(asset), the changes in the County's other post-employment benefits obligation, and the County's budgetary comparisons for the General, County Road, and Refuse and Garbage funds. Required supplementary information and the related notes to the required supplementary information can be found on pages 98-106 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 Supplementary Information—Combining and Individual Fund Financial Statements and Schedules section of this report on pages 107-127.

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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$172,754,942 at the close of the most recent fiscal year, as compared to \$158,729,752, as restated, at the close of the fiscal year ended December 31, 2018.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2019	2018 as restated	2019	2018 as restated	2019	2018 as restated
Current and other assets	\$ 110,470,704	\$ 123,887,105	\$ 5,284,663	\$ 24,474,586	\$ 115,755,367	\$ 148,361,691
Capital assets	288,974,310	267,819,026	93,171,638	96,177,835	382,145,948	363,996,861
Total assets	399,445,014	391,706,131	98,456,301	120,652,421	497,901,315	512,358,552
Deferred outflows of resources	27,358,060	24,023,729	2,862,454	2,797,746	30,220,514	26,821,475
Current liabilities	56,649,372	52,022,737	1,596,241	13,837,021	58,245,613	65,859,758
Noncurrent liabilities	441,985,020	433,502,170	146,784,718	144,436,553	588,769,738	577,938,723
Total liabilities	498,634,392	485,524,907	148,380,959	158,273,574	647,015,351	643,798,481
Deferred inflows of resources	50,670,735	49,210,451	3,190,685	4,900,847	53,861,420	54,111,298
Net position:						
Net investment in capital assets	140,876,073	130,242,152	(11,840,765)	6,414,631	129,035,308	136,656,783
Restricted	2,442,518	2,288,884	203,704	203,016	2,646,222	2,491,900
Unrestricted	(265,820,644)	(251,536,534)	(38,615,828)	(46,341,901)	(304,436,472)	(297,878,435)
Total net position	\$ (122,502,053)	\$ (119,005,498)	\$ (50,252,889)	\$ (39,724,254)	\$ (172,754,942)	\$ (158,729,752)

The largest portion of the County’s primary government net position, \$129,035,308, reflects its net investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related outstanding 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, \$2,646,222, 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, \$(304,436,472), 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, 2019 and December 31, 2018.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 34,962,116	\$ 35,831,608	\$ 11,923,829	\$ 12,087,656	\$ 46,885,945	\$ 47,919,264
Operating grants and contributions	40,413,261	37,316,230	5,501,316	4,414,457	45,914,577	41,730,687
Capital grants and contributions	7,343,927	4,168,943	-	-	7,343,927	4,168,943
General revenues:						
Property taxes	64,409,687	62,865,543	-	-	64,409,687	62,865,543
Property tax items	9,418,795	7,705,974	-	-	9,418,795	7,705,974
Sales tax	47,193,801	46,583,305	-	-	47,193,801	46,583,305
Other nonproperty tax items	3,950,446	3,045,264	-	-	3,950,446	3,045,264
Use of money and property	771,543	565,422	199,506	296,115	971,049	861,537
Sale of property and compensation for loss	823,383	487,364	-	-	823,383	487,364
Miscellaneous	1,449,645	4,137,449	854,779	-	2,304,424	4,137,449
Total revenues	<u>210,736,604</u>	<u>202,707,102</u>	<u>18,479,430</u>	<u>16,798,228</u>	<u>229,216,034</u>	<u>219,505,330</u>
Expenses:						
General government support	28,413,693	30,139,092	-	-	28,413,693	30,139,092
Education	5,878,828	6,021,019	-	-	5,878,828	6,021,019
Public safety	33,757,361	29,511,914	-	-	33,757,361	29,511,914
Health	24,447,844	25,103,386	-	-	24,447,844	25,103,386
Transportation	26,599,958	27,724,623	-	-	26,599,958	27,724,623
Economic assistance and opportunity	65,549,246	62,440,445	-	-	65,549,246	62,440,445
Culture and recreation	3,538,998	3,420,293	-	-	3,538,998	3,420,293
Home and community services	21,452,276	9,726,977	-	-	21,452,276	9,726,977
Interest and other fiscal charges	4,594,955	4,554,786	-	-	4,594,955	4,554,786
Adult Care Center	-	-	18,920,719	18,862,205	18,920,719	18,862,205
STASC	-	-	667,283	676,604	667,283	676,604
Funding Corporation	-	-	319,027	640,440	319,027	640,440
ILDC	-	-	9,101,036	7,480,240	9,101,036	7,480,240
Total expenses	<u>214,233,159</u>	<u>198,642,535</u>	<u>29,008,065</u>	<u>27,659,489</u>	<u>243,241,224</u>	<u>226,302,024</u>
Excess (deficiency) of revenues over expenses	(3,496,555)	4,064,567	(10,528,635)	(10,861,261)	(14,025,190)	(6,796,694)
Transfers	-	(20,397)	-	20,397	-	-
Change in net position	(3,496,555)	4,044,170	(10,528,635)	(10,840,864)	(14,025,190)	(6,796,694)
Net position—beginning	(119,005,498)	(123,049,668)	(39,724,254)	(29,460,282)	(158,729,752)	(152,509,950)
Restatement	-	-	-	576,892	-	576,892
Net position—ending	<u>\$ (122,502,053)</u>	<u>\$ (119,005,498)</u>	<u>\$ (50,252,889)</u>	<u>\$ (39,724,254)</u>	<u>\$ (172,754,942)</u>	<u>\$ (158,729,752)</u>

Governmental activities—Governmental activities decreased the County’s net position by \$3,496,555. The largest funding sources for the County’s governmental activities, as a percent of total revenues, are property taxes which comprised 30.6 percent, sales tax which comprised 22.4 percent, and operating grants and contributions which comprised 19.2 percent.

The largest expense categories as a percent of total expenses and transfers for the County’s governmental activities are economic assistance and opportunity which comprised 30.6 percent, public safety which comprised 15.8 percent and general governmental support which comprised 13.3 percent.

Significant changes from 2018 to 2019 in revenues and expenses for the County include the following:

- Total revenues increased \$8,029,502 primarily due to increased operating and capital grants and contributions, which increased \$6,272,015.
- Total expenses increased \$15,590,624 from the prior year, primarily attributed to increased allocable employee benefits related to changes in the County’s net OPEB obligation. Additionally, home and community services expenses increased by \$11,725,299 primarily due to an increase in the County’s estimated costs related to its landfill closure and post closure liability.

Business-type activities—Business-type activities decreased the County’s net position by \$10,528,635. The majority of the change can be attributed to the ILDC, in the amount of \$6,932,779. Expense activity increased within the ILDC for interest payments on debt and depreciation expense on capitalized assets. These expenses were only partially offset by charges for services. The Adult Care Center, SCFC, and ILDC net position decreased by \$3,510,753 and \$306,540, respectively. Net position of the STASC increased by \$221,437.

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, 2019, the County’s governmental funds reported combined ending fund balances of \$26,413,664, a decrease of \$18,295,798 in comparison with the prior year. Approximately 34.6 percent of this amount, \$9,134,485, constitutes *unassigned fund balance*, which is available for spending per the County’s fund balance policy. The remainder of fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is: (1) in nonspendable form, \$16,789 (2) restricted for particular purposes, \$1,944,508, (3) committed for particular purposes, \$3,720,418, or (4) assigned for particular purposes, \$11,597,464.

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 \$12,754,275, while total fund balance decreased to \$23,689,790. 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 6.6 percent of the total General Fund expenditures and transfers out, while total fund balance represents approximately 12.3 percent of that same amount.

The fund balance in the County Road Fund decreased \$363,461 from December 31, 2018, primarily due to an increase in transportation and paving costs. The ending fund balance in the County Road Fund was in a deficit position of \$(90,742).

The fund balance in the Refuse and Garbage Fund decreased \$382,096 from December 31, 2018, primarily due to increases experienced within home and community services expenditures. The ending fund balance in the Refuse and Garbage Fund was \$3,526,910, of which \$2,004,820 represents amounts assigned for specific use and is available for spending towards this fund's activities.

The fund balance in the Capital Projects Fund decreased \$11,212,064 from December 31, 2018, due to capital outlay expenditures totaling \$20,807,572 exceeding Capital Projects Fund revenue and other financing sources including a \$6,000,000 issuance of serial bonds. The County's Capital Projects Fund ending fund balance was in a deficit position of \$(3,197,457), due to certain projects funded with short-term financing. This deficit is expected to be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs.

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 aforementioned discussion of the County's business-type activities.

The Internal Service Fund is used to account for the County's self-insurance programs, including workers' compensation benefits and dental. The total net position at the end of the fiscal year was \$878,179. This represents an increase to net position of \$276,163 due to increases in charges coupled with increased interest earnings revenue.

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, 2019 is presented in Table 3 below:

Table 3—General Fund Budget

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues and other financing sources	\$ 186,390,517	\$ 187,167,039	\$ 185,770,152	\$ (1,396,887)
Expenditures and other financing uses	190,853,850	195,015,483	192,810,273	2,205,210
Excess (deficiency) of revenues over expenditures and other financing uses	\$ (4,463,333)	\$ (7,848,444)	\$ (7,040,121)	\$ 808,323

Original budget compared to final budget—During the year, the County’s budgeted revenues and appropriations were amended to adjust for increases in transfer out to capital projects. No other significant adjustments were noted between the original and final budget.

Final budget compared to actual results—The General Fund had actual expenditures and transfers out over final budget of \$2,205,210. The primary positive variances were realized in general government support and health expenditures. These savings were partially offset by transfers out which were greater than the final budget by \$2,894,393. This was the result of additional costs related to the County’s jail capital project which were not anticipated during the budget process.

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, 2019 amounts to \$382,145,948 (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, 2019 and December 31, 2018 are presented in Table 4 below:

Table 4—Summary of Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2019	2018	2019	2018	2019	2018
Land	\$ 8,816,187	\$ 8,772,185	\$ 44,800	\$ 44,800	\$ 8,860,987	\$ 8,816,985
Construction in progress	113,025,874	97,718,352	-	-	113,025,874	97,718,352
Land improvements	3,878,627	4,237,455	-	-	3,878,627	4,237,455
Buildings and improvements	28,747,169	25,727,690	1,644,969	1,976,747	30,392,138	27,704,437
Machinery and equipment	11,233,454	9,120,133	325,305	301,886	11,558,759	9,422,019
Infrastructure	123,272,999	122,243,211	91,156,564	93,812,540	214,429,563	216,055,751
Total	<u>\$ 288,974,310</u>	<u>\$ 267,819,026</u>	<u>\$ 93,171,638</u>	<u>\$ 96,135,973</u>	<u>\$ 382,145,948</u>	<u>\$ 363,954,999</u>

Significant changes in capital assets from 2018 to 2019 include:

- Construction in progress increased \$15,307,522 for governmental activities, which primarily represents the jail construction project that will be completed and depreciated in 2020. No significant changes occurred in capital assets related to business-type activities.

The County’s infrastructure assets are recorded at historical cost in the government-wide financial 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, 2019, The County has approximately \$272.7 million in net bonded debt for functions of the primary government. This includes bonds issued by the STASC and the ILDC.

A summary of the County’s long-term liabilities at December 31, 2019 and December 31, 2018 is presented in Table 8 below:

Table 8—Summary of Long-Term Liabilities

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 143,090,000	\$ 146,610,000	\$ -	\$ -	\$ 143,090,000	\$ 146,610,000
Premium on bonds	3,373,810	3,546,722	-	-	3,373,810	3,546,722
Tobacco settlement bonds	-	-	15,770,000	16,040,000	15,770,000	16,040,000
Premium on bonds - STASC	-	-	1,274,501	1,332,432	1,274,501	1,332,432
Revenue bonds	-	-	110,075,000	110,075,000	110,075,000	110,075,000
Discount on bonds	-	-	(963,416)	(1,012,990)	(963,416)	(1,012,990)
Capital leases	660,115	617,916	-	-	660,115	617,916
Landfill post-closure costs	20,350,073	12,677,432	-	-	20,350,073	12,677,432
Compensated absences	3,864,344	3,646,830	421,935	379,480	4,286,279	4,026,310
Retirement incentives	5,060,305	5,954,158	696,290	820,283	5,756,595	6,774,441
Other postemployment benefits	234,894,069	236,971,180	17,749,576	16,024,969	252,643,645	252,996,149
Claims payable	17,029,661	17,575,194	-	-	17,029,661	17,575,194
Net pension liability	13,662,643	5,902,738	1,760,832	777,379	15,423,475	6,680,117
Total	\$ 441,985,020	\$ 433,502,170	\$ 146,784,718	\$ 144,436,553	\$ 588,769,738	\$ 577,938,723

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 and S&P Global Ratings bond rating of AA.

The New York State Constitution limits the amount of indebtedness, both long-term and short-term which the County may incur. The State Constitution provides 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, 2019, the County of Sullivan had used \$152,430,115 or 28.17% of the constitutional debt limit leaving \$388,758,518 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 3.7 percent in December 31, 2019, down from 3.9 percent in 2018. The County’s December 2019 unemployment rate was comparable to the State-wide rate of 4.0 percent.

Labor Department data also indicates that the number of people employed in the County increased by 2.03 percent, from an average of 34,500 to 35,200 between 2018 and 2019, respectively.

The County's 2019 per capita income of \$46,303 is 64.8% of the State's \$71,440. The taxable assessed value of real property in the County increased from \$5,590,246,375 in 2018 to \$5,829,767,129 in 2019, with the median sales price of residential properties increasing from \$127,500 in 2018 to \$137,500 in 2019.

All of these factors were taken into consideration in developing the fiscal 2020 budget.

The County is facing unprecedented financial challenges as a result of the economic disruption caused by the COVID-19 pandemic. The County has taken numerous measures to counteract these financial affects, including a freeze on all discretionary purchases, temporary layoff of non-essential employees and voluntary wage decreases for non-union employees. In addition, the County has reorganized many County departments to reduce overall appropriations and increase efficiencies and workflow among County offices. The 2020 budget has already been dramatically affected and it is expected that these financial challenges will continue through the 2021 fiscal year

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, 2019

	Primary Government			Total Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 22,017,026	\$ 2,437,156	\$ 24,454,182	\$ 6,378,041
Restricted cash and cash equivalents	9,555,401	1,710,648	11,266,049	2,755,974
Resident trust cash	-	72,216	72,216	-
Investments	-	3,703,188	3,703,188	1,595,862
Receivables (net of allowances):				
Taxes	28,971,868	-	28,971,868	-
Accounts receivable	17,103,356	2,342,948	19,446,304	2,491,990
Tobacco settlement	-	969,777	969,777	-
Notes receivable	-	415,145	415,145	213,922
Loans receivable	78,728	-	78,728	702,560
Intergovernmental receivables	24,428,454	1,466,070	25,894,524	383,910
Internal balances	7,939,896	(7,939,896)	-	-
Due from Agency Fund	359,186	-	359,186	-
Inventories	-	73,542	73,542	-
Prepaid items	16,789	33,869	50,658	534,271
Net pension asset	-	-	-	187,192
Capital assets, not being depreciated	121,842,061	44,800	121,886,861	2,421,394
Capital assets, net of accumulated depreciation	167,132,249	93,126,838	260,259,087	18,296,398
Total assets	399,445,014	98,456,301	497,901,315	35,961,514
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	350,015	207,689	557,704	-
Deferred outflows—relating to OPEB	15,332,609	1,150,042	16,482,651	2,324,603
Deferred outflows—relating to pensions	11,675,436	1,504,723	13,180,159	1,254,587
Total deferred outflows of resources	27,358,060	2,862,454	30,220,514	3,579,190
LIABILITIES				
Accounts payable	13,223,027	426,588	13,649,615	4,495,358
Accrued liabilities	4,740,722	1,085,437	5,826,159	1,090,140
Intergovernmental payables	15,734,311	-	15,734,311	508,640
Due to retirement system	6,085,817	-	6,085,817	40,198
Due to Agency Fund	-	-	-	-
Due to component units/primary government	-	12,000	12,000	(12,000)
Unearned revenue	179,311	-	179,311	2,795,681
Deposits payable	-	72,216	72,216	294,300
Bond anticipation notes payable	8,680,000	-	8,680,000	-
Tax anticipation notes payable	8,000,000	-	8,000,000	-
Other liabilities	6,184	-	6,184	690,094
Noncurrent liabilities:				
Due within one year	13,701,304	2,455,013	16,156,317	580,698
Due in more than one year	428,283,716	144,329,705	572,613,421	57,076,512
Total liabilities	498,634,392	148,380,959	647,015,351	67,559,621
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to tuition	-	-	-	290,725
Deferred inflows—relating to OPEB	44,513,041	2,397,086	46,910,127	4,351,694
Deferred inflows—relating to pensions	6,157,694	793,599	6,951,293	681,494
Total deferred inflows of resources	50,670,735	3,190,685	53,861,420	5,323,913
NET POSITION				
Net investment in capital assets	140,876,073	(11,840,765)	129,035,308	11,979,758
Restricted for:				
Grants and loans	-	203,704	203,704	2,717,362
Law enforcement	460,942	-	460,942	-
Stop DWI	149,285	-	149,285	-
Debt service	465,455	-	465,455	-
Dental benefits	498,010	-	498,010	-
Community development	868,826	-	868,826	-
Unrestricted	(265,820,644)	(38,615,828)	(304,436,472)	(48,039,950)
Total net position	\$ (122,502,053)	\$ (50,252,889)	\$ (172,754,942)	\$ (33,342,830)

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, 2019

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position						Total Discretely Presented Component Units
		Program Revenues			Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government support	\$ 28,413,693	\$ 7,753,744	\$ 1,037,428	\$ -	\$ (19,622,521)	\$ -	\$ (19,622,521)	\$ -
Education	5,878,828	-	-	-	(5,878,828)	-	(5,878,828)	-
Public safety	33,757,361	2,187,090	1,129,891	86,210	(30,354,170)	-	(30,354,170)	-
Health	24,447,844	4,067,333	12,046,973	-	(8,333,538)	-	(8,333,538)	-
Transportation	26,599,958	3,338,634	-	7,257,717	(16,003,607)	-	(16,003,607)	-
Economic assistance and opportunity	65,549,246	2,280,770	24,033,818	-	(39,234,658)	-	(39,234,658)	-
Culture and recreation	3,538,998	3,440,060	1,639,850	-	1,540,912	-	1,540,912	-
Home and community services	21,452,276	11,894,485	525,301	-	(9,032,490)	-	(9,032,490)	-
Interest and other fiscal charges	4,594,955	-	-	-	(4,594,955)	-	(4,594,955)	-
Total governmental activities	<u>214,233,159</u>	<u>34,962,116</u>	<u>40,413,261</u>	<u>7,343,927</u>	<u>(131,513,855)</u>	<u>-</u>	<u>(131,513,855)</u>	<u>-</u>
Business-type activities:								
Adult Care Center	18,920,719	9,903,623	5,501,316	-	-	(3,515,780)	(3,515,780)	-
STASC	667,283	-	-	-	-	(667,283)	(667,283)	-
SCFC	319,027	11,178	-	-	-	(307,849)	(307,849)	-
ILDC	9,101,036	2,009,028	-	-	-	(7,092,008)	(7,092,008)	-
Total business-type activities	<u>29,008,065</u>	<u>11,923,829</u>	<u>5,501,316</u>	<u>-</u>	<u>-</u>	<u>(11,582,920)</u>	<u>(11,582,920)</u>	<u>-</u>
Total primary government	<u>\$ 243,241,224</u>	<u>\$ 46,885,945</u>	<u>\$ 45,914,577</u>	<u>\$ 7,343,927</u>	<u>(131,513,855)</u>	<u>(11,582,920)</u>	<u>(143,096,775)</u>	<u>-</u>
Component units:								
Total component units	<u>\$ 18,685,995</u>	<u>\$ 5,867,872</u>	<u>\$ 17,914,579</u>	<u>\$ 35,218</u>				<u>5,131,674</u>
General revenues:								
Property taxes					64,409,687	-	64,409,687	-
Property tax items					9,418,795	-	9,418,795	-
Sales tax					47,193,801	-	47,193,801	-
Other nonproperty tax items					3,950,446	-	3,950,446	-
Use of money and property					771,543	199,506	971,049	89,782
Sale of property and compensation for loss					823,383	-	823,383	-
Miscellaneous					1,449,645	854,779	2,304,424	112,035
Total general revenues					<u>128,017,300</u>	<u>1,054,285</u>	<u>129,071,585</u>	<u>201,817</u>
Change in net position					(3,496,555)	(10,528,635)	(14,025,190)	5,333,491
Net position—beginning, as restated					<u>(119,005,498)</u>	<u>(39,724,254)</u>	<u>(158,729,752)</u>	<u>(38,676,321)</u>
Net position—ending					<u>\$ (122,502,053)</u>	<u>\$ (50,252,889)</u>	<u>\$ (172,754,942)</u>	<u>\$ (33,342,830)</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, 2019

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>County Road</u>	<u>Refuse and Garbage</u>			
ASSETS						
Cash and cash equivalents	\$ 18,201,449	\$ -	\$ 1,178,336	\$ -	\$ 67,718	\$ 19,447,503
Restricted cash and cash equivalents	727,928	113,993	4,419	7,355,673	851,598	9,053,611
Receivables (net of allowances):						
Taxes	28,971,868	-	-	-	-	28,971,868
Accounts receivable	9,496,515	42,231	642,190	97,183	4,341	10,282,460
Loans receivable	-	-	-	-	78,728	78,728
Intergovernmental receivables	22,762,427	1,386,434	71,230	186,732	21,631	24,428,454
Due from other funds	9,063,623	-	2,593,519	255,501	1,800,059	13,712,702
Prepaid items	16,789	-	-	-	-	16,789
Total assets	<u>\$ 89,240,599</u>	<u>\$ 1,542,658</u>	<u>\$ 4,489,694</u>	<u>\$ 7,895,089</u>	<u>\$ 2,824,075</u>	<u>\$ 105,992,115</u>
LIABILITIES						
Accounts payable	\$ 9,163,957	\$ 868,176	\$ 878,210	\$ 2,039,033	\$ 219,110	\$ 13,168,486
Accrued liabilities	2,994,472	363,429	84,554	-	90,828	3,533,283
Intergovernmental payables	15,734,311	-	-	-	-	15,734,311
Due to retirement system	6,085,817	-	-	-	-	6,085,817
Due to other funds	13,030,083	401,795	20	373,513	28,974	13,834,385
Unearned revenue	796	-	-	-	-	796
Bond anticipation notes	-	-	-	8,680,000	-	8,680,000
Tax anticipation notes	8,000,000	-	-	-	-	8,000,000
Other liabilities	6,184	-	-	-	-	6,184
Total liabilities	<u>55,015,620</u>	<u>1,633,400</u>	<u>962,784</u>	<u>11,092,546</u>	<u>338,912</u>	<u>69,043,262</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue—property taxes	10,535,189	-	-	-	-	10,535,189
Total deferred inflows of resources	<u>10,535,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,535,189</u>
FUND BALANCES (DEFICITS)						
Nonspendable	16,789	-	-	-	-	16,789
Restricted	727,132	331,591	4,419	-	881,366	1,944,508
Committed	3,720,418	-	-	-	-	3,720,418
Assigned	6,471,176	-	3,522,491	-	1,603,797	11,597,464
Unassigned	12,754,275	(422,333)	-	(3,197,457)	-	9,134,485
Total fund balances	<u>23,689,790</u>	<u>(90,742)</u>	<u>3,526,910</u>	<u>(3,197,457)</u>	<u>2,485,163</u>	<u>26,413,664</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 89,240,599</u>	<u>\$ 1,542,658</u>	<u>\$ 4,489,694</u>	<u>\$ 7,895,089</u>	<u>\$ 2,824,075</u>	<u>\$ 105,992,115</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, 2019**

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

Total fund balances (deficits)—governmental funds (page 31)		\$ 26,413,664	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$520,595,477 and the accumulated depreciation is \$231,621,167.			288,974,310
Real property taxes not collected within 60 days of year end are reported as deferred inflows of resources in the fund statements, but are recognized on the accrual basis for government-wide statements.			10,535,189
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.			878,179
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.			350,015
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the fund statements.			
Deferred outflows related to employer contributions	\$ 6,266,393		
Deferred outflows related to experience, changes in assumptions, and investment earnings	20,741,652		
Deferred inflows related to pension plans and OPEB	<u>(50,670,735)</u>	(23,662,690)	
Net accrued interest expense for general obligation bonds is not reported in the funds.			(827,170)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:			
General obligation bonds	\$ (143,090,000)		
Premiums on bonds	(3,373,810)		
Capital leases	(660,115)		
Landfill post-closure costs	(20,350,073)		
Compensated absences	(3,864,344)		
Retirement incentives	(5,060,305)		
OPEB obligation	(234,894,069)		
Claims payable	(208,191)		
Net pension liability	<u>(13,662,643)</u>	<u>(425,163,550)</u>	
Net position of governmental activities			<u>\$ (122,502,053)</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 (Deficits)—Governmental Funds
Year Ended December 31, 2019

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>County Road</u>	<u>Refuse and Garbage</u>			
REVENUES						
Real property taxes	\$ 64,073,474	\$ -	\$ -	\$ -	\$ -	\$ 64,073,474
Other property tax items	9,418,795	-	-	-	-	9,418,795
Non property tax items	51,144,247	-	-	-	-	51,144,247
Departmental income	14,458,198	-	11,839,398	-	853,853	27,151,449
Intergovernmental charges	534,979	425,194	-	-	-	960,173
Licenses and permits	3,387,971	3,030	-	-	-	3,391,001
Fines and forfeitures	272,268	-	-	-	-	272,268
Use of money and property	624,125	481	3,722	380	78,842	707,550
Sale of property and compensation for loss	368,498	1,746	138,470	-	142,886	651,600
Miscellaneous	1,405,113	37,123	-	-	7,409	1,449,645
State aid	22,651,903	5,316,627	346,533	161,454	7,500	28,484,017
Federal aid	17,397,282	1,576,082	-	150,770	146,037	19,270,171
Total revenues	<u>185,736,853</u>	<u>7,360,283</u>	<u>12,328,123</u>	<u>312,604</u>	<u>1,236,527</u>	<u>206,974,390</u>
EXPENDITURES						
Current:						
General government support	30,259,845	-	-	-	8,691	30,268,536
Education	5,552,405	-	-	-	-	5,552,405
Public safety	30,810,176	874,446	-	-	-	31,684,622
Health	23,680,551	-	-	-	-	23,680,551
Transportation	1,835,857	17,517,399	-	-	4,775,028	24,128,284
Economic assistance and opportunity	64,244,497	-	-	-	-	64,244,497
Culture and recreation	3,292,914	-	-	-	-	3,292,914
Home and community services	2,406,422	-	10,854,740	-	201,005	13,462,167
Debt service:						
Principal	245,149	-	-	-	9,520,000	9,765,149
Interest and other fiscal charges	21,995	96,000	-	-	4,813,446	4,931,441
Capital outlay	-	-	-	20,807,572	-	20,807,572
Total expenditures	<u>162,349,811</u>	<u>18,487,845</u>	<u>10,854,740</u>	<u>20,807,572</u>	<u>19,318,170</u>	<u>231,818,138</u>
Excess (deficiency) of revenues over expenditures	23,387,042	(11,127,562)	1,473,383	(20,494,968)	(18,081,643)	(24,843,748)
OTHER FINANCING SOURCES (USES)						
Issuance of capital leases	-	-	-	287,348	-	287,348
Issuance of general obligation bonds	-	-	-	6,000,000	-	6,000,000
Premium on general obligation bonds	-	-	-	-	260,602	260,602
Transfers in	33,299	14,483,062	1,028,428	2,995,556	19,668,533	38,208,878
Transfers out	(30,460,462)	(3,718,961)	(2,883,907)	-	(1,145,548)	(38,208,878)
Total other financing sources (uses)	<u>(30,427,163)</u>	<u>10,764,101</u>	<u>(1,855,479)</u>	<u>9,282,904</u>	<u>18,783,587</u>	<u>6,547,950</u>
Net change in fund balances (deficits)	(7,040,121)	(363,461)	(382,096)	(11,212,064)	701,944	(18,295,798)
Fund balances—beginning	30,729,911	272,719	3,909,006	8,014,607	1,783,219	44,709,462
Fund balances (deficits)—ending	<u>\$ 23,689,790</u>	<u>\$ (90,742)</u>	<u>\$ 3,526,910</u>	<u>\$ (3,197,457)</u>	<u>\$ 2,485,163</u>	<u>\$ 26,413,664</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 (Deficits)—
Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2019

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

Net change in fund balances (deficits)—total governmental funds (page 33) \$ (18,295,798)

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.

Capital asset additions	\$ 34,785,085	
Depreciation expense	(13,621,320)	
Loss on disposition	(8,481)	21,155,284

Governmental funds recognize real property taxes only if collected within 60 days after the end of the fiscal year; however, the government-wide statements recognize revenue on a full accrual basis. 336,213

Internal service 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 is reported within governmental activities. 276,163

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. (150,007)

Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. This amount is shown net of current year amortizations. (4,374,247)

Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:

Direct pension contributions	\$ 6,764,327	
Cost of benefits earned net of employee contributions	(8,125,931)	(1,361,604)

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. 52,979

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:

Issuance of general obligation bonds	\$ (6,000,000)	
Repayment of general obligation bonds	9,520,000	
Amortization of bond premiums, net	172,912	
Issuance of capital leases	(287,348)	
Repayment of capital leases	245,149	
Change in landfill post-closure costs	(7,672,641)	
Change in compensated absences	(217,514)	
Change in retirement incentives	893,853	
Change in OPEB obligation	2,077,111	
Change in claims payable	132,940	(1,135,538)

Change in net position of governmental activities \$ (3,496,555)

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, 2019

	Business-type Activities				Governmental Activities	
	Adult Care Center	STASC	SCFC	ILDC	Total	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1,727,063	\$ 226,716	\$ 436,882	\$ 46,495	\$ 2,437,156	\$ 2,569,523
Restricted cash and cash equivalents	203,704	1,104,877	-	402,067	1,710,648	501,790
Resident trust cash	72,216	-	-	-	72,216	-
Investments	-	-	-	3,703,188	3,703,188	-
Accounts receivable, net of allowances	2,330,248	-	-	12,700	2,342,948	6,820,896
Tobacco settlement receivable	-	969,777	-	-	969,777	-
Notes receivable	-	-	415,145	-	415,145	-
Intergovernmental receivables	1,466,070	-	-	-	1,466,070	-
Due from other funds	-	-	-	-	-	8,421,603
Inventories	73,542	-	-	-	73,542	-
Prepaid items	30,512	3,357	-	-	33,869	-
Total current assets	<u>5,903,355</u>	<u>2,304,727</u>	<u>852,027</u>	<u>4,164,450</u>	<u>13,224,559</u>	<u>18,313,812</u>
Noncurrent assets:						
Capital assets, not being depreciated	44,800	-	-	-	44,800	-
Capital assets, net of accumulated depreciation	1,970,274	-	-	91,156,564	93,126,838	-
Total noncurrent assets	<u>2,015,074</u>	<u>-</u>	<u>-</u>	<u>91,156,564</u>	<u>93,171,638</u>	<u>-</u>
Total assets	<u>7,918,429</u>	<u>2,304,727</u>	<u>852,027</u>	<u>95,321,014</u>	<u>106,396,197</u>	<u>18,313,812</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	207,689	-	-	207,689	-
Deferred outflows—relating to OPEB	1,150,042	-	-	-	1,150,042	-
Deferred outflows—relating to pensions	1,504,723	-	-	-	1,504,723	-
Total deferred outflows of resources	<u>2,654,765</u>	<u>207,689</u>	<u>-</u>	<u>-</u>	<u>2,862,454</u>	<u>-</u>
LIABILITIES						
Current liabilities:						
Accounts payable	423,396	-	651	2,541	426,588	54,541
Accrued liabilities	69,135	56,454	-	959,848	1,085,437	380,269
Due to component units	-	-	-	12,000	12,000	-
Due to other funds	7,939,896	-	-	-	7,939,896	838
Unearned revenue	-	-	-	-	-	178,515
Deposits payable	72,216	-	-	-	72,216	-
Current portion of noncurrent liabilities	550,013	265,000	-	1,640,000	2,455,013	1,779,841
Total current liabilities	<u>9,054,656</u>	<u>321,454</u>	<u>651</u>	<u>2,614,389</u>	<u>11,991,150</u>	<u>2,394,004</u>
Noncurrent liabilities:						
Due in more than one year	20,078,620	16,779,501	-	107,471,584	144,329,705	15,041,629
Total noncurrent liabilities	<u>20,078,620</u>	<u>16,779,501</u>	<u>-</u>	<u>107,471,584</u>	<u>144,329,705</u>	<u>15,041,629</u>
Total liabilities	<u>29,133,276</u>	<u>17,100,955</u>	<u>651</u>	<u>110,085,973</u>	<u>156,320,855</u>	<u>17,435,633</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows—relating to OPEB	2,397,086	-	-	-	2,397,086	-
Deferred inflows—relating to pensions	793,599	-	-	-	793,599	-
Total deferred inflows of resources	<u>3,190,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,190,685</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	2,015,074	-	-	(13,855,839)	(11,840,765)	-
Restricted for:						
Grants	203,704	-	-	-	203,704	-
Dental benefits	-	-	-	-	-	498,010
Unrestricted	(23,969,545)	(14,588,539)	851,376	(909,120)	(38,615,828)	380,169
Total net position	<u>\$ (21,750,767)</u>	<u>\$ (14,588,539)</u>	<u>\$ 851,376</u>	<u>\$ (14,764,959)</u>	<u>\$ (50,252,889)</u>	<u>\$ 878,179</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, 2019

	Business-type Activities					Governmental Activities
	Adult Care Center	STASC	SCFC	ILDC	Total	Internal Service Funds
Operating revenues:						
Net patient revenue	\$ 9,522,692	\$ -	\$ -	\$ -	\$ 9,522,692	\$ -
Charges for services	380,931	-	11,178	2,009,028	2,401,137	3,190,225
Tobacco settlement revenues	-	854,779	-	-	854,779	-
Total operating revenues	<u>9,903,623</u>	<u>854,779</u>	<u>11,178</u>	<u>2,009,028</u>	<u>12,778,608</u>	<u>3,362,008</u>
Operating expenses:						
Professional care of residents	6,984,220	-	-	-	6,984,220	-
Administrative and general services	5,877,872	34,405	319,027	58,932	6,290,236	-
Employee benefits	5,157,786	-	-	-	5,157,786	3,149,838
New York State cash assessment	473,695	-	-	-	473,695	-
Depreciation	400,021	-	-	3,232,867	3,632,888	-
Interest expense	27,125	-	-	-	27,125	-
Total operating expenses	<u>18,920,719</u>	<u>34,405</u>	<u>319,027</u>	<u>3,291,799</u>	<u>22,565,950</u>	<u>3,149,838</u>
Operating (loss) income	(9,017,096)	820,374	(307,849)	(1,282,771)	(9,787,342)	212,170
Nonoperating revenues (expenses):						
Intergovernmental transfer revenue	5,475,624	-	-	-	5,475,624	-
Other nonoperating revenue	25,692	-	-	-	25,692	-
Interest income	5,027	33,941	1,309	159,229	199,506	63,993
Interest expense	-	(632,878)	-	(5,809,237)	(6,442,115)	-
Total nonoperating revenues (expenses)	<u>5,506,343</u>	<u>(598,937)</u>	<u>1,309</u>	<u>(5,650,008)</u>	<u>(741,293)</u>	<u>63,993</u>
Change in net position	(3,510,753)	221,437	(306,540)	(6,932,779)	(10,528,635)	276,163
Net position—beginning, as restated	<u>(18,240,014)</u>	<u>(14,809,976)</u>	<u>1,157,916</u>	<u>(7,832,180)</u>	<u>(39,724,254)</u>	<u>602,016</u>
Net position—ending	<u>\$ (21,750,767)</u>	<u>\$ (14,588,539)</u>	<u>\$ 851,376</u>	<u>\$ (14,764,959)</u>	<u>\$ (50,252,889)</u>	<u>\$ 878,179</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, 2019

	Business-type Activities					Governmental Activities
	Adult Care Center	STASC	SCFC	ILDC	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from services provided	\$ 9,063,069	\$ -	\$ 158,711	\$ 2,009,028	\$ 11,230,808	\$ 3,167,067
Receipts from tobacco settlement revenues	-	955,032	-	-	955,032	-
Receipts from insurance recoveries	-	-	-	-	-	171,783
Payments to suppliers of contracted services	(10,351,373)	(34,405)	(531,106)	(69,506)	(10,986,390)	-
Payments to employees	(8,022,806)	-	-	-	(8,022,806)	-
Payments to insurance carriers and claimants	-	-	-	-	-	(3,364,681)
Receipts on behalf of other funds	-	-	-	-	-	(62,386)
Receipts from other operating revenue	380,931	-	(50,000)	-	330,931	-
Net cash provided by (used for) operating activities	<u>(8,930,179)</u>	<u>920,627</u>	<u>(422,395)</u>	<u>1,939,522</u>	<u>(6,492,425)</u>	<u>(88,217)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	-	33,941	1,309	167,583	202,833	63,993
Net cash provided by investing activities	<u>-</u>	<u>33,941</u>	<u>1,309</u>	<u>167,583</u>	<u>202,833</u>	<u>63,993</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payments to/from County	3,638,826	-	-	-	3,638,826	838
Receipts from intergovernmental transfer	5,112,661	-	-	-	5,112,661	-
Receipts from interest income	30,719	-	-	-	30,719	-
Principal payments on long-term debt	-	(270,000)	-	-	(270,000)	-
Interest paid	-	(682,153)	-	-	(682,153)	-
Net cash provided by (used for) noncapital financing activities	<u>8,782,206</u>	<u>(952,153)</u>	<u>-</u>	<u>-</u>	<u>7,830,053</u>	<u>838</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital expenses, net	(91,662)	-	-	(11,543,805)	(11,635,467)	-
Interest paid	-	-	-	(5,759,663)	(5,759,663)	-
Net cash used for capital and related financing activities	<u>(91,662)</u>	<u>-</u>	<u>-</u>	<u>(17,303,468)</u>	<u>(17,395,130)</u>	<u>-</u>
(Decrease) increase in cash and cash equivalents	(239,635)	2,415	(421,086)	(15,196,363)	(15,854,669)	(23,386)
Cash and cash equivalents—beginning (includes restricted cash and cash equivalents and investments)	<u>2,170,402</u>	<u>1,329,178</u>	<u>857,968</u>	<u>19,348,113</u>	<u>23,705,661</u>	<u>3,094,699</u>
Cash and cash equivalents—ending (includes restricted cash and cash equivalents and investments)	<u>\$ 1,930,767</u>	<u>\$ 1,331,593</u>	<u>\$ 436,882</u>	<u>\$ 4,151,750</u>	<u>\$ 7,850,992</u>	<u>\$ 3,071,313</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2019

	Business-type Activities					(concluded)
	Adult Care Center	STASC	SCFC	ILDC	Total	Governmental Activities
	Center	STASC	SCFC	ILDC	Total	Internal Service Funds
Reconciliation of operating income to net cash provided by (used for) operating activities:						
Operating (loss) income	\$ (9,017,096)	\$ 820,374	\$ (307,849)	\$ (1,282,771)	\$ (9,787,342)	\$ 212,170
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:						
Depreciation expense	400,021	-	-	3,232,867	3,632,888	-
Bad debt expense	340,408	-	-	-	340,408	-
(Increase) in receivables	(869,166)	-	-	-	(869,166)	(51,149)
Decrease in tobacco settlement receivable	-	100,253	-	-	100,253	-
(Increase) in notes receivable	-	-	(101,237)	-	(101,237)	-
Decrease in inventories	3,241	-	-	-	3,241	-
(Increase) in prepaid items	(888)	-	-	-	(888)	-
(Increase) in deferred outflows of resources/ deferred inflows of resources, net.	(1,784,310)	-	-	-	(1,784,310)	-
(Decrease) in accounts payable	(110,114)	-	(3,309)	(10,574)	(123,997)	53,170
(Decrease) increase in amounts due to component un	-	-	(10,000)	-	(10,000)	-
Increase in accrued and other liabilities	69,135	-	-	-	69,135	144,580
Increase in unearned revenue	-	-	-	-	-	27,991
(Decrease) in compensated absences	(545,477)	-	-	-	(545,477)	-
(Decrease) in accrued retirement incentives	(123,993)	-	-	-	(123,993)	-
Increase in other post-employment benefits	1,724,607	-	-	-	1,724,607	-
(Decrease) in claims payable	-	-	-	-	-	(412,593)
Increase in accrued net pension liability	983,453	-	-	-	983,453	-
Total adjustments	<u>86,917</u>	<u>100,253</u>	<u>(114,546)</u>	<u>3,222,293</u>	<u>3,294,917</u>	<u>(300,387)</u>
Net cash provided by (used for) operating activities	<u>\$ (8,930,179)</u>	<u>\$ 920,627</u>	<u>\$ (422,395)</u>	<u>\$ 1,939,522</u>	<u>\$ (6,492,425)</u>	<u>\$ (88,217)</u>
Noncash investing activities:						
Increase in tobacco settlement bonds payable from amortization of original issue discount	<u>\$ -</u>	<u>\$ 57,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Decrease in deferred outflows of resources from amortization of loss on refunding bonds	<u>\$ -</u>	<u>\$ 9,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

COUNTY OF SULLIVAN, NEW YORK
Statement of Net Position—Fiduciary Fund
December 31, 2019

	<u>Agency</u>
ASSETS	
Restricted cash and equivalents	\$ 4,895,424
Total assets	<u>\$ 4,895,424</u>
LIABILITIES	
Accounts payable	\$ 1,934,955
Due to other funds	359,186
Other Agency liabilities	<u>2,601,283</u>
Total liabilities	<u>\$ 4,895,424</u>

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

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COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Net Position—Discretely Presented Component Units
December 31, 2019

	Sullivan County Community College (8/31/2019)	Sullivan County Soil and Water Conservation District	Sullivan County Industrial Development Agency	Emerald Corporate Center Economic Development Corporation	Sullivan County Land Bank Corporation	Total Discretely Presented Component Units
ASSETS						
Cash and cash equivalents	\$ 1,249,961	\$ 552,183	\$ 4,529,411	\$ 9,148	\$ 37,338	\$ 6,378,041
Restricted cash and cash equivalents	-	1,167,483	1,588,491	-	-	2,755,974
Investments	1,595,862	-	-	-	-	1,595,862
Receivables (net of allowance for uncollectibles):	-	-	-	-	-	-
Accounts receivable	2,447,758	1,358	37,019	5,855	-	2,491,990
Notes receivable	-	-	213,922	-	-	213,922
Loans receivable	702,560	-	-	-	-	702,560
Intergovernmental receivables	25,435	-	314,401	44,074	-	383,910
Due from primary government	-	-	12,000	-	-	12,000
Prepaid items	501,427	17,114	2,700	11,440	1,590	534,271
Net pension asset	187,192	-	-	-	-	187,192
Capital assets, not being depreciated	277,445	-	-	1,442,461	788,933	2,508,839
Capital assets, net of accumulated depreciation	<u>14,876,814</u>	<u>52,671</u>	<u>3,277,519</u>	<u>-</u>	<u>1,949</u>	<u>18,208,953</u>
Total assets	<u>21,864,454</u>	<u>1,790,809</u>	<u>9,975,463</u>	<u>1,512,978</u>	<u>829,810</u>	<u>35,973,514</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows—relating to OPEB	2,324,603	-	-	-	-	2,324,603
Deferred outflows—relating to pensions	<u>1,157,641</u>	<u>96,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,254,587</u>
Total deferred outflows of resources	<u>3,482,244</u>	<u>96,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,579,190</u>
LIABILITIES						
Accounts payable	4,274,595	154,137	20,213	12,168	34,245	4,495,358
Accrued liabilities	1,069,147	12,130	8,863	-	-	1,090,140
Intergovernmental payables	75,416	-	433,224	-	-	508,640
Due to retirement system	-	40,198	-	-	-	40,198
Unearned revenue	1,517,820	1,167,483	110,378	-	-	2,795,681
Deposits payable	294,300	-	-	-	-	294,300
Other liabilities	238,759	-	451,335	-	-	690,094
Noncurrent liabilities:						
Due within one year	553,658	4,600	22,440	-	-	580,698
Due in more than one year	<u>56,643,741</u>	<u>144,742</u>	<u>288,029</u>	<u>-</u>	<u>-</u>	<u>57,076,512</u>
Total liabilities	<u>64,667,436</u>	<u>1,523,290</u>	<u>1,334,482</u>	<u>12,168</u>	<u>34,245</u>	<u>67,571,621</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows—relating to tuition	290,725	-	-	-	-	290,725
Deferred inflows—relating to OPEB	4,351,694	-	-	-	-	4,351,694
Deferred inflows—relating to pensions	<u>642,871</u>	<u>38,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>681,494</u>
Total deferred inflows of resources	<u>5,285,290</u>	<u>38,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,323,913</u>
NET POSITION						
Net investment in capital assets	7,517,576	52,671	2,967,050	1,442,461	-	11,979,758
Restricted	1,578,185	-	1,139,177	-	-	2,717,362
Unrestricted	<u>(53,701,789)</u>	<u>273,171</u>	<u>4,534,754</u>	<u>58,349</u>	<u>795,565</u>	<u>(48,039,950)</u>
Total net position	<u>\$ (44,606,028)</u>	<u>\$ 325,842</u>	<u>\$ 8,640,981</u>	<u>\$ 1,500,810</u>	<u>\$ 795,565</u>	<u>\$ (33,342,830)</u>

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, 2019

	Sullivan County Community College (8/31/2019)	Sullivan County Soil and Water Conservation District	Sullivan County Industrial Development Agency	Emerald Corporate Center Economic Development Corporation	Sullivan County Land Bank Corporation	Total Discretely Presented Component Units
PROGRAM EXPENSES	\$ 15,053,576	\$ 1,973,901	\$ 550,380	\$ 57,155	\$ 943,382	\$ 18,578,394
PROGRAM REVENUES						
Charges for services	4,759,193	33,257	1,075,422	-	-	5,867,872
Operating grants and contributions	14,407,093	2,083,227	-	60,401	1,363,858	17,914,579
Capital grants and contributions	-	-	35,218	-	-	35,218
Total program revenues	<u>19,166,286</u>	<u>2,116,484</u>	<u>1,110,640</u>	<u>60,401</u>	<u>1,363,858</u>	<u>23,817,669</u>
Net (expense) program revenues	<u>4,112,710</u>	<u>142,583</u>	<u>560,260</u>	<u>3,246</u>	<u>420,476</u>	<u>5,239,275</u>
GENERAL REVENUES (EXPENSES)						
Use of money and property	65,710	3,571	20,501	-	-	89,782
Interest expense	(100,575)	-	(7,026)	-	-	(107,601)
Miscellaneous	100,586	10,769	680	-	-	112,035
Total general revenue	<u>65,721</u>	<u>14,340</u>	<u>14,155</u>	<u>-</u>	<u>-</u>	<u>94,216</u>
Change in net position	4,178,431	156,923	574,415	3,246	420,476	5,333,491
Net position—beginning, as restated	<u>(48,784,459)</u>	<u>168,919</u>	<u>8,066,566</u>	<u>1,497,564</u>	<u>375,089</u>	<u>(38,676,321)</u>
Net position—ending	<u>\$ (44,606,028)</u>	<u>\$ 325,842</u>	<u>\$ 8,640,981</u>	<u>\$ 1,500,810</u>	<u>\$ 795,565</u>	<u>\$ (33,342,830)</u>

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, 2019

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 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). Additionally, the County also operates a nursing home.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Discretely presented component units are aggregated and reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Discretely Presented Component Units—The component unit column in the government-wide financial statements includes 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 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 Sheldrake, 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 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 Land Bank may be obtained by writing the Sullivan County Land Bank Corporation, 100 North Street, PO Box 5012, Monticello, New York 12701.

Blended Component Units—The following blended component units are legally separate entities from the County, but are, in substance, part of the County’s operations and therefore data from these units 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.

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 lessen 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. The County is the sole corporate member of the SCFC. 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. The County is the sole corporate member of the ILDC. 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.

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 five discretely presented component units: the College, the District, the IDA, the ECCEDC, and the Land Bank. These are aggregately 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 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 a blended component unit used to account for the receipt and disbursement of resources related to tobacco assets and related obligations.
- *Sullivan County Funding Corporation (“SCFC”)*—SCFC is a blended component unit used to account for the creation, retention and expansion of jobs and economic opportunities within the County.
- *Sullivan County Infrastructure Local Development Corporation (the “ILDC”)*—The ILDC is a blended component unit used to account for the development, ownership, construction, and maintenance of certain infrastructure and related improvements on approximately 1,700 acres within the County, to foster the creation, retention, and expansion of jobs and economic opportunities.

Additionally, the County reports the following fund types:

Internal Service Funds—The 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 County’s fiduciary funds include the *Agency Fund*.

- *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 County considers property tax revenues to be available if they are collected within 60 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 have been met, and the amount is received during the period or within the availability period for this revenue sources (within 90 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’s business-type activities reported investments of \$3,703,188 at December 31, 2019.

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.

Resident Trust Cash—Resident trust cash represents deposits held in custody for patients and as such represent fiduciary responsibilities of the Adult Care Center rather than present or future interest.

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.

Inventories—Inventories are recorded at cost (determined using first-in, first-out method).

Prepaid Items—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

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 acquisition value.

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 outlays 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:

	<u>Years</u>
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, 2019, the County reported unearned revenues of \$796 and \$178,515 within the General Fund and Internal Service Funds, respectively. The County received funds related to asset seizures and workers' compensation contributions in advance but have not performed the associated services and therefore recognizes a liability.

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, 2019, the County has three items that qualify for reporting in this category. The first item is a deferred charge on refunding which the County reports within its governmental and business-type 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 OPEB reported in the government-wide and proprietary fund financial statements and represents the effects of the change in the County's proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The third 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, 2019, the County has three 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 second item represents the effect of the net change in the County's proportion of the collective net OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The third item represents the effects of the 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 policy 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 County 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 Expenditures/Expenses

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, SCFC, ILDC and internal service funds are charges to customers and interfund/intergovernmental entities for sales and services. Operating expenses for enterprise funds and internal service funds include the professional care of residents cost of sales and services, administrative expenses, employee benefits 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, 2019, the total real property tax assets relating to the County of \$28,971,868 included an allowance for uncollectible taxes of \$1,184,154. Included in real property tax assets are current year returned school taxes of \$15,664,823, 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 \$10,535,189 in the General Fund and represents tax liens which were 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, 2019 totaled \$3,864,344 and \$421,935, 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 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 Postemployment 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 disclosed in Note 8.

Intergovernmental Transfer (“IGT”)—The New York State Association of Counties (“NYSAC”) and the State Division of the Budget agreed on a methodology to bring additional federal revenues to county nursing homes. This methodology, known as IGT, provides for certain Medicaid rate enhancements to all non-state operated, publicly sponsored nursing facilities. In order to receive these funds, the County is required to provide a 50% local share of the total funds to be received by the Adult Care Center.

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, 2019, the County implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing effective dates of certain provisions in Statements. The implementation of GASB Statement No. 95 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. 83, *Certain Asset Retirement Obligations*; No. 84, *Fiduciary Activities*; and No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* effective for the year ending December 31, 2020, No. 87, *Leases*; and No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the year ending December 31, 2021, No. 91, *Conduit Debt Obligations*; No. 92, *Omnibus 2020*; No. 93, *Replacement of Interbank Offered Rates*; and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, effective for the year ending December 31, 2022, and No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending December 31, 2023. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 83, 84, 87, 89, 91, 92, 93, 94, 96, and 97 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.

Deficit Fund Balance—At December 31, 2019, the County’s County Road Fund reported a deficit fund balance of \$90,742. In addition, at December 31, 2019, the County’s Capital Projects Fund reported a deficit fund balance of \$3,197,457. This deficit fund balance is caused by the County’s issued bond anticipation notes (“BANs”), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as fund liabilities in the balances sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). When the cash from the BANs is spent, expenditures are reported and fund balance is reduced. Because the BANs are the main source of revenue for the fund, the result is deficit fund balance. The fund balance deficits will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in).

2. RESTATEMENT OF NET POSITION

During the year ended December 31, 2019, the ILDC, a blended component unit, made prior period adjustments to adjust capitalized investment income and to adjust capital asset balances. As a result, net position at December 31, 2018 was restated. Total business-type activities net position has been restated as follows:

	Business-type Activities
Net position—December 31, 2018, as previously stated	\$ (40,301,146)
ILDC capitalized investment income	535,030
ILDC capital assets	<u>41,862</u>
Net position—December 31, 2018, as restated	<u>\$ (39,724,254)</u>

During the year ended December 31, 2019, the Land Bank, a discretely presented component unit, reevaluated the value of land and property inventory. As a result, net position at December 31, 2018 was restated. Total discretely presented component units net position has been restated as follows:

	Total Discretely Presented Component Units
Net position—December 31, 2018, as previously stated	\$ (37,792,681)
Land Bank restatements	<u>(883,640)</u>
Net position—December 31, 2018, as restated	<u>\$ (38,676,321)</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 and cash equivalents at December 31, 2019 consisted of:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Petty cash (uncollateralized)	\$ 14,275	\$ 2,700	\$ -	\$ 16,975
Deposits	31,558,152	4,217,320	4,895,424	40,670,896
Total	<u>\$ 31,572,427</u>	<u>\$ 4,220,020</u>	<u>\$ 4,895,424</u>	<u>\$ 40,687,871</u>

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at December 31, 2019 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 2,363,442	\$ 2,363,442
Uninsured:		
Collateral held by pledging bank's agent in the County's name	<u>37,174,486</u>	<u>38,307,454</u>
Total	<u>\$ 39,537,928</u>	<u>\$ 40,670,896</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.

Restricted Cash and Cash Equivalents—At December 31, 2019, governmental funds reported restricted cash of \$9,053,611, of which \$796 is restricted for General Fund unearned revenue, \$7,355,673 is restricted for unspent debt proceeds in the Capital Projects Fund, and \$727,132, \$113,993, \$4,419, and \$851,598 is restricted to support restricted fund balances within the General Fund, County Road Fund, Refuse and Garbage Fund, and nonmajor funds, respectively. The internal service fund reports restricted cash of \$501,790. Total business-type activities reported restricted cash of \$1,710,648 at December 31, 2019, of which \$203,704 is restricted for capital projects the Adult Care Center Fund, \$1,104,877 is restricted for debt service requirements within the STASC fund, and \$402,067 is restricted for the ILDC.

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. The County’s governmental activities reports no investments as of December 31, 2019.

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 County Infrastructure Local Development Corporation—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.

Investments, which are securities held by the counter-party or by its trust department or agent, but not in the Corporation’s name are reported at contract value, which represents Level 2 fair value input and consisted of \$3,703,188 at December 31, 2019.

Sullivan County Community College

Cash and Cash Equivalents—Deposits for the College totaled \$1,249,961 at August 31, 2019. As of August 31, 2019, none of the College's bank balance of \$1,324,188 was exposed to custodial credit risk as they were either insured or collateralized.

Investments—Investments for the College totaled \$1,595,862 at August 31, 2019, 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, 2019 totaled \$424,191. Fair value hierarchy information for investments reported by the Foundation, at August 31, 2019 was as follows:

	<u>Level 1</u>
Equities:	
Common stock	\$ 372,546
Mutual funds	21,212
Invested cash	<u>30,433</u>
Total	<u>\$ 424,191</u>

Sullivan County Soil and Water Conservation District

Cash and Cash Equivalents—Deposits for the District totaled \$1,719,666 and were fully collateralized or insured at December 31, 2019.

Sullivan County Industrial Development Agency

Cash and Cash Equivalents—Cash and cash equivalents at the IDA totaled \$4,529,411 at December 31, 2019. At December 31, 2019, the Agency’s cash balances were fully collateralized with securities held by the Agency’s third party custodian and not subject to custodial credit risk.

Restricted Cash and Cash Equivalents—At December 31, 2019, restricted cash and cash equivalents at the IDA totaled \$1,588,491, of which \$1,223,194 represents cash balances held in escrow accounts and \$365,297 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 \$9,148 at December 31, 2019. The balance was within FDIC insurance limits at December 31, 2019.

Sullivan County Land Bank Corporation

Cash and Cash Equivalents—Cash and cash equivalents at the Land Bank totaled \$37,338 at December 31, 2019. The balance was within FDIC insurance limits at December 31, 2019.

4. RECEIVABLES

Taxes Receivable—Represents amounts due from County taxpayers that remain unpaid. At December 31, 2019 the County recorded \$28,971,868 related to taxes receivable. These amounts are reported net of an allowance for uncollectible taxes provision of \$1,184,154.

Accounts Receivable—Represents amounts due from various sources. The County’s accounts receivable and related allowances for estimated uncollectible amounts at December 31, 2019 are presented below:

	<u>Gross Receivable</u>	<u>Allowances for Uncollectables</u>	<u>Net Receivable</u>
Governmental funds:			
General Fund	\$ 9,496,515	\$ -	\$ 9,496,515
County Road Fund	42,231	-	42,231
Refuse and Garbage Fund	1,053,076	(410,886)	642,190
Capital Projects Fund	97,183	-	97,183
Nonmajor governmental funds	4,341	-	4,341
Total governmental funds	<u>\$ 10,693,346</u>	<u>\$ (410,886)</u>	<u>\$ 10,282,460</u>
Proprietary funds:			
Adult Care Center	\$ 2,670,656	\$ (225,670)	\$ 2,444,986
ILDC	12,700	-	12,700
Internal Service Funds	6,820,896	-	6,820,896
Total proprietary funds	<u>\$ 9,504,252</u>	<u>\$ (225,670)</u>	<u>\$ 9,278,582</u>

Notes Receivable—The SCFC reports notes receivable at December 31, 2019. These represent 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, 2019 amounted to \$415,145.

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 represent funds which are subject to externally enforceable legal restrictions.

At December 31, 2019 the County reported loans receivable of \$342,070, an allowance for uncollectable amounts of \$263,342, and restricted cash of \$839,058 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, 2019 are shown on the following page.

Governmental funds:	
General Fund	\$ 22,762,427
County Road Fund	1,386,434
Refuse and Garbage Fund	71,230
Capital Projects Fund	186,732
Nonmajor governmental funds	<u>21,631</u>
Total	<u>\$ 24,428,454</u>
Proprietary funds:	
Adult Care Center	<u>\$ 1,466,070</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, 2019:

	Gross <u>Receivable</u>	Allowances for <u>Uncollectables</u>	Net <u>Receivable</u>
Primary institution	\$ 2,604,128	\$ (502,241)	\$ 2,101,887
Association	153,226	-	153,226
Dormitory Corporation	<u>192,645</u>	<u>-</u>	<u>192,645</u>
Total	<u>\$ 2,949,999</u>	<u>\$ (502,241)</u>	<u>\$ 2,447,758</u>

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

Intergovernmental Receivables—The majority of the funds reflected in this account for the College consist of appropriations made at the state and local governmental levels for sponsorships of various academic and other programs and for student aid.

Sullivan County Soil and Water Conservation District

Accounts Receivable—Accounts receivable for the District at December 31, 2019 amounted to \$1,358.

Sullivan County Industrial Development Agency

Accounts Receivable—Accounts receivable for the IDA at December 31, 2019 amounted to \$37,019.

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, 2019 amounted to \$213,922.

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, 2019 for the IDA amounted to \$314,401.

Emerald Corporate Center Economic Development Corporation

Accounts Receivable—Accounts receivable for the ECCEDC at December 31, 2019 amounted to \$5,855.

5. CAPITAL ASSETS

Governmental activities—Capital asset activity for the primary government’s governmental activities for the year ended December 31, 2019 was as follows:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
Capital assets, not being depreciated:				
Land	\$ 8,772,185	\$ 44,002	\$ -	\$ 8,816,187
Construction in progress	<u>97,718,352</u>	<u>16,909,475</u>	<u>1,601,953</u>	<u>113,025,874</u>
Total capital assets, not being depreciated	<u>106,490,537</u>	<u>16,953,477</u>	<u>1,601,953</u>	<u>121,842,061</u>
Capital assets, being depreciated:				
Land improvements	20,176,208	134,492	-	20,310,700
Buildings and building improvements	47,291,698	4,055,284	-	51,346,982
Machinery and equipment	32,984,070	4,012,706	1,411,685	35,585,091
Infrastructure	<u>280,279,564</u>	<u>11,231,079</u>	<u>-</u>	<u>291,510,643</u>
Total capital assets, being depreciated	<u>380,731,540</u>	<u>19,433,561</u>	<u>1,411,685</u>	<u>398,753,416</u>
Less accumulated depreciation for:				
Land improvements	15,938,753	493,320	-	16,432,073
Buildings and building improvements	21,564,008	1,035,805	-	22,599,813
Machinery and equipment	23,863,937	1,890,904	1,403,204	24,351,637
Infrastructure	<u>158,036,353</u>	<u>10,201,291</u>	<u>-</u>	<u>168,237,644</u>
Total accumulated depreciation	<u>219,403,051</u>	<u>13,621,320</u>	<u>1,403,204</u>	<u>231,621,167</u>
Total capital assets, being depreciated, net	<u>161,328,489</u>	<u>5,812,241</u>	<u>8,481</u>	<u>167,132,249</u>
Governmental activities capital assets, net	<u>\$ 267,819,026</u>	<u>\$ 22,765,718</u>	<u>\$ 1,610,434</u>	<u>\$ 288,974,310</u>

At December 31, 2019, the County reports construction in progress for the County Jail Complex totaling \$104,272,274. This project is expected to be completed and placed into service as a depreciable asset during 2020.

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

General government support	\$ 1,200,603
Education	326,423
Public safety	446,574
Public health	93,189
Transportation	10,109,897
Economic assistance and opportunity	31,579
Culture and recreation	94,456
Home and community services	<u>1,318,599</u>
Total governmental activities	<u>\$ 13,621,320</u>

Business-type activities—Capital asset activity for the primary government’s business-type activities for the year ended December 31, 2019, was as follows:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
Capital assets, not being depreciated:				
Land	\$ 44,800	\$ -	\$ -	\$ 44,800
Total capital assets, not being depreciated	<u>44,800</u>	<u>-</u>	<u>-</u>	<u>44,800</u>
Capital assets, being depreciated:				
Buildings and improvements	12,674,960	-	-	12,674,960
Land improvements	87,600	-	-	87,600
Machinery and equipment	885,951	91,662	-	977,613
Infrastructure	96,986,018	-	-	96,986,018
Total capital assets, being depreciated	<u>110,634,529</u>	<u>91,662</u>	<u>-</u>	<u>110,726,191</u>
Less accumulated depreciation for:				
Buildings and improvements	10,698,213	331,778	-	11,029,991
Land improvements	87,600	-	-	87,600
Machinery and equipment	584,065	68,243	-	652,308
Infrastructure	2,581,301	3,248,153	-	5,829,454
Total accumulated depreciation	<u>13,951,179</u>	<u>3,648,174</u>	<u>-</u>	<u>17,599,353</u>
Total capital assets, being depreciated, net	<u>96,683,350</u>	<u>(3,556,512)</u>	<u>-</u>	<u>93,126,838</u>
Business-type activities capital assets, net, as restated	<u>\$ 96,728,150</u>	<u>\$ (3,556,512)</u>	<u>\$ -</u>	<u>\$ 93,171,638</u>

Sullivan County Community College

Capital asset activity for the College, for the year ended August 31, 2018, was as follows:

	Balance 9/1/2018	Increases	Decreases	Balance 8/31/2019
Capital assets, not being depreciated:				
Land	\$ 277,445	\$ -	\$ -	\$ 277,445
Total capital assets, not being depreciated	<u>277,445</u>	<u>-</u>	<u>-</u>	<u>277,445</u>
Capital assets, being depreciated:				
Building and improvements	46,552,530	39,727	-	46,592,257
Furniture and equipment	4,717,736	26,971	-	4,744,707
Total capital assets, being depreciated	<u>51,270,266</u>	<u>66,698</u>	<u>-</u>	<u>51,336,964</u>
Less accumulated depreciation for:				
Building and improvements	31,429,068	1,114,239	-	32,543,307
Furniture and equipment	3,892,464	24,379	-	3,916,843
Total accumulated depreciation	<u>35,321,532</u>	<u>1,138,618</u>	<u>-</u>	<u>36,460,150</u>
Total capital assets, being depreciated, net	<u>15,948,734</u>	<u>(1,071,920)</u>	<u>-</u>	<u>14,876,814</u>
Total capital assets, net	<u>\$ 16,226,179</u>	<u>\$ (1,071,920)</u>	<u>\$ -</u>	<u>\$ 15,154,259</u>

Sullivan County Soil and Water Conservation District

Capital asset activity for the District, for the year ended December 31, 2019, was as follows:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
Capital assets, being depreciated:				
Buildings	\$ 55,197	\$ -	\$ -	\$ 55,197
Machinery and equipment	<u>211,194</u>	<u>5,850</u>	<u>-</u>	<u>217,044</u>
Total capital assets, being depreciated	<u>266,391</u>	<u>5,850</u>	<u>-</u>	<u>272,241</u>
Less accumulated depreciation for:				
Buildings	41,400	1,380	-	42,780
Machinery and equipment	<u>158,634</u>	<u>18,156</u>	<u>-</u>	<u>176,790</u>
Total accumulated depreciation	<u>200,034</u>	<u>19,536</u>	<u>-</u>	<u>219,570</u>
Total capital assets, net	<u>\$ 66,357</u>	<u>\$ (13,686)</u>	<u>\$ -</u>	<u>\$ 52,671</u>

Sullivan County Industrial Development Agency

Capital asset activity for the IDA, for the year ended December 31, 2019, was as follows:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,596,177	\$ 7,408	\$ -	\$ 1,603,585
Equipment	1,794,675	199,967	-	1,994,642
Less: accumulated depreciation	<u>(201,852)</u>	<u>(118,856)</u>	<u>-</u>	<u>(320,708)</u>
Total capital assets, net	<u>\$ 3,189,000</u>	<u>\$ 88,519</u>	<u>\$ -</u>	<u>\$ 3,277,519</u>

Emerald Corporate Center Economic Development Corporation

Capital asset activity for the ECCEDC, for the year ended December 31, 2019, was as follows:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
Capital assets, not being depreciated:				
Deferred building costs	<u>\$ 1,442,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,442,461</u>

During 2002, ECCEDC acquired land and existing infrastructure from the County of Sullivan for the purpose of constructing a corporate center. All expenditures related to the architectural, engineering, legal matters and construction of infrastructure are being capitalized.

6. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at December 31, 2019, were as follows:

	General Fund	County Road Fund	Refuse and Garbage Fund	Nonmajor Funds	Total Governmental Funds
Salaries and employee benefits	\$ 2,994,472	\$ 363,429	\$ 84,554	\$ 90,828	\$ 3,533,283

7. PENSION OBLIGATIONS

Plan Descriptions and Benefits Provided

Employees' Retirement System—The County participates in the New York State and Local Employees' Retirement System ("ERS"), a cost-sharing multiple-employer retirement system. 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 New York State Retirement and Social Security Law ("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, 2019, the County reported the following liabilities for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2019. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2018, with update procedures used to roll forward the total net pension liabilities to the measurement date. The County's proportion of the net pension liabilities were 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.

	ERS	
	Governmental Activities	Business-type Activities
Measurement date	March 31, 2019	
Net pension liability	\$ 13,662,643	\$ 1,760,832
County's portion of the Plan's total net pension liability	0.1928306%	0.0248519%

For the year ended December 31, 2019, the County recognized pension expense of \$8,077,898 and \$1,041,074 for governmental activities and business-type activities, respectively. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below:

	ERS			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experiences	\$ 2,690,460	\$ 346,745	\$ 917,148	\$ 118,201
Changes of assumptions	3,434,230	442,601	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	3,506,590	451,927
Changes in proportion and differences between the County's contributions and proportionate share of contributions	440,740	56,768	1,733,956	223,471
County contributions subsequent to the measurement date	<u>5,110,276</u>	<u>658,609</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,675,706</u>	<u>\$ 1,504,723</u>	<u>\$ 6,157,694</u>	<u>\$ 793,599</u>

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	ERS		
	Governmental Activities	Business-type Activities	Total
2020	\$ 2,252,894	\$ 290,351	\$ 2,543,245
2021	(3,106,231)	(400,329)	(3,506,560)
2022	(501,008)	(64,570)	(565,578)
2023	1,762,081	227,063	1,989,144

Actuarial Assumptions—The total pension liabilities as of the measurement date were determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liabilities to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>
Measurement date	March 31, 2019
Actuarial valuation date	April 1, 2018
Interest rate	7.00%
Salary scale	4.20%
Decrement tables	April 1, 2010 - March 31, 2015
Inflation rate	2.50%
Cost-of-living adjustment	1.30%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2014. The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

	<u>ERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Measurement date	<u>March 31, 2019</u>	
Asset class:		
Domestic equities	36.0 %	4.6 %
International equities	14.0	6.4
Private equity	10.0	7.5
Real estate	10.0	5.6
Absolute return strategies	2.0	3.8
Opportunistic portfolio	3.0	5.7
Real assets	3.0	5.3
Bonds and mortgages	17.0	1.3
Cash	1.0	(0.3)
Inflation-indexed bonds	4.0	1.3
Total	<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 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)	\$ 59,310,794	\$ 13,662,643	\$ (24,863,681)
Business-type activities:			
Employer's proportionate share of the net pension liability/(asset)	\$ 8,123,100	\$ 1,760,832	\$ (3,405,285)

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

	(Dollars in Thousands)
	ERS
Valuation date	April 1, 2018
Employers' total pension liability	\$ 189,803,429
Plan fiduciary net position	182,718,124
Employers' net pension liability	<u>\$ 7,085,305</u>
System fiduciary net position as a percentage of total pension liability	96.3%

Sullivan County Community College

The College participates in the ERS and the Teachers' Retirement System ("TRS").

Plan Description and Benefits Provided

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 to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law ("NYSRSSL"). TRS is governed by a 10 member Board of Trustees. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York State Public Schools and BOCES who elect to participate in TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding TRS may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial Report, which can be found on TRS' website at www.nystrs.org.

Plan members who joined the TRS before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 are required to contribute 3.0% to 3.5% of their annual salary. Employees in the System more than ten years are no longer required to contribute. Pursuant to Article 11 of the Education Law, rates are established annually by the New York State Teachers' Retirement Board.

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

Pension Liabilities/(Assets), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions—At August 31, 2019, the College reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of June 30, 2019 for TRS and March 31, 2019 for ERS. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by actuarial valuations as of June 30, 2018 for TRS and April 1, 2018 for ERS. The College's proportion of the net pension liability/(asset) 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 TRS and ERS in reports provided to the College.

	TRS	ERS
Measurement date	June 30, 2019	March 31, 2019
Net pension liability/(asset)	\$ (187,192)	\$ 845,482
College's portion of the Plan's total net pension liability/(asset)	0.0072050%	0.0119330%

For the year ended August 31, 2019, the College recognized pension expense of \$231,890 for the TRS and \$549,758 for ERS. At August 31, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources presented on the following page.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experiences	\$ 126,855	\$ 166,493	\$ 13,920	\$ 56,756
Changes of assumptions	353,631	212,520	86,225	-
Net difference between projected and actual earnings on pension plan investments	-	-	150,119	216,997
Changes in proportion and differences between the College's contributions and proportionate share of contributions	52,601	27,258	11,552	107,302
College contributions subsequent to the measurement date	21,287	196,996	-	-
Total	<u>\$ 554,374</u>	<u>\$ 603,267</u>	<u>\$ 261,816</u>	<u>\$ 381,055</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
2020	\$ 93,207	\$ 139,415
2021	13,893	(192,222)
2022	92,900	(31,004)
2023	67,433	109,026
2024	9,676	-
Thereafter	(5,839)	-

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

	TRS	ERS
Measurement date	June 30, 2019	March 31, 2019
Actuarial valuation date	June 30, 2018	April 1, 2018
Interest rate	7.10%	7.00%
Salary scale	1.90%-4.72%	3.80%
Decrement tables	July 1, 2009 - June 30, 2014	April 1, 2010 - March 31, 2015
Inflation rate	2.20%	2.5%

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

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2014, applied on a generational basis. The actuarial assumptions used in the June 30, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standards of Practice (“ASOP”) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expenses 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:	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
	<u>Target Allocation</u>		<u>Long-Term Expected Real Rate of Return</u>	
			<u>June 30, 2018</u>	<u>March 31, 2019</u>
Domestic equities	33.0 %	36.0 %	5.8 %	4.6 %
International equities	16.0	14.0	14.0	6.4
Private equity	12.0	10.0	8.9	7.5
Real estate	11.0	10.0	4.9	5.6
Absolute return strategies	19.0	2.0	9.0	3.8
Opportunistic portfolio	0.0	3.0	0.0	5.7
Real assets	0.0	3.0	0.0	5.3
Bonds and mortgages	8.0	17.0	6.3	1.3
Cash	1.0	1.0	0.3	(0.3)
Inflation-indexed bonds	<u>0.0</u>	<u>4.0</u>	0.0	1.3
Total	<u>100.0 %</u>	<u>100.0 %</u>		

Discount Rate—The discount rate used to calculate the total pension liabilities was 7.10% for TRS and 7.0% for ERS. 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/(asset).

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 7.10% for TRS and 7.0% for ERS, 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 (6.10% for TRS and 6.0% for ERS) or one percentage-point higher (8.10% for TRS and 8.0% for ERS) than the current assumption.

	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
TRS			
Employer's proportionate share of the net pension liability/(asset)	\$ 844,966	\$ (187,192)	\$ (1,053,057)
	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
ERS			
Employer's proportionate share of the net pension liability/(asset)	\$ 3,696,580	\$ 845,482	\$ (1,549,644)

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, 2018	March 31, 2019	
Employers' total pension liability	\$ 119,879,474	\$ 189,803,429	\$ 309,682,903
Plan fiduciary net position	122,477,481	182,718,124	305,195,605
Employers' net pension liability/(asset)	<u>\$ (2,598,007)</u>	<u>\$ 7,085,305</u>	<u>\$ 4,487,298</u>
System fiduciary net position as a percentage of total pension liability/(asset)	102.2%	96.3%	98.6%

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 NYSRSSL. 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 show 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	12% of the first \$16,500 of salary per calendar year, and 15% 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 and varies based on salary scale.

For the year ended August 31, 2019, employee contributions totaled \$35,463 and the College recognized pension expense of \$333,147. At August 31, 2019, the College reported payables to the defined contribution pension plan of \$0 for legally required employer contributions and \$4,223 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

Plan Descriptions and Benefits Provided

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, 2019, the District 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, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2018, 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 System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the District.

	<u>ERS</u>
Measurement date	March 31, 2019
Net pension liability	\$ 103,514
District's portion of the Plan's total	
Net pension liability	0.001461%

For the year ended December 31, 2019, the District recognized pension expense of \$67,853. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 20,384	\$ 6,949
Changes of assumptions	26,019	-
Net difference between projected and actual earnings on pension plan investments	-	26,567
Changes in proportion and differences between the District's contributions and proportionate share of contributions	10,345	5,107
District contributions subsequent to the measurement date	40,198	-
Total	<u>\$ 96,946</u>	<u>\$ 38,623</u>

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>ERS</u>
2020	\$ 21,469
2021	(18,149)
2022	531
2023	14,274

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

Discount Rate—The discount rate used to calculate the total pension liability was 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 below 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 District’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.

ERS	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension liability/(asset)	\$ 452,580	\$ 103,514	\$ (189,726)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability of the employers as of the valuation date, was 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.

Employees Covered by Benefit Terms—At December 31, 2019, the following employees were covered by the benefit terms:

Active employees	811
Retired employees	510
Total	1,321

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

Total OPEB Liability

The County’s total OPEB liability for governmental and business-type activities of \$234,894,069 and \$17,749,576, respectively, was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2019.

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

In the January 1, 2019 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate is 3.26% effective December 31, 2019. The salary scale was assumed to increase at 3.00% per year. The RP 2006 mortality table with MP-2019 projections were used for the mortality rates. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 8.0%, while the ultimate healthcare cost trend rate is 5.0% for years after 2023. An inflation rate of 3.00% was assumed for developing the rate of increase in healthcare costs.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period January 1, 2019 through December 31, 2019.

Changes in the Total OPEB Liability—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB Liability	
	Governmental Activities	Business-type Activities
Balances at December 31, 2018:	\$ 236,971,180	\$ 16,024,969
Changes for the year:		
Service cost	4,108,250	724,986
Interest	8,516,890	576,534
Changes of assumptions	13,877,437	1,341,716
Differences between expected and actual experience	(22,598,294)	(546,415)
Contributions—employer	(5,981,394)	(372,214)
Net changes	(2,077,111)	1,724,607
Balances at December 31, 2019	<u>\$ 234,894,069</u>	<u>\$ 17,749,576</u>

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the net OPEB liability. The following table presents the effect of a 1% change in the discount rate assumption would have on the net OPEB liability:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Governmental activities:			
Net OPEB liability	\$ 271,436,613	\$ 234,894,069	\$ 198,351,526
Business-type activities:			
Net OPEB liability	\$ 21,282,140	\$ 17,749,576	\$ 14,217,010

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the net OPEB liability of a 1% change in the initial (8.0%) and ultimate (5.0%) healthcare cost trend rates.

	1% Decrease (7.0% / 4.0%)	Healthcare Cost Trend Rates (8.0% / 5.0%)	1% Increase (9.0% / 6.0%)
Governmental activities:			
Net OPEB liability	\$ 193,266,560	\$ 234,894,069	\$ 284,914,657
Business-type activities:			
Net OPEB liability	\$ 13,815,310	\$ 17,749,576	\$ 22,675,339

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. For the year ended December 31, 2019, the County’s governmental and business-type activities recognized OPEB expense of \$8,278,530 and \$1,139,602, respectively.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The County reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources shown below.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experience	\$ 3,437,663	\$ -	\$ 44,513,041	\$ 2,397,086
Changes of assumptions	11,894,946	1,150,042	-	-
Total	<u>\$ 15,332,609</u>	<u>\$ 1,150,042</u>	<u>\$ 44,513,041</u>	<u>\$ 2,397,086</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Governmental Activities	Business-type Activities
2020	\$ (4,346,610)	\$ (161,918)
2021	(4,346,610)	(161,918)
2022	(4,346,610)	(161,918)
2023	(4,346,610)	(161,918)
2024	(4,346,610)	(161,918)
Thereafter	(7,447,382)	(437,454)

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.

Employees Covered by Benefit Terms—At July 1, 2019, the following employees were covered by the benefit terms:

Active employees	105
Retired employees	<u>112</u>
Total	<u>217</u>

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

Total OPEB Liability

The College’s total OPEB liability of \$47,125,321 was measured as of August 31, 2019, and was determined by an actuarial valuation as of the same date.

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

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.

In the August 31, 2019 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate is 3.58% effective August 31, 2019. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 8.5%, while the ultimate healthcare cost trend rate is 5.0% for years after 2027.

Changes in the Total OPEB Liability—The following tables presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB Liability
Balance at August 31, 2018	\$ 54,317,340
Changes for the year:	
Service cost	1,982,185
Interest	2,185,731
Changes of benefit terms	(8,133,017)
Changes of assumptions	3,096,439
Differences between expected and actual experience	(4,659,061)
Contributions—employer	(1,664,296)
Net changes	(7,192,019)
Balance at August 31, 2019	\$ 47,125,321

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the net OPEB liability. The following table presents the effect of a 1% change in the discount rate assumption would have on the net OPEB liability:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Net OPEB liability	\$ 54,935,732	\$ 47,125,321	\$ 40,876,082

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the net OPEB liability of a 1% change in the initial (8.5%) and ultimate (5.0%) healthcare cost trend rates.

	1% Decrease <u>(7.5% / 4.0%)</u>	Healthcare Cost Trend Rates <u>(8.5% / 5.0%)</u>	1% Increase <u>(9.5% / 6.0%)</u>
Net OPEB liability	\$ 39,885,158	\$ 47,125,321	\$ 56,268,305

Funding Policy—Authority to establish and amend the benefit terms and financing requirements rests with the College Board of Trustees through negotiations with its employee groups. Contributions by the College may vary according to length of services. 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. For the year ended August 31, 2019, the College recognized OPEB expense of \$4,783,318.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The College reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. At August 31, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources shown below.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,274	\$ 3,494,296
Changes of assumptions	<u>2,322,329</u>	<u>857,398</u>
Total	<u>\$ 2,324,603</u>	<u>\$ 4,351,694</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending August 31,</u>	
2020	\$ (818,217)
2021	(818,217)
2022	(390,657)

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 \$133,340,581 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 Workers’ 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. Claim 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, 2018 are presented below and on the following page.

	Balance <u>1/1/2019</u>	Claims and <u>Adjustments</u>	Claim <u>Payments</u>	Balance <u>12/31/2019</u>	Due Within <u>One Year</u>
Workers' compensation	\$ 17,230,440	\$ 1,654,650	\$ 2,067,400	\$ 16,817,690	\$ 1,681,769
Dental benefits	3,623	454,470	454,313	3,780	3,780
General liability	<u>341,131</u>	<u>21,562</u>	<u>154,502</u>	<u>208,191</u>	<u>94,292</u>
Total	<u>\$ 17,575,194</u>	<u>\$ 2,130,682</u>	<u>\$ 2,676,215</u>	<u>\$ 17,029,661</u>	<u>\$ 1,779,841</u>

	Balance 1/1/2018	Claims and Adjustments	Claim Payments	Balance 12/31/2018	Due Within One Year
Workers' compensation	\$ 17,827,468	\$ 1,428,298	\$ 2,025,326	\$ 17,230,440	\$ 1,723,044
Dental benefits	3,555	419,321	419,253	3,623	3,623
General liability	256,472	202,950	118,291	341,131	157,338
Total	<u>\$ 18,087,495</u>	<u>\$ 2,050,569</u>	<u>\$ 2,562,870</u>	<u>\$ 17,575,194</u>	<u>\$ 1,884,005</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

Capital Leases—The County entered into long-term capital leases related to buildings and equipment. The present value of the amended leases at December 31, 2019 is \$660,115. A \$660,115 long-term liability has been recorded within the County's governmental activities. The assets acquired through the capital lease are as follows:

	Governmental Activities
Assets:	
Buildings and equipment	\$ 1,493,402
Less: Accumulated depreciation	<u>(415,085)</u>
Total	<u>\$ 1,078,317</u>

Payments on the original lease are due every six months thereafter the commencement of the original lease. The obligation under the leases can be summarized as follows:

Year Ending December 31,	Capital Leases
2020	\$ 276,094
2021	276,094
2022	153,197
2023	70,342
2024	<u>28,127</u>
Total minimum lease payments	803,854
Less: Amount representing imputed interest costs	<u>(143,739)</u>
Present value of minimum lease payments	<u>\$ 660,115</u>

Operating Leases—The County leases buildings, vehicles 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, 2019 were approximately \$957,013. Future minimum lease payments at December 31, 2019 are as follows:

Year Ending December 31,	Operating Leases
2020	\$ 881,794
2021	531,780
2022 and beyond	<u>481,926</u>
Future minimum payments	<u>\$ 1,895,500</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, 2019 follow:

Year Ending August 31,	Principal	Interest
2020	\$ 226,734	\$ 62,533
2021	239,855	49,412
2022	253,552	35,715
2023	268,031	21,236
2024	<u>237,870</u>	<u>6,059</u>
Totals	<u>\$ 1,226,042</u>	<u>\$ 174,955</u>

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, 2019:

	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 1/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2019</u>
Governmental activities:							
2018 Road Reconstruction and Highway Equipment	2018	5/15/2019	3.00%	\$ 3,870,000	\$ -	\$ 3,870,000	\$ -
2019 Road Reconstruction and Highway Equipment	2019	4/9/2020	2.50%	-	8,680,000	-	8,680,000
Total governmental activities				<u>\$ 3,870,000</u>	<u>\$ 8,680,000</u>	<u>\$ 3,870,000</u>	<u>\$ 8,680,000</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 November 14, 2019, the County issued TANs in the amount of \$8,000,000 to provide monies to meet cash flow deficits expected to occur during the period that the TANs are outstanding. 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, 2019. The TANs bear interest at 2.00% and mature on May 14, 2020.

The following is a summary of the County’s short-term non-capital debt for the year ended December 31, 2019:

	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 1/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2019</u>
Governmental activities:							
Tax Anticipation Note	2019	5/14/2020	2.00%	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000
Total governmental activities				<u>\$ -</u>	<u>\$ 8,000,000</u>	<u>\$ -</u>	<u>\$ 8,000,000</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, capital leases, landfill post-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, 2019 is presented on the following page.

	Balance 1/1/2019	Additions	Reductions	Balance 12/31/2019	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 146,610,000	\$ 6,000,000	\$ 9,520,000	\$ 143,090,000	\$ 8,810,000
Premiums on bonds	3,546,722	260,602	433,514	3,373,810	437,985
Net bonds payable	150,156,722	6,260,602	9,953,514	146,463,810	9,247,985
Capital leases	617,916	287,348	245,149	660,115	235,207
Landfill post-closure costs	12,677,432	7,672,641	-	20,350,073	1,128,704
Compensated absences	3,646,830	217,514	-	3,864,344	386,434
Retirement incentives	5,954,158	-	893,853	5,060,305	923,133
OPEB obligation	236,971,180	26,502,577	28,579,688	234,894,069	-
Claims payable	17,575,194	2,130,682	2,676,215	17,029,661	1,779,841
Net pension liability*	5,902,738	7,759,905	-	13,662,643	-
Total governmental activities	<u>\$ 433,502,170</u>	<u>\$ 50,831,269</u>	<u>\$ 42,348,419</u>	<u>\$ 441,985,020</u>	<u>\$ 13,701,304</u>

Business-type activities:

Bonds payable:					
Tobacco settlement bonds	\$ 16,040,000	\$ -	\$ 270,000	\$ 15,770,000	\$ 265,000
Premiums on bonds	1,332,432	-	57,931	1,274,501	-
Revenue bonds	110,075,000	-	-	110,075,000	1,640,000
Discount on revenue bonds	(1,012,990)	-	(49,574)	(963,416)	-
Total bonds payable	126,434,442	-	278,357	126,156,085	1,905,000
Compensated absences	379,480	42,455	-	421,935	421,935
Retirement incentives	820,283	-	123,993	696,290	128,078
OPEB obligation	16,024,969	2,643,236	918,629	17,749,576	-
Net pension liability*	777,379	983,453	-	1,760,832	-
Total business-type activities	<u>\$ 144,436,553</u>	<u>\$ 3,669,144</u>	<u>\$ 1,320,979</u>	<u>\$ 146,784,718</u>	<u>\$ 2,455,013</u>

*(Additions to the net pension liability are shown net of reductions.)

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 10 to 30 years.

On April 11, 2019, the County issued \$6,000,000 in public improvement serial bonds within its governmental activities. The bonds included a premium of \$260,602, and carry an interest rate of 3.0%. Principal payments begin in April 2020 and mature in April 2036.

A summary of additions and payments of general obligation bonds for the year ended December 31, 2019 is shown below:

Description	Original Issue	Year of Issue/ Maturity	Interest Rate (%)	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
Governmental activities:							
Public improvements	\$ 9,976,987	1999/2019	2.66-3.38	\$ 405,000	\$ -	\$ 405,000	\$ -
Local ARRA (tax-exempt)	8,775,000	2010/2021	3.11-5.11	1,385,000	-	-	1,385,000
Build America Bonds	7,600,000	2010/2024	4.93-5.93	6,350,000	-	1,290,000	5,060,000
Recovery zone	810,000	2010/2024	5.93	810,000	-	-	810,000
Public improvements	9,495,000	2012/2026	2.00-3.00	5,470,000	-	615,000	4,855,000
Refunding	17,880,000	2013/2022	4.00-5.00	5,715,000	-	1,960,000	3,755,000
Public improvements	11,315,000	2014/2024	2.00-2.25	7,200,000	-	1,130,000	6,070,000
Public improvements	23,822,000	2016/2030	2.00-5.00	21,090,000	-	1,550,000	19,540,000
Public improvements	85,000,000	2016/2046	3.00-3.25	83,045,000	-	2,010,000	81,035,000
Jail construction	10,000,000	2018/2038	3.00-3.50	10,000,000	-	370,000	9,630,000
Public improvements	4,000,000	2018/2038	2.00-5.00	4,000,000	-	145,000	3,855,000
Public improvements	1,140,000	2018/2038	3.00-3.25	1,140,000	-	45,000	1,095,000
Public improvements	6,000,000	2019/2036	3.00	-	6,000,000	-	6,000,000
Total governmental activities				<u>\$ 146,610,000</u>	<u>\$ 6,000,000</u>	<u>\$ 9,520,000</u>	<u>\$ 143,090,000</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, 2019, the ILDC has issued the \$110,075,000 total authorized. 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.

A summary of additions and payments of revenue bonds for the year ended December 31, 2019 is shown below:

Description	Original Issue	Year of Issue/ Maturity	Interest Rate (%)	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
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
Series 2016C	9,035,000	2017/2049	4.85-5.35	9,035,000	-	-	9,035,000
Series 2016D	5,935,000	2017/2049	4.85-5.35	5,935,000	-	-	5,935,000
Series 2016E	21,765,000	2017/2049	4.85-5.35	21,765,000	-	-	21,765,000
Total				<u>\$ 110,075,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,075,000</u>

Amortization of Bond Premiums—On April 11, 2019 the County issued public improvement serial bonds totaling \$6,000,000 and received a bond premium of \$260,602. This premium, along with premiums related to previously issued bonds are being amortized on a straight-line annual basis over the life of the bonds. Total unamortized bond premiums at December 31, 2019 are \$3,373,810 and \$1,274,501 for governmental and business-type activities, respectively.

Amortization of Bond Discounts—As noted above, the ILDC issued revenue bonds totaling \$110,075,000 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.

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 \$15,770,000 at December 31, 2019 for business-type activities.

A summary of tobacco settlement bonds additions and payments for the year ended December 31, 2019 is shown below:

Description	Original Issue	Year of Issue/ Maturity	Interest Rate (%)	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
Business-type activities:							
Tobacco settlement bonds:							
Series 2016B	\$ 8,100,000	2016/2041	5.00	\$ 7,925,000	\$ -	\$ 180,000	\$ 7,745,000
Series 2016C	8,585,000	2016/2051	2.45-4.00	<u>8,115,000</u>	<u>-</u>	<u>90,000</u>	<u>8,025,000</u>
Total				<u>\$ 16,040,000</u>	<u>\$ -</u>	<u>\$ 270,000</u>	<u>\$ 15,770,000</u>

Capital Leases—As explained in Note 10, the County has entered into lease agreements as lessee for financing options. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. At December 31, 2019, the County's governmental activities report leases payable totaling \$660,115, of which \$276,094 is considered due within one year.

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 \$20,350,073 landfill post-closure liability reported at December 31, 2019 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 government-wide and proprietary fund financial statements. The payment of compensated absences is dependent on many factors and, therefore, cannot be reasonably 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, 2019 totaled \$3,864,344 and \$421,935, respectively, and are reported in the government-wide and proprietary fund financial statements. The County estimates \$386,434 of governmental activities and \$421,935 of business-type activities will be due within one year which comprises accrued vacation, sick and compensatory time.

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 has elected to amortize the maximum allowable ERS contributions in each of the fiscal year as noted in the table on the following page.

	Original Amount <u>Amortized</u>	Balance <u>1/1/2019</u>	Increases/ <u>Adjustments</u>	Decreases/ <u>Adjustments</u>	Balance <u>12/31/2019</u>	Due Within <u>One Year</u>
Governmental activities:						
2013 ERS	\$ 3,037,888	\$ 1,630,986	\$ -	\$ 307,204	\$ 1,323,782	\$ 316,420
2014 ERS	2,991,890	1,922,653	-	292,277	1,630,376	303,004
2015 ERS	1,973,605	1,444,360	-	187,644	1,256,716	193,555
2016 ERS	<u>1,159,759</u>	<u>956,159</u>	<u>-</u>	<u>106,728</u>	<u>849,431</u>	<u>110,154</u>
Total	<u>\$ 9,163,142</u>	<u>\$ 5,954,158</u>	<u>\$ -</u>	<u>\$ 893,853</u>	<u>\$ 5,060,305</u>	<u>\$ 923,133</u>
Business-type activities:						
2013 ERS	\$ 424,568	\$ 227,942	\$ -	\$ 42,934	\$ 185,008	\$ 44,222
2014 ERS	463,238	297,687	-	45,254	252,433	46,914
2015 ERS	217,739	159,349	-	20,702	138,647	21,354
2016 ERS	<u>164,116</u>	<u>135,305</u>	<u>-</u>	<u>15,103</u>	<u>120,202</u>	<u>15,588</u>
Total	<u>\$ 1,269,661</u>	<u>\$ 820,283</u>	<u>\$ -</u>	<u>\$ 123,993</u>	<u>\$ 696,290</u>	<u>\$ 128,078</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 measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The County's long-term OPEB obligation is estimated to be \$234,894,069 and \$17,749,576 at December 31, 2019, 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, 2019 is \$17,029,661, of this amount, the County estimates \$1,779,841 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 \$13,662,643 and \$1,760,832 in the governmental and business-type activities, respectively. Refer to Note 7 for additional information related to the County's net pension liability.

A maturity schedule of the County's indebtedness is presented as follows:

Year Ending December 31,	Governmental Activities				
	Serial Bonds	Premiums on Serial Bonds	Capital Leases	Landfill Post-Closure	Compensated Absences
2020	\$ 8,810,000	\$ 437,985	\$ 235,207	\$ 1,128,704	\$ 386,434
2021	9,070,000	437,985	235,207	1,128,704	-
2022	9,360,000	295,287	116,305	1,128,704	-
2023	8,310,000	152,588	57,175	1,128,704	-
2024	8,525,000	129,098	16,221	1,128,704	-
2025-2029	29,060,000	569,280	-	4,323,492	-
2030-2034	22,400,000	451,423	-	3,993,485	-
2035-2039	20,570,000	390,487	-	3,993,485	-
2040-2044	18,745,000	370,670	-	2,396,091	-
2045 - thereafter	8,240,000	139,007	-	-	3,477,910
Total	<u>\$ 143,090,000</u>	<u>\$ 3,373,810</u>	<u>\$ 660,115</u>	<u>\$ 20,350,073</u>	<u>\$ 3,864,344</u>

(continued)

Year Ending December 31,	Governmental Activities				
	Retirement Incentives	OPEB Obligation	Claims Payable	Net Pension Liability	Total
2020	\$ 923,133	\$ -	\$ 1,779,841	\$ -	\$ 13,701,304
2021	953,377	-	-	-	11,825,273
2022	984,622	-	-	-	11,884,918
2023	1,016,896	-	-	-	10,665,363
2024	1,182,277	-	-	-	10,981,300
2025-2029	-	-	-	-	33,952,772
2030-2034	-	-	-	-	26,844,908
2035-2039	-	-	-	-	24,953,972
2040-2044	-	-	-	-	21,511,761
2045 - thereafter	-	234,894,069	15,249,820	13,662,643	275,663,449
Total	<u>\$ 5,060,305</u>	<u>\$ 234,894,069</u>	<u>\$ 17,029,661</u>	<u>\$ 13,662,643</u>	<u>\$ 441,985,020</u>

(concluded)

Year Ending December 31,	Business-type Activities								
	Tobacco Settlement Bonds	Premiums on Bonds	Revenue Bonds	Discount on Revenue Bonds	Compensated Absences	Retirement Incentives	OPEB Obligation	Net Pension Liability	Total
2020	\$ 265,000	\$ -	\$ 1,640,000	\$ -	\$ 421,935	\$ 128,078	\$ -	\$ -	\$ 2,455,013
2021	280,000	-	1,725,000	-	-	132,300	-	-	2,137,300
2022	295,000	-	1,805,000	-	-	136,661	-	-	2,236,661
2023	310,000	-	1,890,000	-	-	141,167	-	-	2,341,167
2024	325,000	-	1,975,000	-	-	158,054	-	-	2,458,054
2025-2029	-	-	11,445,000	-	-	-	-	-	11,445,000
2030-2034	-	-	14,565,000	-	-	-	-	-	14,565,000
2035-2039	-	-	18,855,000	-	-	-	-	-	18,855,000
2040-2044	-	-	24,445,000	-	-	-	-	-	24,445,000
2045 and thereafter	14,295,000	1,274,501	31,730,000	(963,416)	-	-	17,749,576	1,760,832	65,846,493
Total	<u>\$ 15,770,000</u>	<u>\$ 1,274,501</u>	<u>\$ 110,075,000</u>	<u>\$ (963,416)</u>	<u>\$ 421,935</u>	<u>\$ 696,260</u>	<u>\$ 17,749,576</u>	<u>\$ 1,760,832</u>	<u>\$ 146,784,688</u>

Interest requirements on the primary government's bonds payable are as follows:

Year Ending December 31,	Governmental Activities	Business-type Activities
2020	\$ 4,525,107	\$ 6,422,319
2021	4,193,009	6,316,454
2022	3,844,454	6,208,415
2023	3,475,614	6,092,968
2024	3,170,579	5,970,522
2025-2029	12,950,262	29,756,126
2030-2034	9,293,508	22,446,370
2035-2039	6,092,664	18,157,633
2040-2044	3,172,033	12,547,355
2045 and thereafter	403,488	5,269,212
Total	<u>\$ 51,120,718</u>	<u>\$ 119,187,374</u>

Sullivan County Community College

Changes in the College's long-term liabilities for the year ended August 31, 2019 were as follows:

	Balance 9/1/2018	Additions	Reductions	Balance 8/31/2019	Due Within One Year
Capital leases	\$ 1,440,692	\$ -	\$ 214,650	\$ 1,226,042	\$ 226,734
Perkins loan fund liability	682,327	31,521	-	713,848	-
Mortgage payable	6,646,404	-	235,763	6,410,641	271,000
Compensated absences	457,490	106,907	-	564,397	-
Retirement incentives	306,536	59,284	54,152	311,668	55,924
OPEB obligation	54,317,340	7,264,355	14,456,374	47,125,321	-
Net pension liability*	360,287	485,195	-	845,482	-
Total	<u>\$ 64,211,076</u>	<u>\$ 7,947,262</u>	<u>\$ 14,960,939</u>	<u>\$ 57,197,399</u>	<u>\$ 553,658</u>

*(Additions to the net pension liability are shown net of reductions.)

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, 2019 was \$1,226,042. Refer to Note 10 for additional information related to the College's capital lease.

Perkins Loans Fund Liability—Funds provided by the U.S. Department of Education under the Federal Perkins Loan Program are loaned to qualified students and may be reloaned after collection. These funds are ultimately refundable to the U.S. Department of Education and are therefore reported as liabilities. At December 31, 2019, the College reported \$713,848 as a liability related to Perkin Loans.

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 \$6,100,641 and \$310,000 at August 31, 2019. 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
2020	\$ 271,000
2021	281,000
2022	291,000
2023	312,000
2024	311,000
Thereafter	<u>5,346,000</u>
Total	<u>\$ 6,812,000</u>

Interest expense related to the College’s mortgage payable amounting to \$306,453 was included in student housing for the year ended August 31, 2019.

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 on the following page.

	Original Amount <u>Amortized</u>	Balance <u>9/1/2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>8/31/2019</u>	Due Within <u>One Year</u>
2015-2016 ERS	\$ 78,532	\$ 64,745	\$ -	\$ 7,227	\$ 57,518	\$ 7,459
2014-2015 ERS	132,321	98,301	-	12,770	85,531	13,173
2013-2014 ERS	172,976	111,158	-	16,898	94,260	17,518
2012-2013 ERS	170,644	91,616	-	17,257	74,359	17,774
Total	<u>\$ 554,473</u>	<u>\$ 365,820</u>	<u>\$ -</u>	<u>\$ 54,152</u>	<u>\$ 311,668</u>	<u>\$ 55,924</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 \$47,125,321 at August 31, 2019.

Net Pension Liability—The College 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 \$845,482 at August 31, 2019. 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, 2019 follows:

	Balance <u>1/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2019</u>	Due Within <u>One Year</u>
Compensated absences	\$ 35,619	\$ 28,117	\$ 17,908	\$ 45,828	\$ 4,600
Net pension liability*	44,208	59,306	-	103,514	-
Total	<u>\$ 79,827</u>	<u>\$ 87,423</u>	<u>\$ 17,908</u>	<u>\$ 149,342</u>	<u>\$ 4,600</u>

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

Compensated Absences—At December 31, 2019 the liability for the District’s compensated absences is \$45,828, of which \$4,600 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 \$103,514 at December 31, 2019. 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, 2019 follows:

	Balance <u>1/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2019</u>	Due Within <u>One Year</u>
RMAP note payable	\$ 332,504	\$ -	\$ 22,035	\$ 310,469	\$ 22,440

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
2020	\$ 22,440	\$ 6,004
2021	22,893	5,551
2022	23,356	5,089
2023	23,827	4,618
2024	24,308	4,137
2025-2029	129,100	13,125
Thereafter	64,545	1,567
Total	<u>\$ 310,469</u>	<u>\$ 40,091</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	\$ 288,974,310
Less related debt:	
General obligation bonds	\$ (143,090,000)
Unamortized bond premiums	(3,373,810)
Deferred charge on refunding	350,015
Bond anticipation notes	(8,680,000)
Unspent debt proceeds	7,355,673
Capital leases	<u>(660,115)</u> (148,098,237)
Net investment in capital assets	<u>\$ 140,876,073</u>

Business-type activities:			
Capital assets, net of accumulated depreciation		\$	93,171,638
Less related debt:			
Revenue bonds	\$ (110,075,000)		
Unamortized bond discount	963,416		
Unspent debt proceeds	<u>4,099,181</u>		<u>(105,012,403)</u>
Net investment in capital assets		\$	<u>(11,840,765)</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 \$2,442,518 at December 31, 2019, of which \$149,285 is restricted for law enforcement, \$460,942 for Stop DWI, \$465,455 for debt service, \$498,010 for dental benefits, and \$868,826 for community development. The total restricted component of net position for business-type activities was \$203,704 at December 31, 2019, which is restricted for capital improvement grants.
- **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, 2019, the County nonspendable fund balance in the General Fund of \$16,789 for prepaid items.

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, 2019, the County reported the following restricted fund balances:

	General Fund	County Road Fund	Refuse and Garbage Fund	Total Nonmajor Funds	Total
Law enforcement	\$ 460,942	\$ -	\$ -	\$ -	\$ 460,942
Stop DWI	149,285	-	-	-	149,285
Debt service	116,905	331,591	4,419	12,540	465,455
Community development	-	-	-	868,826	868,826
Total	<u>\$ 727,132</u>	<u>\$ 331,591</u>	<u>\$ 4,419</u>	<u>\$ 881,366</u>	<u>\$ 1,944,508</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.

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, 2019, the County Legislature had committed \$3,720,418, of which \$3,693,433 is related to landfill construction and \$26,985 to the Fort Delaware project. \$450,000 of the fund balance commitment for landfill construction has been appropriated within the County’s 2020 General Fund adopted budget.

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, 2019, the County reported the following fund balances assignments:

	General Fund	Refuse and Garbage Fund	Total Nonmajor Funds	Total
Encumbrances	\$ 1,505,804	\$ 382,518	\$ 1,144,623	\$ 3,032,945
Building construction	422,033	-	-	422,033
Health insurance contributions	2,000,000	-	-	2,000,000
Subsequent year's expenditures	2,149,960	1,135,153	51,754	3,336,867
Other purposes	393,379	-	-	393,379
Specific use	-	2,004,820	407,420	2,412,240
Total	<u>\$ 6,471,176</u>	<u>\$ 3,522,491</u>	<u>\$ 1,603,797</u>	<u>\$ 11,597,464</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 Health Insurance Contributions**—Represents funds set aside relating to health insurance contributions.
- **Assigned to Subsequent Year’s Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2020 fiscal year.
- **Assigned to Other Purposes**—Represents funds set aside for a Planning Department program (\$260,724), economic development (\$60,000), and soil and water (\$72,655).
- **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, 2019 is shown below:

Fund	Interfund	
	Receivable	Payable
Governmental funds:		
General Fund	\$ 9,063,623	\$ 13,030,083
County Road Fund	-	401,795
Refuse and Garbage Fund	2,593,519	20
Capital Projects Fund	255,501	373,513
Nonmajor governmental funds	1,800,059	28,974
Proprietary funds:		
Sullivan County Adult Care Center	-	7,939,896
Internal service funds:		
Workers' Compensation Benefits Fund	8,421,603	838
Agency Fund	-	359,186
Total	<u>\$ 22,134,305</u>	<u>\$ 22,134,305</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, 2019:

Transfers out:	Transfers in:					Total
	Governmental funds					
	General Fund	County Road Fund	Refuse and Garbage Fund	Capital Projects Fund	Total Nonmajor Funds	
Governmental funds:						
General Fund	\$ -	\$ 14,483,062	\$ 1,028,428	\$ 2,995,556	\$ 11,953,416	\$ 30,460,462
County Road Fund	-	-	-	-	3,718,961	3,718,961
Refuse and Garbage Fund	-	-	-	-	2,883,907	2,883,907
Nonmajor funds	33,299	-	-	-	1,112,249	1,145,548
Total	<u>\$ 33,299</u>	<u>\$ 14,483,062</u>	<u>\$ 1,028,428</u>	<u>\$ 2,995,556</u>	<u>\$ 19,668,533</u>	<u>\$ 38,208,878</u>

15. LABOR RELATIONS

The County’s employees operate under six collective bargaining units: the Teamsters Local 445, International Brotherhood of Teamsters contract; the DPW Laborers’ Internal Union of North America, Local No 17 contract; the DPW Supervisory Unit Teamsters Local 445, International Brotherhood of Teamsters contract; the New York State Nurses Association contract; and the Sullivan County Patrolmen’s Benevolent Association contract; CSEA Sheriff Corrections contract, which are all settled through December 31, 2019.

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, 2019, the County had the following significant encumbrances:

Fund	Description	Amount
General	Computer equipment	\$ 274,369
General	Computer equipment	200,000
County Road	Engineering/Architect	244,181
Refuse and Garbage	Leachate Tank	204,323
Road Machinery	Dump Truck	528,295
Road Machinery	Dump Truck	165,997

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 \$1,575,967 during 2019 in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$6,818,223 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.

COVID-19—The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the County and its component unit's future results and financial position is not presently determinable.

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, 2019, no claims or outstanding premiums exist that meet the liability criteria.

The health care industry is subject to numerous laws and regulations imposed by federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. In addition, certain cost reports, which serve as the basis for final settlement with the Medicare program, remain open for audit and settlement, as are New York State Medicaid cost reports for prior years. Federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenue from patient services. Furthermore, noncompliance with such laws and regulations could result in fines, penalties and exclusion from such programs. Accordingly, there is at least a reasonable possibility that recorded estimates for health care revenue will change in the near term and the change could be material to the Center's financial condition, results of operations and cash flows.

The Center's operations have been affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. Many countries around the world, including the United States, have significant governmental measures being implemented to control the spread of COVID-19, including temporary closures of businesses, severe restrictions on travel and the movement of people and other material limitation on the conduct of business. As a result of the COVID-19 pandemic, the Center is experiencing a reduction in patient census that is having a direct negative effect on the Center's operations. The rise in demand for health care supplies and potential staffing shortages will likely increase costs incurred by the Center as well. The full duration and extent of the COVID-19 pandemic, related business and travel restrictions and changes to behavior intended to reduce its spread are uncertain as of the date these financial statements were available for issuance, as the pandemic continues to evolve globally. Therefore, the full extent of any adverse impact on the results of operations, financial position and cash flows in 2020 cannot be reasonably estimated 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 County 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance Requirements, as applicable, is performed in conjunction with the audit of the College and is included in the College'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.

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 June 30, 2020, except as to the Sullivan County Community College, which is as of July 14, 2020, which is the date the financial statements are available for issuance, and have determined that, except for the items discussed in Note 18, there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	Year Ended August 31,				
	2019	2018	2017	2016	2015
Sullivan County Community College:					
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan fiduciary net position as a percentage of the total pension liability	102.2%	101.5%	100.7%	99.0%	110.5%
College's proportion of the net pension liability (asset)	0.0072050%	0.0072170%	0.0074050%	0.0084310%	0.0080760%
College's proportionate share of the net pension liability (asset)	<u>\$ (187,192)</u>	<u>\$ (130,550)</u>	<u>\$ (56,285)</u>	<u>\$ 90,296</u>	<u>\$ (838,829)</u>
College's covered payroll	\$ 1,202,674	\$ 1,175,550	\$ 1,222,471	\$ 1,300,935	\$ 1,213,110
College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(15.6)%	(11.1)%	(4.6)%	6.9%	(69.2)%

* 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 Five Years*

	<u>Year Ended August 31,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Sullivan County Community College:					
Contractually required contributions	\$ 127,724	\$ 115,204	\$ 137,528	\$ 172,504	\$ 212,658
Contributions in relation to the contractually required contribution	<u>(127,724)</u>	<u>(115,204)</u>	<u>(137,528)</u>	<u>(172,504)</u>	<u>(212,658)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	1,202,674	1,175,550	1,222,471	1,300,935	1,213,110
Contributions as a percentage of covered payroll	10.6%	9.8%	11.3%	13.3%	17.5%

* 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 Five Years*

	Year Ended December 31,				
	2019	2018	2017	2016	2015
Measurement date	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Plan fiduciary net position as a percentage of the total pension liability	96.3%	98.2%	94.7%	90.7%	97.9%
Governmental activities:					
County's proportion of the net pension liability	0.1928306%	0.1828922%	0.1851387%	0.1899655%	0.1857220%
County's proportionate share of the net pension liability	<u>\$ 13,662,643</u>	<u>\$ 5,902,738</u>	<u>\$ 17,396,061</u>	<u>\$ 30,490,042</u>	<u>\$ 6,274,132</u>
County's covered payroll	\$ 48,460,129	\$ 46,409,406	\$ 44,100,576	\$ 52,288,877	\$ 51,515,316
County's proportionate share of the net pension liability as a percentage of its covered payroll	28.2%	12.7%	39.4%	58.3%	12.2%
Business-type activities:					
County's proportion of the net pension liability	0.0248519%	0.0240865%	0.0257297%	0.0261291%	0.0262174%
County's proportionate share of the net pension liability	<u>\$ 1,760,832</u>	<u>\$ 777,379</u>	<u>\$ 2,417,622</u>	<u>\$ 4,193,799</u>	<u>\$ 885,687</u>
County's covered payroll	\$ 7,052,583	\$ 6,872,926	\$ 6,676,520	\$ 8,063,774	\$ 7,844,031
County's proportionate share of the net pension liability as a percentage of its covered payroll	25.0%	11.3%	36.2%	52.0%	11.3%
Soil and Water Conservation District:					
District's proportion of the net pension liability	0.0014610%	0.0013698%	0.0011771%	0.0011839%	0.0013466%
District's proportionate share of the net pension liability	<u>\$ 103,514</u>	<u>\$ 44,208</u>	<u>\$ 110,602</u>	<u>\$ 190,018</u>	<u>\$ 45,492</u>
District's covered payroll	\$ 381,403	\$ 392,135	\$ 372,042	\$ 373,268	\$ 317,882
District's proportionate share of the net pension liability as a percentage of its covered payroll	27.1%	11.3%	29.7%	50.9%	14.3%
	Year Ended August 31,				
	2019	2018	2017	2016	2015
Measurement date	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Plan fiduciary net position as a percentage of the total pension liability	96.3%	98.2%	94.7%	90.7%	97.9%
Sullivan County Community College:					
College's proportion of the net pension liability	0.0119330%	0.0111630%	0.0113090%	0.0124080%	0.0120940%
College's proportionate share of the net pension liability	<u>\$ 845,482</u>	<u>\$ 360,287</u>	<u>\$ 1,062,603</u>	<u>\$ 1,991,469</u>	<u>\$ 408,579</u>
College's covered payroll	\$ 3,067,362	\$ 2,866,780	\$ 2,673,112	\$ 2,763,108	\$ 3,027,884
College's proportionate share of the net pension liability as a percentage of its covered payroll	27.6%	12.6%	39.8%	72.1%	13.5%

*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 Five Years*

	Year Ended December 31,				
	2019	2018	2017	2016	2015
Governmental activities:					
Contractually required contributions	\$ 6,764,327	\$ 6,593,679	\$ 6,569,798	\$ 7,341,500	\$ 7,837,849
Contributions in relation to the contractually required contribution	<u>(6,764,327)</u>	<u>(6,593,679)</u>	<u>(6,569,798)</u>	<u>(7,341,500)</u>	<u>(7,837,849)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 53,622,816	\$ 48,231,045	\$ 46,070,276	\$ 43,988,174	\$ 44,018,400
Contributions as a percentage of covered payroll	12.6%	13.7%	14.3%	16.7%	17.8%
Business-type activities:					
Contractually required contributions	\$ 876,444	\$ 880,248	\$ 910,645	\$ 1,009,798	\$ 1,106,428
Contributions in relation to the contractually required contribution	<u>(876,444)</u>	<u>(880,248)</u>	<u>(910,645)</u>	<u>(1,009,798)</u>	<u>(1,106,428)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 7,981,865	\$ 7,062,896	\$ 6,829,079	\$ 6,683,257	\$ 6,772,279
Contributions as a percentage of covered payroll	11.0%	12.5%	13.3%	15.1%	16.3%
Soil and Water Conservation District:					
Contractually required contributions	\$ 53,664	\$ 53,692	\$ 51,260	\$ 44,656	\$ 65,969
Contributions in relation to the contractually required contribution	<u>(53,664)</u>	<u>(53,692)</u>	<u>(51,260)</u>	<u>(44,656)</u>	<u>(65,969)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 418,513	\$ 385,726	\$ 388,023	\$ 346,261	\$ 311,684
Contributions as a percentage of covered payroll	12.8%	13.9%	13.2%	12.9%	21.2%
Year Ended August 31,					
	2019	2018	2017	2016	2015
Sullivan County Community College:					
Contractually required contributions	\$ 410,304	\$ 392,290	\$ 381,778	\$ 479,513	\$ 510,410
Contributions in relation to the contractually required contribution	<u>(410,304)</u>	<u>(392,290)</u>	<u>(381,778)</u>	<u>(479,513)</u>	<u>(510,410)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 3,067,362	\$ 2,866,780	\$ 2,673,112	\$ 2,763,108	\$ 3,027,884
Contributions as a percentage of covered payroll	13.4%	13.7%	14.3%	17.4%	16.9%

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

COUNTY OF SULLIVAN, NEW YORK
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Three Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental activities:			
Total OPEB Liability			
Service cost	\$ 4,108,250	\$ 5,023,750	\$ 4,993,306
Interest	8,516,890	8,111,525	7,906,838
Changes in assumptions	13,877,437	(18,319,064)	-
Differences between expected and actual experience	(22,598,294)	(14,007,747)	4,419,853
Contributions - employer	<u>(5,981,394)</u>	<u>(5,949,623)</u>	<u>(5,424,068)</u>
Net changes in total OPEB liability	<u>(2,077,111)</u>	<u>(25,141,159)</u>	<u>11,895,929</u>
Total OPEB liability—beginning	<u>236,971,180</u>	<u>262,112,339</u>	<u>250,216,410</u>
Total OPEB liability—ending	<u>\$ 234,894,069</u>	<u>\$ 236,971,180</u>	<u>\$ 262,112,339</u>
Covered-employee payroll	\$ 53,787,933	\$ 51,819,981	\$ 46,092,209
County's net OPEB liability as a percentage of covered-employee payroll	436.7%	457.3%	568.7%
Business-type activities:			
Total OPEB Liability			
Service cost	\$ 724,986	\$ 945,949	\$ 940,216
Interest	576,534	526,096	512,821
Changes in assumptions	1,341,716	(1,188,136)	-
Differences between expected and actual experience	(546,415)	(908,512)	(383,147)
Contributions - employer	<u>(372,214)</u>	<u>(350,478)</u>	<u>(298,346)</u>
Net changes in total OPEB liability	<u>1,724,607</u>	<u>(975,081)</u>	<u>771,544</u>
Total OPEB liability—beginning	<u>16,024,969</u>	<u>17,000,050</u>	<u>16,228,506</u>
Total OPEB liability—ending	<u>\$ 17,749,576</u>	<u>\$ 16,024,969</u>	<u>\$ 17,000,050</u>
Covered-employee payroll	\$ 4,064,441	\$ 3,504,281	\$ 6,829,079
County's net OPEB liability as a percentage of covered-employee payroll	436.7%	457.3%	248.9%
Sullivan County Community College:			
Total OPEB Liability			
Service cost	\$ 1,982,185	\$ 1,825,162	
Interest	2,185,731	1,937,827	
Changes in assumptions	3,096,439	(1,714,796)	
Changes of benefit terms	(8,133,017)	-	
Differences between expected and actual experience	(4,659,061)	4,548	
Contributions - employer	<u>(1,664,296)</u>	<u>(1,598,483)</u>	
Net changes in total OPEB liability	<u>(7,192,019)</u>	<u>454,258</u>	
Total OPEB liability—beginning	<u>54,317,340</u>	<u>53,863,082</u>	
Total OPEB liability—ending	<u>\$ 47,125,321</u>	<u>\$ 54,317,340</u>	n/a
Covered-employee payroll	\$ 8,130,479	\$ 6,613,824	n/a
College's net OPEB liability as a percentage of covered-employee payroll	579.6%	821.3%	n/a

*Information prior to the year ended December 31, 2017 (August 31, 2018 as to the College) is not available.

The notes to the required supplementary information are an integral part of this schedule.

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Real property taxes	\$ 64,006,239	\$ 64,006,239	\$ 64,073,474	\$ 67,235
Other property tax items	6,837,421	6,837,421	9,418,795	2,581,374
Non property tax items	49,462,000	50,098,543	51,144,247	1,045,704
Departmental income	18,165,572	18,198,406	14,458,198	(3,740,208)
Intergovernmental charges	626,114	627,039	534,979	(92,060)
Licenses and permits	2,051,500	2,051,500	3,387,971	1,336,471
Fines and forfeitures	165,685	165,685	272,268	106,583
Use of money and property	153,870	153,870	624,125	470,255
Sale of property and compensation for loss	107,300	107,300	368,498	261,198
Miscellaneous	3,348,834	3,354,449	1,405,113	(1,949,336)
State aid	22,117,336	22,177,716	22,651,903	474,187
Federal aid	19,348,646	19,388,871	17,397,282	(1,991,589)
Total revenues	<u>186,390,517</u>	<u>187,167,039</u>	<u>185,736,853</u>	<u>(1,430,186)</u>
EXPENDITURES				
Current:				
General government support	31,699,654	32,659,584	30,259,845	2,399,739
Education	5,675,000	5,675,000	5,552,405	122,595
Public safety	29,890,900	29,897,406	30,810,176	(912,770)
Health	25,299,431	25,275,257	23,680,551	1,594,706
Transportation	2,201,809	2,352,507	1,835,857	516,650
Economic assistance and opportunity	64,053,446	64,987,385	64,244,497	742,888
Culture and recreation	3,765,131	3,766,713	3,292,914	473,799
Home and community services	2,244,842	2,568,418	2,406,422	161,996
Debt service:				
Principal	245,149	245,149	245,149	-
Interest and other fiscal charges	21,995	21,995	21,995	-
Total expenditures	<u>165,097,357</u>	<u>167,449,414</u>	<u>162,349,811</u>	<u>5,099,603</u>
Excess (deficiency) of revenues over expenditures	21,293,160	19,717,625	23,387,042	3,669,417
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	33,299	33,299
Transfers out	(25,756,493)	(27,566,069)	(30,460,462)	(2,894,393)
Total other financing sources (uses)	<u>(25,756,493)</u>	<u>(27,566,069)</u>	<u>(30,427,163)</u>	<u>(2,861,094)</u>
Net change in fund balance*	(4,463,333)	(7,848,444)	(7,040,121)	808,323
Fund balances—beginning	<u>30,729,911</u>	<u>30,729,911</u>	<u>30,729,911</u>	<u>-</u>
Fund balances—ending	<u>\$ 26,266,578</u>	<u>\$ 22,881,467</u>	<u>\$ 23,689,790</u>	<u>\$ 808,323</u>

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

The notes to the required supplementary information are an integral part of this schedule.

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficits)—
Budget and Actual—County Road Fund
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental charges	\$ 605,075	\$ 530,075	\$ 425,194	\$ (104,881)
Licenses and permits	5,000	5,000	3,030	(1,970)
Use of money and property	-	-	481	481
Sale of property and compensation for loss	100	100	1,746	1,646
Miscellaneous	30,000	30,000	37,123	7,123
State aid	4,095,650	5,088,565	5,316,627	228,062
Federal aid	4,556,600	2,156,600	1,576,082	(580,518)
Total revenues	<u>9,292,425</u>	<u>7,810,340</u>	<u>7,360,283</u>	<u>(450,057)</u>
EXPENDITURES				
Current:				
Public safety	864,057	878,196	874,446	3,750
Transportation	19,112,282	18,564,525	17,517,399	1,047,126
Debt service:				
Interest	32,281	32,281	96,000	(63,719)
Total expenditures	<u>20,008,620</u>	<u>19,475,002</u>	<u>18,487,845</u>	<u>987,157</u>
Excess (deficiency) of revenues over expenditures	(10,716,195)	(11,664,662)	(11,127,562)	537,100
OTHER FINANCING SOURCES (USES)				
Transfers in	14,218,394	14,194,970	14,483,062	288,092
Transfers out	(3,713,230)	(3,713,230)	(3,718,961)	(5,731)
Total other financing sources (uses)	<u>10,505,164</u>	<u>10,481,740</u>	<u>10,764,101</u>	<u>282,361</u>
Net change in fund balance*	(211,031)	(1,182,922)	(363,461)	819,461
Fund balances—beginning	<u>272,719</u>	<u>272,719</u>	<u>272,719</u>	<u>-</u>
Fund balances (deficits)—ending	<u>\$ 61,688</u>	<u>\$ (910,203)</u>	<u>\$ (90,742)</u>	<u>\$ 819,461</u>

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

The notes to the required supplementary information are 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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Departmental income	\$ 10,640,861	\$ 10,813,810	\$ 11,839,398	\$ 1,025,588
Use of money and property	-	-	3,722	3,722
Sale of property and compensation for loss	115,000	115,000	138,470	23,470
State aid	49,000	49,000	346,533	297,533
Total revenues	<u>10,804,861</u>	<u>10,977,810</u>	<u>12,328,123</u>	<u>1,350,313</u>
EXPENDITURES				
Current:				
Home and community services	<u>11,730,019</u>	<u>10,809,024</u>	<u>10,854,740</u>	<u>(45,716)</u>
Total expenditures	<u>11,730,019</u>	<u>10,809,024</u>	<u>10,854,740</u>	<u>(45,716)</u>
Excess (deficiency) of revenues over expenditures	(925,158)	168,786	1,473,383	1,304,597
OTHER FINANCING SOURCES (USES)				
Transfers in	1,027,000	1,027,000	1,028,428	1,428
Transfers out	<u>(2,892,211)</u>	<u>(2,892,211)</u>	<u>(2,883,907)</u>	<u>8,304</u>
Total other financing sources (uses)	<u>(1,865,211)</u>	<u>(1,865,211)</u>	<u>(1,855,479)</u>	<u>9,732</u>
Net change in fund balance*	(2,790,369)	(1,696,425)	(382,096)	1,314,329
Fund balances—beginning	<u>3,909,006</u>	<u>3,909,006</u>	<u>3,909,006</u>	-
Fund balances—ending	<u>\$ 1,118,637</u>	<u>\$ 2,212,581</u>	<u>\$ 3,526,910</u>	<u>\$ 1,314,329</u>

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

The notes to the required supplementary information are an integral part of this schedule.

COUNTY OF SULLIVAN, NEW YORK
Notes to the Required Supplementary Information
Year Ended December 31, 2019

1. OPEB LIABILITY

Changes of Assumptions—The rate used to discount future plan cash flows was updated from 3.64% to 3.26% as of December 31, 2019 based on a review of the S&P Municipal Bond 20-Year High Grade Municipal Bond Index. The change in discount rate resulted in a decrease in liabilities.

Sullivan County Community College:

Changes of Assumptions—The rate used to discount future plan cash flows was updated from 3.94% to 3.58% as of August 31, 2019 based on a review of the Bond Buyer 20-Year Bond GO Index. The change in discount rate resulted in a decrease in liabilities.

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with generally accepted accounting principles 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 and 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, 2019 include encumbrances from the prior year of \$692,280, \$39,832, and \$1,198,179, respectively.

Excess of Expenditures over Appropriations—For the year ended December 31, 2019, the County's General Fund had expenditures in excess of the final budgeted amount within public safety and transfers out of \$912,770 and \$2,894,393, respectively. These were caused by higher than anticipated jail personnel costs and transfers out to the Capital Projects Fund, respectively. In addition, the County Road fund debt service interest expenditures exceeded the final budgeted amount by \$63,719 due to higher than anticipated debt service costs while transfers out exceeded the final budgeted amount by \$5,731 related to debt service transfers. Finally, the County's Refuse and Garbage Fund had home and community service expenditures in excess of the final budgeted amount by \$45,716. This was a result of higher than anticipated equipment purchases and building and building improvements.

SUPPLEMENTARY INFORMATION—
INDIVIDUAL SCHEDULES AND
COMBINING STATEMENTS

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 separate revenue fund required by Highway Law Section 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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 64,006,239	\$ 64,006,239	\$ 64,073,474	\$ 67,235
Other property tax items:				
Gain from sale of tax acquired property	1,250,000	1,250,000	2,753,881	1,503,881
Other payments in lieu of taxes	1,087,421	1,087,421	1,575,967	488,546
Interest and penalties on real property taxes	4,500,000	4,500,000	5,088,947	588,947
Total other property tax items	<u>6,837,421</u>	<u>6,837,421</u>	<u>9,418,795</u>	<u>2,581,374</u>
Non property tax items:				
Sales and use tax	46,650,000	46,650,000	47,193,801	543,801
Tax on hotel room occupancy	1,200,000	1,836,543	2,184,020	347,477
Automobile use tax	500,000	500,000	554,619	54,619
Emergency telephone system surcharge	285,000	285,000	322,940	37,940
OTB surtax	75,000	75,000	78,468	3,468
Other non property tax	752,000	752,000	810,399	58,399
Total non property tax items	<u>49,462,000</u>	<u>50,098,543</u>	<u>51,144,247</u>	<u>1,045,704</u>
Departmental income:				
General government support:				
Treasurer's fees	1,500	1,500	3,210	1,710
Tax collector's fees	356,500	712,559	580,044	(132,515)
Charges for tax advertising and redemption	500,000	500,000	384,943	(115,057)
Assessor's fees	2,225	2,225	3,596	1,371
Clerk's fees	1,636,175	1,636,175	1,614,196	(21,979)
Personnel fees	27,500	27,500	15,718	(11,782)
Attorney's fees	37,006	37,006	28,567	(8,439)
Other general governmental income	2,047,698	1,724,473	1,533,461	(191,012)
Public safety:				
Sheriff's fees	1,511,800	1,511,800	1,717,117	205,317
Alternative to incarceration fees	96,100	96,100	103,490	7,390
Restitution surcharge	3,500	3,500	3,586	86
Other public safety departmental income	12,000	12,000	12,154	154
Health:				
Nursing home care	3,738,326	3,738,326	1,572,870	(2,165,456)
Mental health fees	1,860,757	1,860,757	1,527,691	(333,066)
Early intervention fees for services	537,400	537,400	602,054	64,654
Alcoholism clinic fees	208,892	208,892	146,990	(61,902)
Other health department income	6,000	6,000	110,876	104,876

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Departmental income (continued):				
Transportation:				
Public works charges	2,005,333	2,005,333	1,736,234	(269,099)
Airport fees and rentals	237,465	237,465	109,774	(127,691)
Other transportation income	294,175	294,175	260,359	(33,816)
Economic assistance and opportunity:				
Repayment of medical assistance	375,000	375,000	238,064	(136,936)
Repayment of family assistance	575,000	575,000	412,324	(162,676)
Repayment of child care	825,000	825,000	639,371	(185,629)
Repayment of juvenile delinquent care	20,000	20,000	9,911	(10,089)
Repayment of safety net assistance	300,000	300,000	405,145	105,145
Repayment of home energy assistance (HEAP)	150,000	150,000	91,742	(58,258)
Repayment of emergency care for adults	60,000	60,000	12,382	(47,618)
Repayment of day care	2,500	2,500	1,233	(1,267)
Social services recovery charges	10,500	10,500	4,441	(6,059)
Social services charges	146,000	146,000	83,533	(62,467)
Charges, program for the aging	43,000	43,000	18,657	(24,343)
Other economic assistance and opportunity income	451,070	451,070	382,624	(68,446)
Culture and recreation:				
Parks and recreation charges	59,900	59,900	64,827	4,927
Recreation concessions	12,250	12,250	10,978	(1,272)
Museum admissions	15,000	15,000	10,907	(4,093)
Home and community services:				
Other home and community services income	-	-	5,129	5,129
Total departmental income	<u>18,165,572</u>	<u>18,198,406</u>	<u>14,458,198</u>	<u>(3,740,208)</u>
Intergovernmental charges:				
General government support:				
General services, other governments	444,614	445,539	456,157	10,618
Election service charges	1,500	1,500	3,399	1,899
Education:				
Jail facilities, other governments	5,000	5,000	3,735	(1,265)
Health:				
Health services, other governments	<u>175,000</u>	<u>175,000</u>	<u>71,688</u>	<u>(103,312)</u>
Total intergovernmental charges	<u>626,114</u>	<u>627,039</u>	<u>534,979</u>	<u>(92,060)</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Licenses and permits:				
Business and occupational license	50,000	50,000	51,780	1,780
Games of chance	2,000,000	2,000,000	3,334,691	1,334,691
Permits, other	1,500	1,500	1,500	-
Total licenses and permits	<u>2,051,500</u>	<u>2,051,500</u>	<u>3,387,971</u>	<u>1,336,471</u>
Fines and forfeitures:				
Fines and forfeited bail	5,000	5,000	8,333	3,333
Stop DWI fines	150,685	150,685	138,947	(11,738)
Forfeiture of deposits	10,000	10,000	15,486	5,486
Forfeiture of crime proceeds, restricted	-	-	109,502	109,502
Total fines and forfeitures	<u>165,685</u>	<u>165,685</u>	<u>272,268</u>	<u>106,583</u>
Use of money and property:				
Interest and earnings	50,270	50,270	460,670	410,400
Rental of real property	7,800	7,800	41,580	33,780
Commissions	95,800	95,800	121,875	26,075
Total use of money and property	<u>153,870</u>	<u>153,870</u>	<u>624,125</u>	<u>470,255</u>
Sale of property and compensation for loss:				
Sales, other	7,300	7,300	8,969	1,669
Insurance recoveries	100,000	100,000	10,797	(89,203)
Fuel sales	-	-	348,732	348,732
Total sale of property and compensation for loss	<u>107,300</u>	<u>107,300</u>	<u>368,498</u>	<u>261,198</u>
Miscellaneous:				
Gifts and donations	84,800	90,415	75,889	(14,526)
VLT/Tribal compact moneys	308,570	308,570	308,570	-
Other unclassified revenues	2,955,464	2,955,464	1,020,654	(1,934,810)
Total miscellaneous	<u>3,348,834</u>	<u>3,354,449</u>	<u>1,405,113</u>	<u>(1,949,336)</u>
State aid:				
General government support:				
State revenue sharing	-	-	28,845	28,845
Court facilities	248,225	248,225	190,700	(57,525)
Indigent legal services fund	61,880	61,880	534,646	472,766
District attorney salary	76,176	76,176	76,176	-
Medical examiner	3,000	3,000	340	(2,660)
Other	45,580	45,580	164,522	118,942

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
State aid (continued):				
Education:				
Education of handicapped children	3,277,077	3,277,077	3,629,211	352,134
Public safety:				
Probation services	377,144	377,144	221,636	(155,508)
Navigation law enforcement	2,000	2,000	-	(2,000)
Other public safety	767,315	771,415	681,596	(89,819)
Health:				
Public health	1,223,887	1,223,887	1,167,208	(56,679)
Veterans services	8,529	8,529	13,700	5,171
Early intervention	119,670	119,670	203,227	83,557
Public health, other	36,823	36,823	4,845	(31,978)
Narcotics addiction control	301,784	301,784	329,277	27,493
Other health	1,828,068	1,828,068	1,994,608	166,540
Mental health	4,050,186	4,050,186	3,380,382	(669,804)
Transportation:				
Buses and other mass transportation projects	5,000	5,000	14,588	9,588
Economic assistance and opportunity:				
Medical assistance	(100,000)	(63,250)	(82,150)	(18,900)
Family assistance	800,000	800,000	1,001,859	201,859
Social services administration	4,237,177	4,237,177	4,403,394	166,217
Child care	2,600,000	2,600,000	2,735,465	135,465
Juvenile delinquent	50,000	50,000	-	(50,000)
Safety net	860,000	860,000	830,149	(29,851)
Emergency assistance for adults	61,000	61,000	22,351	(38,649)
Day care	275,000	275,000	87,809	(187,191)
Services for recipients	200,000	219,530	-	(219,530)
Program for aging	615,833	615,833	807,065	191,232
Other economic assistance and opportunity	3,000	3,000	1,155	(1,845)
Culture and recreation:				
Youth programs	72,982	72,982	72,778	(204)
Home and community services:				
Home and community assistance	10,000	10,000	136,521	126,521
Total state aid	<u>22,117,336</u>	<u>22,177,716</u>	<u>22,651,903</u>	<u>474,187</u>
Federal aid:				
Public safety:				
Crime control	200,000	200,000	77,716	(122,284)
Other public safety	-	-	153,642	153,642

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Federal aid (continued):				
Health:				
Public health	614,570	617,545	570,357	(47,188)
WIC program	584,621	584,621	600,757	16,136
Other health	295,000	295,000	164,101	(130,899)
Economic assistance and opportunity:				
Medicaid assistance	25,000	61,750	(6,191)	(67,941)
Family assistance	6,600,500	6,600,500	4,770,034	(1,830,466)
Social services administration	6,299,700	6,299,700	6,519,701	220,001
Flexible funding for family services (FFFS)	3,375,000	3,375,000	3,123,025	(251,975)
Safety net	60,000	60,000	41,398	(18,602)
Home energy assistance	(60,000)	(60,000)	(46,646)	13,354
Programs for the aging	707,199	707,699	760,007	52,308
Other economic assistance and opportunity	214,410	214,410	227,383	12,973
Workforce investment act	432,646	432,646	391,382	(41,264)
Home and community services:				
Other home and community services	-	-	50,616	50,616
Total federal aid	<u>19,348,646</u>	<u>19,388,871</u>	<u>17,397,282</u>	<u>(1,991,589)</u>
Total revenues	<u>\$ 186,390,517</u>	<u>\$ 187,167,039</u>	<u>\$ 185,736,853</u>	<u>\$ (1,430,186)</u>
OTHER FINANCING SOURCES				
Transfers in:				
Transfer from Debt Service Fund	\$ -	\$ -	\$ 33,299	\$ 33,299
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,299</u>	<u>\$ 33,299</u>
Total revenues and other financing sources	<u>\$ 186,390,517</u>	<u>\$ 187,167,039</u>	<u>\$ 185,770,152</u>	<u>\$ (1,396,887)</u>

(concluded)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—General Fund
Year Ended December 31, 2019

	<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	\$ 621,719	\$ 630,415	\$ 604,959	\$ 25,456
Municipal court	5,500	5,500	3,440	2,060
District attorney	2,036,018	2,172,121	2,098,760	73,361
Public defender	1,506,517	1,506,517	1,729,505	(222,988)
Medical examiner and coroner	441,648	439,943	404,843	35,100
Municipal executive	769,919	834,062	803,064	30,998
Auditor	797,983	797,943	778,506	19,437
Treasurer	595,951	595,651	598,334	(2,683)
Tax collector	1,058,422	1,411,254	1,237,502	173,752
Budget	2,013,506	2,071,524	1,843,471	228,053
Purchasing	418,072	417,968	443,412	(25,444)
Assessment	598,720	598,720	618,235	(19,515)
Clerk	2,115,769	2,115,089	2,187,228	(72,139)
Law	1,054,802	1,060,252	1,099,275	(39,023)
Personnel	687,145	680,203	657,703	22,500
Elections	810,216	892,326	830,025	62,301
Records management	126,213	126,213	137,237	(11,024)
Public works administration	1,133,486	1,062,817	1,028,074	34,743
Central services administration	245,785	245,785	240,056	5,729
Operation of plant	5,992,614	6,730,560	6,123,958	606,602
Central data processing	5,322,358	5,578,577	4,691,489	887,088
Unallocated insurance	971,900	971,900	1,037,156	(65,256)
Municipal association dues	34,712	34,712	34,712	-
Judgments and claims	150,000	170,953	201,176	(30,223)
Other general government support	2,190,679	1,508,579	827,725	680,854
Total general government support	<u>31,699,654</u>	<u>32,659,584</u>	<u>30,259,845</u>	<u>2,399,739</u>
Education:				
Community college tuition	1,375,000	1,375,000	1,252,405	122,595
Contribution to community college	4,300,000	4,300,000	4,300,000	-
Total education	<u>5,675,000</u>	<u>5,675,000</u>	<u>5,552,405</u>	<u>122,595</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—General Fund
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Public safety:				
Public safety administration	301,330	355,502	294,752	60,750
Public safety communication system (911)	2,555,246	2,548,856	2,182,884	365,972
Sheriff	10,170,495	10,177,762	10,121,245	56,517
Probation	2,994,261	2,993,622	2,371,603	622,019
Jail	12,597,334	12,552,827	14,500,552	(1,947,725)
Stop DWI	180,451	180,451	231,228	(50,777)
Fire protection	114,884	114,183	83,567	30,616
Other animal controls	3,000	3,000	30,000	(27,000)
Safety inspection	16,000	13,304	6,171	7,133
Other public safety	957,899	957,899	988,174	(30,275)
Total public safety	<u>29,890,900</u>	<u>29,897,406</u>	<u>30,810,176</u>	<u>(912,770)</u>
Health:				
Public health	6,529,314	6,488,231	5,225,145	1,263,086
Physically handicapped	2,075	2,075	-	2,075
Public health, other	1,078,253	1,103,751	961,203	142,548
Early intervention program	6,841,155	6,841,155	6,580,824	260,331
WIC program	611,128	603,114	579,625	23,489
Narcotics addiction control	552,562	551,524	398,630	152,894
Narcotics addiction control services	1,828,068	1,828,068	1,818,132	9,936
Alcohol addiction control	18,505	17,830	14,360	3,470
Mental health administration	1,475,329	1,476,726	1,411,021	65,705
Mental health programs	3,327,094	3,326,893	3,874,395	(547,502)
Contracted mental health services	2,633,034	2,632,976	2,303,339	329,637
Other health	402,914	402,914	513,877	(110,963)
Total health	<u>25,299,431</u>	<u>25,275,257</u>	<u>23,680,551</u>	<u>1,594,706</u>
Transportation:				
Airport	937,294	1,087,373	862,448	224,925
Other transportation	1,200,529	1,201,148	880,894	320,254
Other transportation	63,986	63,986	92,515	(28,529)
Total transportation	<u>2,201,809</u>	<u>2,352,507</u>	<u>1,835,857</u>	<u>516,650</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—General Fund
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Economic assistance and opportunity:				
Social services administration	17,231,470	17,307,612	16,372,362	935,250
Day care	1,583,350	1,583,350	1,054,976	528,374
Services for recipients	1,018,350	1,018,350	1,157,637	(139,287)
Medicaid	21,757,454	21,757,454	22,259,167	(501,713)
Family assistance	5,750,000	5,750,000	4,375,144	1,374,856
Child care	8,384,930	8,384,930	10,188,166	(1,803,236)
Juvenile delinquent	130,000	130,000	683,725	(553,725)
State training school	210,000	210,000	-	210,000
Safety net (formerly home relief)	2,950,000	2,950,000	3,202,151	(252,151)
Home energy assistance	75,000	75,000	55,836	19,164
Emergency aid for adults	170,000	170,000	45,907	124,093
Workforce investment act	1,268,185	1,647,603	1,138,243	509,360
Publicity	1,135,000	1,676,061	1,573,408	102,653
Veterans service	665,485	665,303	604,559	60,744
Consumer affairs	85,925	85,925	88,960	(3,035)
Other economic development	1,638,297	1,575,797	1,444,256	131,541
Total economic assistance and opportunity	<u>64,053,446</u>	<u>64,987,385</u>	<u>64,244,497</u>	<u>742,888</u>
Culture and recreation:				
Parks	486,352	486,342	333,846	152,496
Youth programs	327,960	327,960	330,271	(2,311)
Museum	44,013	43,954	36,085	7,869
Historical property	171,676	171,661	91,398	80,263
Program for the aging	2,561,040	2,562,706	2,346,630	216,076
Other culture and recreation	174,090	174,090	154,684	19,406
Total culture and recreation	<u>3,765,131</u>	<u>3,766,713</u>	<u>3,292,914</u>	<u>473,799</u>
Home and community services:				
Planning	1,020,100	1,406,426	1,360,290	46,136
Human rights commission	58,708	58,708	24,662	34,046
Fish and game	282,362	217,362	208,256	9,106
Flood and erosion control	330,000	330,000	298,002	31,998
Cemeteries	9,625	11,875	10,838	1,037
Other home and community services	544,047	544,047	504,374	39,673
Total home and community services	<u>2,244,842</u>	<u>2,568,418</u>	<u>2,406,422</u>	<u>161,996</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—General Fund
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Debt service:				
Principal	245,149	245,149	245,149	-
Interest	21,995	21,995	21,995	-
Total debt service	<u>267,144</u>	<u>267,144</u>	<u>267,144</u>	<u>-</u>
Total expenditures	<u>\$ 165,097,357</u>	<u>\$ 167,449,414</u>	<u>\$ 162,349,811</u>	<u>\$ 5,099,603</u>
OTHER FINANCING USES				
Transfers out:				
Transfer to Capital Projects Fund	\$ -	\$ 93,000	\$ 2,995,556	\$ (2,902,556)
Transfer to County Road Fund	14,218,394	14,194,970	14,194,970	-
Transfer to Road Machinery Fund	3,728,291	5,468,291	5,468,291	-
Transfer to Debt Service Fund	6,782,808	6,782,808	6,774,645	8,163
Transfer to Refuse and Garbage Fund	1,027,000	1,027,000	1,027,000	-
Total other financing uses	<u>\$ 25,756,493</u>	<u>\$ 27,566,069</u>	<u>\$ 30,460,462</u>	<u>\$ (2,894,393)</u>
Total expenditures and other financing uses	<u>\$ 190,853,850</u>	<u>\$ 195,015,483</u>	<u>\$ 192,810,273</u>	<u>\$ 2,205,210</u>

(concluded)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenue and Other Financing Sources—Budget and Actual—County Road Fund
Year Ended December 31, 2019

	<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	\$ 27,575	\$ 27,575	\$ 59,110	\$ 31,535
Snow removal, other governments	455,000	455,000	332,229	(122,771)
Road/bridge services, other governments	122,500	47,500	33,855	(13,645)
Total intergovernmental charges	<u>605,075</u>	<u>530,075</u>	<u>425,194</u>	<u>(104,881)</u>
Licenses and permits:				
Permits, other	5,000	5,000	3,030	(1,970)
Total licenses and permits	<u>5,000</u>	<u>5,000</u>	<u>3,030</u>	<u>(1,970)</u>
Use of money and property:				
Interest and earnings	-	-	481	481
Total use of money and property	<u>-</u>	<u>-</u>	<u>481</u>	<u>481</u>
Sale of property and compensation for loss:				
Sales, other	100	100	11	(89)
Insurance recoveries	-	-	1,735	1,735
Total sale of property and compensation for loss	<u>100</u>	<u>100</u>	<u>1,746</u>	<u>1,646</u>
Miscellaneous:				
Other unclassified revenues	30,000	30,000	37,123	7,123
Total miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>37,123</u>	<u>7,123</u>
State aid:				
Transportation:				
Consolidated highway improvement program ("CHIPS")	3,634,400	5,077,315	5,213,268	135,953
Other transportation	461,250	11,250	103,359	92,109
Total state aid	<u>4,095,650</u>	<u>5,088,565</u>	<u>5,316,627</u>	<u>228,062</u>
Federal aid:				
Transportation:				
Other transportation	4,556,600	2,156,600	1,576,082	(580,518)
Total federal aid	<u>4,556,600</u>	<u>2,156,600</u>	<u>1,576,082</u>	<u>(580,518)</u>
Total revenues	<u>\$ 9,292,425</u>	<u>\$ 7,810,340</u>	<u>\$ 7,360,283</u>	<u>\$ (450,057)</u>
OTHER FINANCING SOURCES				
Transfers in:				
Transfer from Debt Service Fund	\$ -	\$ -	\$ 288,092	\$ 288,092
Transfer from General Fund	14,218,394	14,194,970	14,194,970	-
Total other financing sources	<u>\$ 14,218,394</u>	<u>\$ 14,194,970</u>	<u>\$ 14,483,062</u>	<u>\$ 288,092</u>
Total revenues and other financing sources	<u>\$ 23,510,819</u>	<u>\$ 22,005,310</u>	<u>\$ 21,843,345</u>	<u>\$ (161,965)</u>

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditure and Other Financing Uses—Budget and Actual—County Road Fund
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Public safety:				
Traffic control	\$ 724,981	\$ 739,120	\$ 730,141	\$ 8,979
Other public safety	139,076	139,076	144,305	(5,229)
Total public safety	<u>864,057</u>	<u>878,196</u>	<u>874,446</u>	<u>3,750</u>
Transportation:				
Engineering	1,625,019	1,812,959	1,527,543	285,416
Maintenance of roads	14,029,649	13,342,071	12,451,827	890,244
Snow removal	2,629,735	2,581,616	2,710,132	(128,516)
Other transportation	827,879	827,879	827,897	(18)
Total transportation	<u>19,112,282</u>	<u>18,564,525</u>	<u>17,517,399</u>	<u>1,047,126</u>
Debt service:				
Interest	32,281	32,281	96,000	(63,719)
Total debt service	<u>32,281</u>	<u>32,281</u>	<u>96,000</u>	<u>(63,719)</u>
Total expenditures	<u>\$ 20,008,620</u>	<u>\$ 19,475,002</u>	<u>\$ 18,487,845</u>	<u>\$ 987,157</u>
OTHER FINANCING USES				
Transfers out:				
Transfer to Debt Service Fund	\$ 3,713,230	\$ 3,713,230	\$ 3,718,961	\$ (5,731)
Total other financing uses	<u>\$ 3,713,230</u>	<u>\$ 3,713,230</u>	<u>\$ 3,718,961</u>	<u>\$ (5,731)</u>
Total expenditures and other financing uses	<u>\$ 23,721,850</u>	<u>\$ 23,188,232</u>	<u>\$ 22,206,806</u>	<u>\$ 981,426</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, 2019

	<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	\$ 10,640,861	\$ 10,813,810	\$ 11,839,398	\$ 1,025,588
Total departmental income	<u>10,640,861</u>	<u>10,813,810</u>	<u>11,839,398</u>	<u>1,025,588</u>
Use of money and property:				
Interest and earnings	-	-	3,722	3,722
Total use of money and property	<u>-</u>	<u>-</u>	<u>3,722</u>	<u>3,722</u>
Sale of property and compensation for loss:				
Sales of refuse for recycling	115,000	115,000	138,470	23,470
Total sale of property and compensation for loss	<u>115,000</u>	<u>115,000</u>	<u>138,470</u>	<u>23,470</u>
State aid:				
Home and community services:				
Other home and community service	49,000	49,000	346,533	297,533
Total state aid	<u>49,000</u>	<u>49,000</u>	<u>346,533</u>	<u>297,533</u>
Total revenues	<u>\$ 10,804,861</u>	<u>\$ 10,977,810</u>	<u>\$ 12,328,123</u>	<u>\$ 1,350,313</u>
OTHER FINANCING SOURCES				
Transfers in:				
Transfer from Debt Service Fund	\$ -	\$ -	\$ 1,428	\$ 1,428
Transfer from General Fund	1,027,000	1,027,000	1,027,000	-
Total other financing sources	<u>\$ 1,027,000</u>	<u>\$ 1,027,000</u>	<u>\$ 1,028,428</u>	<u>\$ 1,428</u>
Total revenues and other financing sources	<u>\$ 11,831,861</u>	<u>\$ 12,004,810</u>	<u>\$ 13,356,551</u>	<u>\$ 1,351,741</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Home and community services:				
Refuse and garbage	\$ 11,628,880	\$ 10,707,885	\$ 10,759,099	\$ (51,214)
Other home and community services	101,139	101,139	95,641	5,498
Total home and community services	<u>11,730,019</u>	<u>10,809,024</u>	<u>10,854,740</u>	<u>(45,716)</u>
Total expenditures	<u>\$ 11,730,019</u>	<u>\$ 10,809,024</u>	<u>\$ 10,854,740</u>	<u>\$ (45,716)</u>
OTHER FINANCING USES				
Transfers out:				
Transfer to Debt Service Fund	\$ 2,892,211	\$ 2,892,211	\$ 2,883,907	\$ 8,304
Total other financing uses	<u>\$ 2,892,211</u>	<u>\$ 2,892,211</u>	<u>\$ 2,883,907</u>	<u>\$ 8,304</u>
Total expenditures and other financing uses	<u>\$ 14,622,230</u>	<u>\$ 13,701,235</u>	<u>\$ 13,738,647</u>	<u>\$ (37,412)</u>

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NONMAJOR GOVERNMENTAL FUNDS

ROAD MACHINEY FUND

The Road Machinery Fund is a special revenue fund required by Highway Law Section 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, unexpected proceeds of long-term debt, and resources for a "Reserve Fund for Payment on Bonded Indebtedness" established pursuant to General Municipal Law Section 6-h.

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COUNTY OF SULLIVAN, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2019

	<u>Special Grant</u>	<u>Road Machinery</u>	<u>Debt Service</u>	<u>Total Nonmajor Funds</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 67,718	\$ -	\$ 67,718
Restricted cash and cash equivalents	839,058	12,540	-	851,598
Receivables (net of allowances):				
Accounts receivable	-	4,341	-	4,341
Loans receivable	78,728	-	-	78,728
Intergovernmental receivables	21,631	-	-	21,631
Due from other funds	-	1,800,059	-	1,800,059
Total assets	<u>\$ 939,417</u>	<u>\$ 1,884,658</u>	<u>\$ -</u>	<u>\$ 2,824,075</u>
LIABILITIES				
Accounts payable	\$ 45,547	\$ 173,563	\$ -	\$ 219,110
Accrued liabilities	-	90,828	-	90,828
Due to other funds	25,044	3,930	-	28,974
Total liabilities	<u>70,591</u>	<u>268,321</u>	<u>-</u>	<u>338,912</u>
FUND BALANCES				
Restricted	868,826	12,540	-	881,366
Assigned	-	1,603,797	-	1,603,797
Total fund balances	<u>868,826</u>	<u>1,616,337</u>	<u>-</u>	<u>2,485,163</u>
Total liabilities and fund balances	<u>\$ 939,417</u>	<u>\$ 1,884,658</u>	<u>\$ -</u>	<u>\$ 2,824,075</u>

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—
Nonmajor Governmental Funds
Year Ended December 31, 2019

	<u>Special Grant</u>	<u>Road Machinery</u>	<u>Debt Service</u>	<u>Total Nonmajor Funds</u>
REVENUES				
Departmental income	\$ 49,810	\$ 804,043	\$ -	\$ 853,853
Use of money and property	13,934	80	64,828	78,842
Sale of property and compensation for loss	-	142,886	-	142,886
Miscellaneous	-	7,409	-	7,409
State aid	7,500	-	-	7,500
Federal aid	21,631	-	124,406	146,037
Total revenues	<u>92,875</u>	<u>954,418</u>	<u>189,234</u>	<u>1,236,527</u>
EXPENDITURES				
Current:				
General government support	-	-	8,691	8,691
Transportation	-	4,775,028	-	4,775,028
Home and community services	201,005	-	-	201,005
Debt service:				
Principal	-	-	9,520,000	9,520,000
Interest and other fiscal charges	-	20,100	4,793,346	4,813,446
Total expenditures	<u>201,005</u>	<u>4,795,128</u>	<u>14,322,037</u>	<u>19,318,170</u>
Excess (deficiency) of revenues over expenditures	(108,130)	(3,840,710)	(14,132,803)	(18,081,643)
OTHER FINANCING SOURCES (USES)				
Premium on general obligation bonds	-	-	260,602	260,602
Transfers in	-	5,470,902	14,197,631	19,668,533
Transfers out	-	(820,118)	(325,430)	(1,145,548)
Total other financing sources (uses)	<u>-</u>	<u>4,650,784</u>	<u>14,132,803</u>	<u>18,783,587</u>
Net change in fund balances	(108,130)	810,074	-	701,944
Fund balances—beginning	<u>976,956</u>	<u>806,263</u>	<u>-</u>	<u>1,783,219</u>
Fund balances—ending	<u>\$ 868,826</u>	<u>\$ 1,616,337</u>	<u>\$ -</u>	<u>\$ 2,485,163</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Departmental income	\$ 900,000	\$ 900,000	\$ 804,043	\$ (95,957)
Use of money and property	-	-	80	80
Sale of property and compensation for loss	-	-	142,886	142,886
Miscellaneous	2,000	2,000	7,409	5,409
Total revenues	<u>902,000</u>	<u>902,000</u>	<u>954,418</u>	<u>52,418</u>
EXPENDITURES				
Current:				
Transportation	<u>6,130,054</u>	<u>6,087,245</u>	<u>4,775,028</u>	<u>1,312,217</u>
Total expenditures	<u>6,270,813</u>	<u>6,228,004</u>	<u>4,795,128</u>	<u>1,432,876</u>
Excess (deficiency) of revenues over expenditures	(5,368,813)	(5,326,004)	(3,840,710)	1,485,294
OTHER FINANCING SOURCES (USES)				
Transfers in	5,468,291	5,468,291	5,470,902	2,611
Transfers out	<u>(848,790)</u>	<u>(848,790)</u>	<u>(820,118)</u>	<u>28,672</u>
Total other financing sources (uses)	<u>4,619,501</u>	<u>4,619,501</u>	<u>4,650,784</u>	<u>31,283</u>
Net change in fund balance*	(749,312)	(706,503)	810,074	1,516,577
Fund balances—beginning	<u>806,263</u>	<u>806,263</u>	<u>806,263</u>	-
Fund balances—ending	<u>\$ 56,951</u>	<u>\$ 99,760</u>	<u>\$ 1,616,337</u>	<u>\$ 1,516,577</u>

* The net change in fund balance was included in the budget as an appropriation (i.e. spenddown) of fund balance and 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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 64,828	\$ 64,828
Miscellaneous	-	-	260,602	260,602
Federal aid	-	-	124,406	124,406
Total revenues	<u>-</u>	<u>-</u>	<u>449,836</u>	<u>449,836</u>
EXPENDITURES				
Current:				
General government support	-	-	8,691	(8,691)
Debt service:				
Principal	7,615,862	7,615,862	9,520,000	(1,904,138)
Interest and other fiscal charges	<u>4,544,206</u>	<u>4,544,206</u>	<u>4,793,346</u>	<u>(249,140)</u>
Total expenditures	<u>12,160,068</u>	<u>12,160,068</u>	<u>14,322,037</u>	<u>(2,161,969)</u>
Excess (deficiency) of revenues over expenditures	(12,160,068)	(12,160,068)	(13,872,201)	(1,712,133)
OTHER FINANCING SOURCES (USES)				
Transfers in	12,160,068	12,160,068	14,197,631	2,037,563
Transfers out	<u>-</u>	<u>-</u>	<u>(325,430)</u>	<u>(325,430)</u>
Total other financing sources (uses)	<u>12,160,068</u>	<u>12,160,068</u>	<u>13,872,201</u>	<u>1,712,133</u>
Net change in fund balances	-	-	-	-
Fund balances—beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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 BENEFITS FUND

The Workers' Compensation Benefits 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, 2019

	<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	\$ 2,569,523	\$ -	\$ 2,569,523
Restricted cash and cash equivalents	-	501,790	501,790
Accounts receivable	6,820,896	-	6,820,896
Due from other funds	<u>8,421,603</u>	<u>-</u>	<u>8,421,603</u>
Total assets	<u>17,812,022</u>	<u>501,790</u>	<u>18,313,812</u>
LIABILITIES			
Accounts payable	54,541	-	54,541
Accrued liabilities	380,269	-	380,269
Due to other funds	838	-	838
Unearned revenue	178,515	-	178,515
Noncurrent liabilities:			
Due within one year	1,776,061	3,780	1,779,841
Due in more than one year	<u>15,041,629</u>	<u>-</u>	<u>15,041,629</u>
Total liabilities	<u>17,431,853</u>	<u>3,780</u>	<u>17,435,633</u>
NET POSITION			
Restricted for:			
Dental benefits	-	498,010	498,010
Unrestricted	<u>380,169</u>	<u>-</u>	<u>380,169</u>
Total net position	<u>\$ 380,169</u>	<u>\$ 498,010</u>	<u>\$ 878,179</u>

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Net Position—
Internal Service Funds
Year Ended December 31, 2019

	Workers' Compensation Benefits	Self-Insured Dental	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 2,744,868	\$ 445,357	\$ 3,190,225
Total operating revenues	<u>2,916,651</u>	<u>445,357</u>	<u>3,362,008</u>
Operating expenses:			
Employee benefits	<u>2,649,928</u>	<u>499,910</u>	<u>3,149,838</u>
Total operating expenses	<u>2,649,928</u>	<u>499,910</u>	<u>3,149,838</u>
Operating income	<u>266,723</u>	<u>(54,553)</u>	<u>212,170</u>
Nonoperating revenues:			
Interest income	<u>57,972</u>	<u>6,021</u>	<u>63,993</u>
Total nonoperating revenues	<u>57,972</u>	<u>6,021</u>	<u>63,993</u>
Change in net position	324,695	(48,532)	276,163
Net position—beginning	<u>55,474</u>	<u>546,542</u>	<u>602,016</u>
Net position—ending	<u>\$ 380,169</u>	<u>\$ 498,010</u>	<u>\$ 878,179</u>

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Cash Flows—Internal Service Funds
Year Ended December 31, 2019

	Workers' Compensation Benefits	Self-Insured Dental	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from services provided	\$ 2,685,193	\$ 481,874	\$ 3,167,067
Receipts from insurance recoveries	171,783	-	171,783
Payments to insurance carriers and claimants	(2,864,928)	(499,753)	(3,364,681)
Payments on behalf of other funds	(62,386)	-	(62,386)
Net cash provided by operating activities	<u>(70,338)</u>	<u>(17,879)</u>	<u>(88,217)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	57,972	6,021	63,993
Net cash provided by investing activities	<u>57,972</u>	<u>6,021</u>	<u>63,993</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments from other funds	-	838	838
Net cash provided by noncapital financing activities	<u>-</u>	<u>838</u>	<u>838</u>
Increase in cash and cash equivalents	(12,366)	(11,020)	(23,386)
Cash and cash equivalents—beginning	2,581,051	513,648	3,094,699
Cash and cash equivalents—ending	<u>\$ 2,568,685</u>	<u>\$ 502,628</u>	<u>\$ 3,071,313</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 266,723	\$ (54,553)	\$ 212,170
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) decrease in receivables	(87,666)	36,517	(51,149)
(Increase) in due from other funds	(62,386)	-	(62,386)
Increase in accounts payable	53,170	-	53,170
Increase in accrued liabilities	144,580	-	144,580
Increase in unearned revenue	27,991	-	27,991
(Decrease) increase in claims payable	(412,750)	157	(412,593)
Total adjustments	<u>(337,061)</u>	<u>36,674</u>	<u>(300,387)</u>
Net cash (used for) operating activities	<u>\$ (70,338)</u>	<u>\$ (17,879)</u>	<u>\$ (88,217)</u>

FIDUCIARY FUNDS

Fiduciary Funds account for assets held by a government unit in a trustee or agency 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, 2019

ASSETS	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
Cash and equivalents	\$ 3,393,894	\$ 123,558,716	\$ 122,057,186	\$ 4,895,424
Due from other funds	<u>56,648</u>	<u>100,253,056</u>	<u>100,309,704</u>	<u>-</u>
Total assets	<u>\$ 3,450,542</u>	<u>\$ 223,811,772</u>	<u>\$ 222,366,890</u>	<u>\$ 4,895,424</u>
LIABILITIES				
Accounts payable	\$ 1,918,750	\$ 33,679,043	\$ 33,662,838	\$ 1,934,955
Due to other funds	-	359,311	125	359,186
Other Agency liabilities	<u>1,531,792</u>	<u>145,871,414</u>	<u>144,801,923</u>	<u>2,601,283</u>
Total liabilities	<u>\$ 3,450,542</u>	<u>\$ 179,909,768</u>	<u>\$ 178,464,886</u>	<u>\$ 4,895,424</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:	<u>Page</u>
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 indications 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)

	2010	2011	2012 ¹	2013	2014	2015	2016	2017 ²	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 70,516,266	\$ 76,768,306	\$ 81,670,910	\$ 85,262,582	\$ 88,651,807	\$ 101,642,615	\$ 115,374,686	\$ 128,836,832	\$ 130,242,152	\$ 140,876,073
Restricted	8,517,769	8,270,567	4,500,821	1,758,414	4,887,153	5,931,828	2,220,351	2,115,629	2,288,884	2,442,518
Unrestricted	<u>(20,556,594)</u>	<u>(27,051,908)</u>	<u>(33,799,457)</u>	<u>(38,231,820)</u>	<u>(46,016,248)</u>	<u>(62,333,657)</u>	<u>(70,062,234)</u>	<u>(254,002,129)</u>	<u>(251,536,534)</u>	<u>(265,820,644)</u>
Total net position—governmental activities	<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>	<u>\$ (123,049,668)</u>	<u>\$ (119,005,498)</u>	<u>\$ (122,502,053)</u>
Business-type activities:										
Net investment in capital assets	\$ 1,883,587	\$ 1,643,913	\$ 1,413,451	\$ 1,298,706	\$ 1,613,933	\$ 2,696,176	\$ 2,011,150	\$ 8,998,212	\$ 6,372,769	\$ (11,840,765)
Restricted	-	-	-	850,579	715,891	-	202,718	203,094	203,016	203,704
Unrestricted	<u>(18,121,973)</u>	<u>(20,823,848)</u>	<u>(22,543,688)</u>	<u>(25,885,338)</u>	<u>(21,264,110)</u>	<u>(25,788,417)</u>	<u>(29,698,669)</u>	<u>(38,661,588)</u>	<u>(46,876,931)</u>	<u>(38,615,828)</u>
Total net position—business-type activities	<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>	<u>\$ (29,460,282)</u>	<u>\$ (40,301,146)</u>	<u>\$ (50,252,889)</u>
Primary government:										
Net investment in capital assets	\$ 72,399,853	\$ 78,412,219	\$ 83,084,361	\$ 86,861,288	\$ 90,265,740	\$ 104,338,791	\$ 117,385,836	\$ 137,835,044	\$ 136,614,921	\$ 129,035,308
Restricted	8,517,769	8,270,567	4,500,821	2,608,993	5,603,044	5,931,828	2,423,069	2,318,723	2,491,900	2,646,222
Unrestricted	<u>(38,678,567)</u>	<u>(47,875,756)</u>	<u>(56,343,145)</u>	<u>(64,117,158)</u>	<u>(67,280,358)</u>	<u>(88,122,074)</u>	<u>(99,760,903)</u>	<u>(292,663,717)</u>	<u>(298,413,465)</u>	<u>(304,436,472)</u>
Total net position—primary government	<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>	<u>\$ (152,509,950)</u>	<u>\$ (159,306,644)</u>	<u>\$ (172,754,942)</u>

¹ 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.

² Governmental Accounting Standards Board Statement No. 80, "Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14" required the County Funding Corporation and Sullivan County Infrastructure Local Development Corporation to be presented as blended component units of the County's primary government.

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

	2010	2011	2012	2013	2014	2015	2016	2017 ¹	2018	2019
Primary government:										
Expenses:										
Governmental activities:										
General government support	\$ 20,573,018	\$ 18,610,178	\$ 23,222,974	\$ 22,299,150	\$ 22,867,189	\$ 25,299,974	\$ 29,873,350	\$ 29,115,461	\$ 30,139,092	\$ 28,413,693
Education	6,011,024	5,800,343	5,775,448	6,499,480	6,272,866	5,885,213	5,975,783	5,936,169	6,021,019	5,878,828
Public safety	24,460,208	24,267,723	26,070,999	26,924,495	26,718,049	26,658,920	29,407,686	31,261,509	29,511,914	33,757,361
Health	23,818,137	24,063,061	25,388,743	24,293,812	23,145,341	23,707,230	24,825,500	24,935,401	25,103,386	24,447,844
Transportation	21,447,683	19,677,365	19,581,033	20,593,635	22,164,720	25,323,854	22,258,819	25,778,147	27,724,623	26,599,958
Economic assistance and opportunity	56,207,703	57,259,852	58,836,611	56,813,202	60,484,322	52,313,394	65,156,303	63,261,879	62,440,445	65,549,246
Culture and recreation	3,038,366	3,231,074	3,545,385	3,463,248	3,355,192	3,162,612	3,909,500	3,831,391	3,420,293	3,538,998
Home and community services	7,114,794	9,743,923	10,530,023	13,221,737	7,309,555	10,431,878	12,723,655	12,381,033	9,726,977	21,452,276
Interest and other fiscal charges	2,350,765	2,863,482	2,472,088	2,096,007	1,895,292	1,870,859	2,732,282	4,962,053	4,554,786	4,594,955
Total governmental activities	<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>	<u>201,463,043</u>	<u>198,642,535</u>	<u>214,233,159</u>
Business-type activities:										
Adult Care Center	16,228,151	16,827,634	17,447,113	16,165,086	16,886,860	17,935,927	19,012,834	18,456,483	18,862,205	18,920,719
Sullivan County TASC	860,655	839,981	818,639	782,343	754,869	729,676	9,184,711	695,551	676,604	667,283
SCFC	-	-	-	-	-	-	-	198,759	640,440	319,027
ILDC	-	-	-	-	-	-	-	81,111	7,480,240	9,101,036
Total business-type activities	<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>	<u>19,431,904</u>	<u>27,659,489</u>	<u>29,008,065</u>
Total expenses	<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>	<u>220,894,947</u>	<u>226,302,024</u>	<u>243,241,224</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government support	2,573,330	2,520,630	8,386,063	8,440,597	8,538,626	3,788,188	6,588,102	8,682,448	8,342,601	7,753,744
Education	42,553	235,678	462,102	-	-	257,293	-	-	-	-
Public safety	1,578,510	1,881,807	1,559,469	1,298,078	1,399,463	2,125,579	3,611,717	1,515,057	2,095,264	2,187,090
Health	9,505,384	8,628,023	8,775,797	7,525,923	6,572,292	6,303,080	7,444,976	3,644,505	4,889,871	4,067,333
Transportation	964,553	1,509,166	1,200,844	1,272,124	1,242,440	5,538,814	6,032,541	5,642,509	3,962,107	3,338,634
Economic assistance and opportunity	2,733,305	3,040,513	2,538,179	3,175,957	2,963,563	2,395,739	4,323,812	2,473,064	2,162,368	2,280,770
Culture and recreation	148,258	188,196	221,139	213,173	189,508	91,864	618,995	125,490	1,435,142	3,440,060
Home and community services	9,241,673	11,587,218	11,535,541	11,715,220	11,179,889	11,478,802	12,138,306	12,088,922	12,944,255	11,894,485
Operating grants and contributions	45,364,696	42,207,077	38,601,375	37,409,612	38,906,382	37,865,882	35,877,893	38,487,037	37,316,230	40,413,261
Capital grants and contributions	2,471,353	1,620,224	1,712,392	2,210,020	1,807,953	2,934,391	5,487,781	5,590,759	4,168,943	7,343,927
Total governmental activities	<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>	<u>78,249,791</u>	<u>77,316,781</u>	<u>82,719,304</u>

(continued)

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

	2010	2011	2012	2013	2014	2015	2016	2017 ¹	2018	2019
Business-type activities:										
Adult Care Center:										
Charges for services	10,977,303	11,460,580	11,766,216	9,241,119	9,856,047	12,966,995	10,632,154	11,542,085	10,886,587	9,903,623
Operating grants and contributions	-	2,626,286	3,125,999	2,555,973	10,064,732	-	10,804,326	6,804,913	4,414,457	5,501,316
Funding Corporation	-	-	-	-	-	-	-	323,903	213,776	11,178
ILDC	-	-	-	-	-	-	-	-	-	2,009,028
Total program revenues	<u>10,977,303</u>	<u>14,086,866</u>	<u>14,892,215</u>	<u>11,797,092</u>	<u>19,920,779</u>	<u>12,966,995</u>	<u>21,436,480</u>	<u>18,670,901</u>	<u>15,514,820</u>	<u>17,425,145</u>
	<u>85,600,918</u>	<u>87,505,398</u>	<u>89,885,116</u>	<u>85,057,796</u>	<u>92,720,895</u>	<u>85,746,627</u>	<u>103,560,603</u>	<u>96,920,692</u>	<u>92,831,601</u>	<u>100,144,449</u>
Net revenue (expense):										
Governmental activities	(90,398,083)	(92,098,469)	(100,430,403)	(102,944,062)	(101,412,410)	(101,874,302)	(114,738,755)	(123,213,252)	(121,325,754)	(131,513,855)
Business-type activities	<u>(6,111,503)</u>	<u>(3,580,749)</u>	<u>(3,373,537)</u>	<u>(5,150,337)</u>	<u>2,279,050</u>	<u>(5,698,608)</u>	<u>(6,761,065)</u>	<u>(761,003)</u>	<u>(12,144,669)</u>	<u>(11,582,920)</u>
Total net (expense) revenue	<u>(96,509,586)</u>	<u>(95,679,218)</u>	<u>(103,803,940)</u>	<u>(108,094,399)</u>	<u>(99,133,360)</u>	<u>(107,572,910)</u>	<u>(121,499,820)</u>	<u>(123,974,255)</u>	<u>(133,470,423)</u>	<u>(143,096,775)</u>
General revenues and transfers:										
Governmental activities:										
Property taxes	48,690,132	48,065,549	49,824,079	53,982,110	54,940,465	55,805,788	56,874,718	60,879,911	62,865,543	64,409,687
Other property tax items	6,633,477	7,606,522	8,463,919	9,313,959	7,522,050	8,431,127	8,403,849	8,138,632	7,705,974	9,418,795
Non-property taxes	35,304,348	35,103,619	36,226,594	36,206,602	38,064,659	38,813,293	41,659,523	42,510,038	49,628,569	47,193,801
Use of money and property	112,113	75,953	79,860	74,090	69,755	44,922	220,060	677,800	565,422	3,950,446
Sale of property and compensation for loss	-	263,115	521,881	589,724	293,579	402,891	1,212,261	1,566,166	487,364	771,543
Miscellaneous	237,810	-	-	48,241	105,205	82,760	8,660,361	3,253,317	4,137,449	823,383
Transfers	-	493,235	(300,621)	(553,762)	(1,149,767)	(74,405)	-	(573,750)	(20,397)	1,449,645
Total governmental activities	<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>	<u>116,452,114</u>	<u>125,369,924</u>	<u>128,017,300</u>
Business-type activities:										
Use of money and property	68,968	95,154	95,094	91,838	87,427	86,706	1,019,048	16,203	296,115	199,506
Miscellaneous	1,137,114	1,037,281	1,027,520	2,139,985	1,285,523	1,898,647	1,349,457	851,806	987,293	854,779
Transfers	-	(493,235)	300,621	553,762	1,149,767	74,405	-	573,750	20,397	-
Total business-type activities	<u>1,206,082</u>	<u>639,200</u>	<u>1,423,235</u>	<u>2,785,585</u>	<u>2,522,717</u>	<u>2,059,758</u>	<u>2,368,505</u>	<u>1,441,759</u>	<u>1,303,805</u>	<u>1,054,285</u>
Total primary government	<u>92,183,962</u>	<u>92,247,193</u>	<u>96,238,947</u>	<u>102,446,549</u>	<u>102,368,663</u>	<u>105,566,134</u>	<u>119,399,277</u>	<u>117,893,873</u>	<u>126,673,729</u>	<u>129,071,585</u>
Change in net position:										
Governmental activities	579,797	(490,476)	(5,614,691)	(3,283,098)	(1,566,464)	1,632,074	2,292,017	(6,761,138)	4,044,170	(3,496,555)
Business-type activities	<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>	<u>680,756</u>	<u>(10,840,864)</u>	<u>(10,528,635)</u>
Total change in net position	<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>	<u>\$ (6,080,382)</u>	<u>\$ (6,796,694)</u>	<u>\$ (14,025,190)</u>

¹ Governmental Accounting Standards Board Statement No. 80, "Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14" required the Sullivan County Funding Corporation and Sullivan County Infrastructure Local Development Corporation to be presented as blended component units of the County's primary government. (concluded)

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

	2010	2011 ¹	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved	\$ 1,164,799	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Unreserved	<u>23,297,252</u>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total General Fund	<u>\$ 24,462,051</u>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All other governmental funds:										
Reserved	\$ 976,711	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Unreserved, reported in:										
Special revenue funds	3,741,696	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capital Projects Fund	<u>(5,805,546)</u>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total all other governmental funds	<u>\$ (1,087,139)</u>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
General Fund:										
Nonspendable	n/a	\$ -	\$ -	\$ 4,865,391	\$ 397,864	\$ 3,119,167	\$ -	\$ -	\$ -	\$ 16,789
Restricted	n/a	554,732	775,058	773,434	1,914,665	596,633	636,878	522,901	750,528	727,132
Committed	n/a	11,914,377	9,694,504	13,503,770	14,250,044	7,604,102	6,718,564	6,098,969	4,084,579	3,720,418
Assigned	n/a	7,925,968	1,116,190	1,349,150	236,404	7,370,106	19,123,085	12,868,232	10,976,878	6,471,176
Unassigned	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>	<u>13,507,895</u>	<u>14,917,926</u>	<u>12,754,275</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>	<u>\$ 32,997,997</u>	<u>\$ 30,729,911</u>	<u>\$ 23,689,790</u>
All other governmental funds:										
Nonspendable	n/a	\$ 675,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	n/a	691,527	926,902	849,658	2,815,531	740,454	87,503,330	35,965,308	9,006,421	1,217,376
Assigned	n/a	3,123,551	2,833,070	3,569,924	5,084,728	3,385,393	5,532,960	4,764,106	4,973,130	5,126,288
Unassigned	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>	<u>-</u>	<u>-</u>	<u>(3,619,790)</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>	<u>\$ 40,729,414</u>	<u>\$ 13,979,551</u>	<u>\$ 2,723,874</u>

¹ 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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Real property taxes	\$ 49,825,309	\$ 47,403,913	\$ 51,466,856	\$ 53,786,165	\$ 55,763,769	\$ 55,328,648	\$ 57,546,461	\$ 62,000,021	\$ 62,522,849	\$ 64,073,474
Other property tax items	6,633,477	7,606,522	8,463,919	9,313,959	7,522,050	8,431,127	8,403,849	8,138,632	7,705,974	9,418,795
Non property tax items	35,304,348	35,103,619	36,226,594	36,206,602	38,064,659	38,813,293	41,659,523	42,510,038	49,628,569	51,144,247
Departmental income	30,944,301	32,498,904	32,633,592	31,608,948	29,951,852	29,612,294	30,740,210	28,623,104	29,587,334	27,151,449
Intergovernmental charges	1,966,413	1,900,270	1,741,864	1,948,855	2,167,520	1,984,646	711,042	1,266,050	1,248,680	960,173
Licenses and permit	25,910	33,600	30,541	25,467	62,900	56,420	63,920	64,832	1,391,343	3,391,001
Fines and forfeitures	313,712	253,020	497,936	322,034	283,928	258,877	345,342	193,011	450,167	272,268
Use of money and property	347,208	267,747	176,224	180,743	156,672	157,513	219,709	677,375	539,583	707,550
Sale of property and compensation for loss	177,224	49,790	573,178	610,247	315,710	638,062	1,078,866	1,372,488	487,364	651,600
Miscellaneous	3,301,136	3,360,287	20,569,698	18,420,941	18,284,784	3,657,270	11,951,802	3,708,080	4,520,710	1,449,645
Interfund revenues	11,083	12,801	13,264	2,810	-	-	-	-	-	-
State aid	19,793,237	19,532,927	3,405,574	3,505,962	3,641,418	23,266,268	24,480,445	23,500,054	23,439,564	28,484,017
Federal aid	24,573,646	20,841,709	18,631,685	20,360,548	21,455,917	16,672,007	16,493,632	20,159,355	17,657,400	19,270,171
Total revenues	173,217,004	168,865,109	174,430,925	176,293,281	177,671,179	178,876,425	193,694,801	192,213,040	199,179,537	206,974,390
Expenditures:										
Current:										
General government support	23,021,148	23,091,977	23,036,459	23,002,054	23,398,007	24,139,888	25,812,349	27,036,128	30,560,187	30,268,536
Education	5,509,250	5,317,421	5,297,188	5,547,733	5,457,556	5,314,383	5,654,545	5,604,562	5,694,596	5,552,405
Public safety	22,490,855	22,739,389	22,979,002	23,788,104	24,785,241	25,528,334	25,713,246	26,411,869	28,459,071	31,684,622
Health	22,938,752	23,447,003	23,150,414	23,063,706	21,926,234	23,849,742	22,800,971	23,325,203	24,355,241	23,680,551
Transportation	17,717,903	17,221,839	16,992,170	16,132,885	18,288,145	19,700,202	19,731,940	24,138,202	20,972,839	24,128,284
Economic assistance and opportunity	53,135,382	55,167,983	56,711,538	55,052,400	58,931,619	51,877,834	60,597,993	60,227,151	60,941,593	64,244,497
Culture and recreation	3,108,254	3,194,231	3,289,795	3,129,855	3,171,942	3,317,680	3,397,302	3,367,706	3,301,287	3,292,914
Home and community services	8,615,212	8,758,568	8,575,046	8,828,785	8,509,310	8,398,457	8,562,276	10,444,056	11,172,990	13,462,167
Debt service:										
Principal	5,089,763	6,163,806	8,988,877	9,332,285	9,417,516	6,728,109	7,018,541	7,840,779	9,832,854	9,765,149
Interest	2,238,712	3,194,187	2,557,391	2,179,008	2,080,666	2,190,079	1,913,945	5,501,801	4,878,078	4,931,441
Capital outlay	20,831,316	6,096,810	6,651,897	6,297,006	9,957,018	12,080,967	22,265,807	56,415,915	43,179,803	20,807,572
Total expenditures	184,696,547	174,393,214	178,229,777	176,353,821	185,923,254	183,125,675	203,468,915	250,313,372	243,348,539	231,818,138

(continued)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other financing sources (uses)										
Transfers in	24,388,607	27,835,452	26,002,934	24,558,828	25,030,396	29,675,955	32,084,354	39,601,829	34,839,669	38,208,878
Transfers out	(24,388,607)	(27,342,217)	(26,303,555)	(25,112,590)	(26,180,163)	(29,750,360)	(32,084,354)	(40,175,579)	(34,860,066)	(38,208,878)
Other financing sources ²	17,679,457	-	11,654,747	22,719,088	13,820,204	-	111,387,420	1,024,238	15,171,450	6,547,950
Other financing uses	-	-	-	(20,330,062)	-	-	-	-	-	-
Total other financing sources (uses)	<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>	<u>450,488</u>	<u>15,151,053</u>	<u>6,547,950</u>
Net change in fund balances	<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>	<u>\$ (57,649,844)</u>	<u>\$ (29,017,949)</u>	<u>\$ (18,295,798)</u>
Debt service as a percentage of noncapital expenditures	4.47%	5.56%	6.73%	6.77%	6.53%	5.21%	5.19%	7.25%	7.69%	7.46%

¹ 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	Room Occupancy Taxes	E-911 Taxes	Off-Track Betting Taxes	Mortgage Taxes	Automobile Use Taxes	Stumpage Taxes	
2010	\$ 49,825,309	\$ 32,605,248	\$ 749,105	\$ 282,018	\$ 576,753	\$ 533,659	\$ 553,875	\$ 3,691	\$ 85,129,658
2011	47,403,913	32,911,401	558,728	310,179	325,031	476,223	517,795	4,262	82,507,532
2012	51,466,856	34,034,864	629,009	291,465	323,316	469,369	473,315	5,256	87,693,450
2013	53,786,165	33,793,427	619,352	286,122	265,550	689,150	548,403	4,599	89,992,768
2014	55,763,769	35,960,305	538,021	277,083	207,963	569,181	507,281	4,825	93,828,428
2015	55,328,648	36,463,665	700,401	284,418	199,444	641,039	519,858	4,469	94,141,942
2016	57,546,461	39,296,629	809,462	283,076	167,899	584,996	512,916	4,575	99,206,014
2017	62,000,021	39,990,156	916,761	266,238	108,797	690,853	533,607	3,626	104,510,059
2018	62,522,849	46,583,305	1,328,714	341,277	80,557	791,187	497,421	6,108	112,151,418
2019	64,073,474	47,193,801	2,184,020	322,941	78,468	803,761	554,619	6,637	115,217,721

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				
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
2017	6,792,060,647	25,533,245	91,227,929	107,750,039	17,625,430	1,460,919,507	5,573,277,783	7,769,422,629	71.73%	30.29
2018	6,799,515,570	25,519,475	89,736,987	109,961,655	17,625,430	1,452,112,742	5,590,246,375	7,807,141,187	71.60%	30.97
2019	7,402,110,351	34,545,275	91,230,782	119,385,920	15,594,216	1,833,099,415	5,829,767,129	7,846,771,200	74.30%	24.64

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 rate

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
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
2017	30.29	8.00-209.38	17.73	15.00-723.67	0.53-30.90	0.75-1,990.52	0.04-422.74
2018	30.97	8.17-214.22	17.98	14.90-710.47	0.53-34.26	0.76-6,333.95	0.08-458.42
2019	24.64	8.15-214.30	15.09	13.89-735.67	0.53-34.63	0.76-15,771.86	0.23-445.26

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	2019			2010		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
NYSEG	Utility Company	\$ 107,914,711	1	2.02%	\$ 89,502,171	1	1.72%
Orange & Rockland	Utility Company	31,328,867	2	0.59%	-	-	n/a
State of NY	State Government	24,563,975	3	0.47%	25,681,290	3	0.49%
City of NY	Local Government	21,378,482	4	0.40%	20,449,200	4	0.39%
Catskill Development	Housing Development	20,449,200	5	0.38%	18,326,350	5	0.35%
Verizon	Mobile	17,498,854	6	0.33%	32,886,842	2	0.63%
Wal-Mart Real	Commercial	10,000,000	7	0.19%	13,400,000	7	0.26%
Eagle Creek	Water Company	9,986,869	8	0.19%	-	-	n/a
Time Warner	Utility Company	8,170,998	9	0.15%	-	-	n/a
Citizens	Bank	6,892,051	10	0.13%	9,404,825	10	0.18%
Mirant	Utility Company	-	-	n/a	15,076,929	6	0.29%
Kiam. Concord	Hotel	-	-	n/a	11,100,000	8	0.21%
Kutshers's	Hotel	-	-	n/a	11,000,000	9	0.21%
Total		<u>\$ 258,184,007</u>		4.87%	<u>\$ 246,827,607</u>		4.73%

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
2010	\$ 127,025,621	\$ 103,981,298	81.86%	\$ 22,022,338	\$126,003,636	99.20%
2011	128,522,636	105,162,255	81.82%	22,369,915	127,532,170	99.23%
2012	131,802,271	108,719,407	82.49%	22,403,920	131,123,327	99.48%
2013	138,206,973	114,812,766	83.07%	22,657,371	137,470,137	99.47%
2014	140,067,028	117,745,523	84.06%	20,692,241	138,437,764	98.84%
2015	143,146,268	121,508,141	84.88%	17,917,061	139,425,202	97.40%
2016	145,006,335	123,298,082	85.03%	15,486,515	138,784,597	95.71%
2017	149,103,138	128,771,216	86.36%	10,005,346	138,776,562	93.07%
2018	151,324,662	130,455,434	86.21%	10,094,595	140,550,029	92.88%
2019	155,351,402	133,096,207	85.67%	11,257,549	144,353,756	92.92%

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 Activities		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			
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
2017	145,059,234	799,320	-	17,750,363	163,608,917	0.03%	2,167.44
2018	150,156,722	617,916	-	17,372,432	168,147,070	0.03%	2,217.77
2019	146,463,810	660,115	-	17,044,501	164,168,426	0.03%	2,174.47

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 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
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
2017	75,485	7,769,422,629	145,059,234	29,717	145,029,517	1.87%	1,921.30
2018	75,818	7,807,141,187	150,156,722	40,823	150,115,899	1.92%	1,979.95
2019	75,498	7,846,771,200	146,463,810	64,828	146,398,982	1.87%	1,939.11

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, 2019
(Unaudited)

Governmental Unit	Gross Indebtedness ¹	Estimated Exclusions ²	Net Indebtedness	Percentage Applicable ³	County of Sullivan Portion
Estimated direct debt:					
County of Sullivan	\$ 163,803,925	\$ -	\$ 163,803,925	44.18%	\$ 72,373,488
Estimated overlapping debt:					
Towns:					
Bethel	5,213,848	-	5,213,848	1.41%	73,324
Callicoon	294,768	61,105	233,663	0.08%	186
Cochecton	-	-	-	0.00%	-
Delaware	169,300	-	169,300	0.05%	77
Fallsburg	25,896,291	3,054,800	22,841,491	6.99%	1,595,486
Forestburgh	25,000	-	25,000	0.01%	2
Fremont	-	-	-	0.00%	-
Highland	-	-	-	0.00%	-
Liberty	2,924,727	919,967	2,004,760	0.79%	15,815
Lumberland	-	-	-	0.00%	-
Mamakating	770,000	-	770,000	0.21%	1,599
Neversink	100,000	-	100,000	0.03%	27
Rockland	6,484,300	6,410,000	74,300	1.75%	1,300
Thompson	7,854,851	17,950	7,836,901	2.12%	166,040
Tusten	-	-	-	0.00%	-
Villages:					
Bloomington	185,302	143,000	42,302	0.05%	21.14
Jeffersonville	11,000	-	11,000	0.00%	0.33
Liberty	6,842,453	3,559,000	3,283,453	1.85%	60,600
Monticello	11,613,494	817,136	10,796,358	3.13%	338,198
Woodridge	7,715,960	7,715,960	-	2.08%	-
Wurtsboro	1,111,400	-	1,111,400	0.30%	3,332
School districts:					
Eldred	6,827,727	-	6,827,727	1.84%	125,742.82
Fallsburg	107,856,499	-	107,856,499	29.09%	31,377,875
Liberty	2,486,126	-	2,486,126	0.67%	16,672
Livingston Manor	-	-	-	0.00%	-
Monticello	3,618,078	-	3,618,078	0.98%	35,309
Roscoe	2,970,000	-	2,970,000	0.80%	23,793
Sullivan West	14,660	-	14,660	0.00%	0.58
Tri-Valley	5,950,000	-	5,950,000	1.60%	95,492
Total estimated overlapping debt	<u>206,935,784</u>	<u>22,698,918</u>	<u>184,236,866</u>		<u>32,077,035</u>
Total estimated direct and overlapping debt	<u>\$ 370,739,709</u>	<u>\$ 22,698,918</u>	<u>\$ 348,040,791</u>		<u>\$ 106,304,379</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 repay 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's Treasurer's Office.

COUNTY OF SULLIVAN, NEW YORK
Schedule XIII—Legal Debt Margin Information
As of December 31, 2019
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2019	
Estimated Actual Value of Real Property (After Exemptions):	
2015	\$ 7,571,719,348
2016	7,661,276,567
2017	7,769,422,629
2018	7,807,141,187
2019	<u>7,846,771,200</u>
Total five-year valuation	<u>38,656,330,931</u>
Average full valuation	<u>7,731,266,186</u>
Debt limit - 7% of average full valuation ¹	<u>\$ 541,188,633</u>
Debt applicable to limit:	
Governmental activities - general obligation bonds	143,090,000
Governmental activities - bond anticipation notes	8,680,000
Governmental activities - capital leases	<u>660,115</u>
Total amount of net indebtedness applicable to debt limit	<u>152,430,115</u>
Legal debt margin ³	<u>\$ 388,758,518</u>
Percentage of debt contracting power exhausted	28.17%

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 600,291,330	\$ 629,359,407	\$ 635,250,346	\$ 592,419,257	\$ 592,419,257	\$ 563,964,754	\$ 552,590,799	\$ 543,435,220	\$ 539,046,100	\$ 541,188,633
Total net debt applicable to limit	<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>	<u>141,889,320</u>	<u>151,097,916</u>	<u>152,430,115</u>
Legal debt margin	<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>	<u>\$ 401,545,900</u>	<u>\$ 387,948,184</u>	<u>\$ 388,758,518</u>
Total net debt applicable to the limit as a percentage of debt limit	13.47%	11.21%	10.13%	9.71%	10.15%	11.80%	27.49%	26.11%	28.03%	28.17%

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
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%
2017	75,485	42,528	3,210,226	5.2%
2018	75,818	44,707	3,389,595	3.9%
2019	75,498	46,303	3,495,810	3.7%

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	2019			2010		
		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	1,651	1	4.69%	1,450	1	4.28%
Resorts World Catskills	Hotel/Gaming	1,571	2	4.46%	-	-	0.00%
NYSARC Inc.	Non-profit	1,050	3	2.98%	520	6	1.53%
Sullivan County Government	Local Government	1,048	4	2.98%	1,016	2	3.00%
Monticello Central School District	Public Schools	718	5	2.04%	650	4	1.92%
Catskill Regional Medical Center	Medical Center	674	6	1.91%	910	3	2.68%
New Hope Community Inc.	Non-profit	645	7	1.83%	558	5	1.65%
Bethel Woods Center for Arts	Non-profit	465	8	1.32%	-	-	0.00%
Ideal Snacks	Food	440	9	1.25%	-	-	0.00%
Sullivan Correctional Facility	Correctional Facility	438	10	1.24%	475	7	1.40%
Kohl's	Retail	-	-	0.84%	328	10	0.97%
Villa Roma Resort	Hotel/Gaming	-	-	0.70%	400	8	1.18%
Woodbourne Correctional Facility	Correctional Facility	-	-	1.24%	396	9	1.17%

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government support	180	175	177	175	182	182	181	187	192	192
Public safety	211	212	212	216	215	215	218	228	235	235
Health/Adult Care Center	296	291	304	279	284	289	283	278	271	271
Transportation	94	96	94	94	922	92	84	94	95	95
Economic assistance and opportunity	179	169	168	175	171	184	196	195	192	192
Culture and recreation	32	32	31	34	34	33	33	34	34	34
Home and community services	24	23	24	22	24	23	26	28	29	29
Total	<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>	<u>1,044</u>	<u>1,048</u>	<u>1,048</u>

Source: Annual Sullivan County Budgets.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sheriff:										
Arrests	1,511	1,473	1,130	1,163	1,139	1,146	1,290	1,171	1,317	1,218
Traffic summons	3,552	2,405	1,716	1,224	1,187	1,213	2,249	2,003	1,878	1,774
DWI summons	110	83	49	54	70	73	44	65	63	38
Jail:										
Inmates	1,664	1,616	1,472	1,475	1,387	1,251	1,249	1,152	1,245	1,061
Public Works:										
Road paving (miles)	37.20	14.90	12.80	14.70	25.50	30.70	31.90	25.40	35.20	32.20
Road chip seal (miles)	38.50	29.00	22.30	-	-	-	45.00	24.80	35.60	26.20
Bridge replacement	2	2	1	1	1	4	4	3	4	6
Bridge rehabilitation	4	1	3	8	5	2	-	-	-	-
Parks and Recreation:										
Park and pavilion permits	80	74	58	36	73	81	32	56	50	37
Lake Superior attendance	16,788	14,634	13,714	12,266	11,225	12,653	14,183	10,037	10,955	12,088
Fort Delaware attendance	3,463	3,449	3,062	2,843	2,848	2,870	2,708	3,529	2,507	2,348
Refuse Collection:										
Refuse collected (tons per day)	195.00	153.00	156.00	150.00	149.00	147.00	173.00	206.00	231.00	244.00
Recyclables collected (tons per day)	17.95	13.78	14.50	15.00	16.00	17.00	17.50	20.30	18.95	14.62

Source: Various County Departments.

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

Function/Program:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sheriff:										
Jail	1	1	1	1	1	1	1	1	1	1
Vans	2	2	2	3	2	2	5	5	6	7
Cars	27	21	21	27	26	29	32	32	30	36
SUVs	7	8	6	6	11	11	12	12	14	17
Pickups	2	1	2	2	2	2	2	2	3	3
Electric cars	3	3	3	3	3	3	3	3	3	3
ATVs	3	3	3	3	5	5	5	5	5	5
Boats	2	2	2	2	2	2	2	2	2	2
Tactical vehicle	-	1	1	1	1	1	1	1	1	1
Humvee	-	-	1	1	1	1	1	1	1	1
Jet ski	-	-	-	-	-	1	1	1	1	1
Transportation:										
Roads (miles)	385.40	385.40	385.40	385.20	385.20	385.20	385.20	385.20	385.20	385.2
Traffic signals	9	9	10	10	10	10	10	10	10	11
Flashing beacons	25	25	25	25	25	26	26	26	26	26
Bridges	400	398	401	401	401	400	400	398	398	396
Culture and Recreation:										
Parks acreage	1,550	1,572	1,572	1,572	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	6	6	6	6	6	6	6	6	6	6
Haul trucks	6	6	6	6	6	6	6	6	6	9

Source: Various County Departments.