

COUNTY OF SULLIVAN, NEW YORK



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
DECEMBER 31, 2013

COUNTY OF SULLIVAN, NEW YORK

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STATISTICAL SECTION
(Unaudited)

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 reveals about the County's overall financial health.

This section includes the following schedules:

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INTRODUCTORY SECTION

COUNTY OF SULLIVAN, NEW YORK

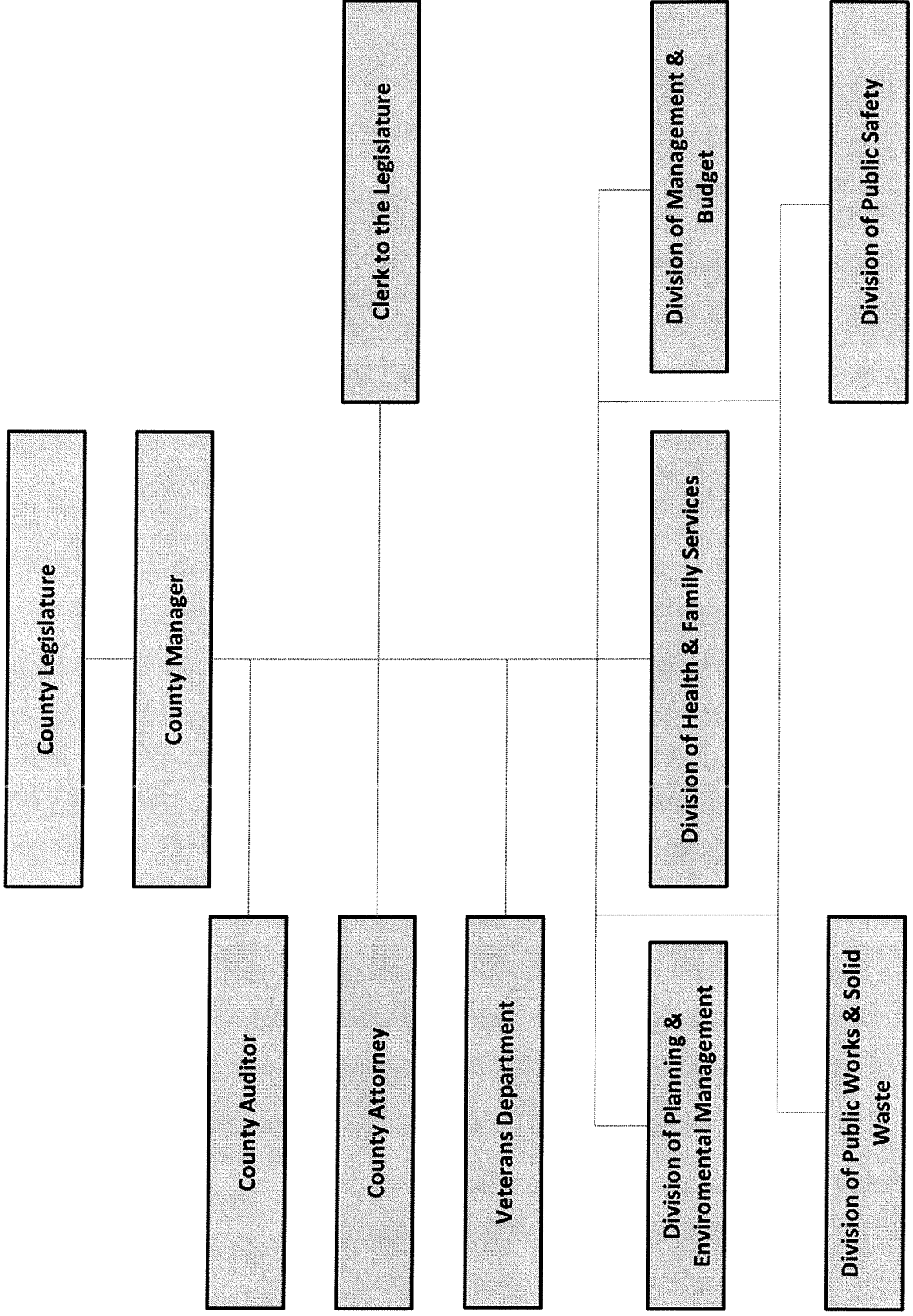
PRINCIPAL OFFICIALS

As of January 1, 2013

County Legislators

Scott B. Samuelson	District #1, Chairman
Kathleen LaBuda	District #2, Majority Leader
Kathleen M. Vetter	District #3
Jonathan F. Rouis	District #4
Cindy Kurpil Gieger	District #5
Cora Edwards	District #6
Eugene L. Benson	District #7, Vice Chairman
Ira M. Steingart	District #8
Alan J. Sorenson	District #9, Minority Leader
David P. Fanslau	County Manager
Daniel L. Briggs	County Clerk
Ira J. Cohen	County Treasurer
James R. Farrell	District Attorney
Michael A. Schiff	Sheriff

Sullivan County Organizational Chart





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Sullivan County Treasurer
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June 30, 2014

To The Legislature of the
County of Sullivan, New York

The Comprehensive Annual Financial Report ("CAFR") for the County of Sullivan, New York for the fiscal year ended December 31, 2013 is submitted herewith. New York State requires the County to submit an annual report of our financial records and transactions presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to that requirement.

This report consists of management's representations concerning the finances of the County of Sullivan. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the County has established a comprehensive internal control framework that is designed to both protect the County's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's basic financial statements have been audited by Toski & Co., CPAs, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the fiscal year ended December 31, 2013, 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 of Sullivan's basic financial statements for the fiscal year ended December 31, 2013, 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, 2013 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). The letter of transmittal was designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditor.

The independent audit of the basic financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to not only report on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the County's separately issued Single Audit Report.

GOVERNMENTAL STRUCTURE

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

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

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

GENERAL INFORMATION

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

The year-round population of the County has remained relatively stable for the last six years. According to the US Census Bureau, between 2010 and 2013 Sullivan County experienced a 1.1% decrease in population while New York State exhibited a 1.4% growth. Although Sullivan County is fairly large in terms of area, approximately 968 square miles, the average population density is 79 persons per square mile. Indeed this number is higher in the County's larger towns and villages, which has implications for added infrastructure, water quality, and attention to long-term capital planning.

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

With the potential of gaming facilities, the County's population growth rate over the next ten years could range between a minimum of 12% to a maximum of 28%. This increase depends on whether or not the State of New York approves a Casino in our region. In 2013 New York State passed a constitutional amendment to legalize state-regulated gaming.

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

ECONOMIC CONDITION AND OUTLOOK

Historically, the economy of Sullivan County relied heavily on resort hotel based tourism. With the decline in this industry, tourism has reinvented itself in the form of eco-tourism activities, sightseeing, second homes, and arts and cultural industries spearheaded by the opening of the Bethel Woods Performing Arts Center (BPAC) located at the historic site of the 1969 Woodstock Music Festival on Hurd Road in the Town of Bethel. On May 23, 2014, the BPAC commenced its ninth season of concerts kicking off the season with Mysteryland USA. Performances by James Taylor, Lady Antebellum, Willie Nelson, Santana, Miranda Lambert, Toby Keith, Jimmy Buffett, Kings of Leon, and Lionel Richie are slated for the summer concert season.

The summer of 2014 marks another significant milestone for BPAC in that the organization will feature the seventh year of a 40,000 square foot Museum and Interpretive Center. The facility offers a permanent exhibition depicting the political, social, and cultural transformation of the 1960s that led to the famous 1969 rock festival that took place on that very site, and impacted the world. In its 2008 opening season, thousands of visitors enjoyed the Museum's many attractions and found that more than one visit was necessary in order to fully enjoy the experience. This year the Museum is featuring *America Meets the Beatles* and *Remembering Woodstock: A Timeline of Reunions*.

With the recent passage of Class II gaming in New York State, Entertainment Properties Trust (EPT) and Monticello Raceway Management, Inc., the owners of Empire Resorts and the Monticello Casino and Raceway, have revised their plans to redevelop the former Concord Golf Course and surrounding property. EPT has announced a \$750 million Casino resort, inclusive of a spa, shops, an 18-hole golf course and an indoor water park, that has been rebranded as Adelaar. The Town Of Thompson board approved the developer's plans in January 2013 and the company unveiled their revised plans March 13, 2014 and is currently undergoing review to modify their approvals. MRMI recently submitted their \$1 Million application fee to the New York State Gaming Commission and we await the decision from the board. In addition to MRMI's application, three other applications were submitted to develop casino resorts in Sullivan County. Muss Development, along with Foxwoods Resort & Casino, submitted a proposal to redevelop the old Grossinger's golf course site in Liberty; Trading Cove, a casino proposal in Bridgeville that was originally planned as a Native American tribal casino is being modified to a Class II gaming operation. The Cappelli Group, along with Mohegan Sun, has also submitted an application for a Class III gaming operation at the former Concord Hotel site. This project also has many of its approvals and will be competing for one of the possibly two casino licenses for the Mid-Hudson/Catskill region.

It is anticipated that the expected revenue from two of these projects would certainly translate to better overall fiscal conditions, cash flow, debt reduction, and an improved bond rating from rating agencies. These monies would most likely be used for economic and community development, infrastructure improvements, jail

and landfill construction as well as monies for school districts and other local governments.

The Monticello Motor Club is now enjoying its seventh successful season featuring fast, expensive sports cars and a state of the art 4.1 mile race track. The Karting Track will be opening at the start of the 2014 season giving families an alternative to racing cars. Future plans include developing an additional 400 acres, off road courses, a winter driving series, year-round trails, on-site overnight accommodations and private residences. Recent approvals and construction of housing opportunities will increase the use and foster further development of this County asset.

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

The draft plan notes three main areas of economic activity in the County - agriculture, tourism and healthcare. Within this last category, the Center for Discovery and Catskill Regional Medical Center (CRMC) have been two of the County's larger employers. The former is a world-class facility and practice focused on the delivery of educational and support services for developmentally disabled adults and children. The Center for Discovery received \$2.5 million through the 2012 round of the Mid-Hudson Regional Council CFA funding, in order to expand its capabilities through the creation of an assessment center and integrated specialty hospital for children with autism, severe developmental disabilities, and medical complexities in Harris, Sullivan County. The project is on schedule, construction was slated to begin in October of 2013 and a targeted opening date of September 2014. The latter is a regional hospital and medical facility emphasizing a Planetree model of patient care. The Grover Hermann Division of CRMC was recently awarded a three year accreditation in mammography services by the American College of Radiology.

In 2010, to promote small business growth, the Sullivan County Industrial Development Agency offered a Rural Business Enterprise Grant to the Catskill Distilling Company. The Distillery, located in Bethel, offers tours, a tasting room, and event and conference space. In addition, the company has opened the Dancing Cat Saloon which offers a variety of entertainment featuring live local music and a large grill menu. In 2013 the Stray Cat Gallery was opened featuring the works of local artists and the distillery was voted number two of The 10 Best Distilleries in the NYC area by the Village Voice.

In June 2004, Crystal Run Health Care, a major medical service facility focusing on quality primary care, arrived at the Emerald Corporate Center. The Emerald Corporate Center is one of several shovel-ready parks within the County in various stages of development. The Airport Industrial Park, Glen Wild Industrial Park, Liberty Business Park and the Sullivan County Community College Start Up New York have been designed to accommodate differing business needs.

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

The County is now playing a pro-active role in promoting new agricultural ventures and retention of farmland. The County is in the process of developing a dairy processing facility that utilizing local dairy to offer value-added opportunities for our struggling dairy farmers. The red meat processing facility planned in Liberty has recently moved ahead with the site clearing and an architectural firm was hired to design the facility. It is anticipated that the building construction may start as early as Fall 2014 and an operator on board shortly thereafter. The Sullivan County IDA is in the process of securing a site for the Mid-Hudson - Capital Region Local Food Distribution HUB which will provide a network for local farmers to wholesale their products to the greater metropolitan area.

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. Most recently the Partnership is in the process of relocating a custom aluminum door and window façade manufacturing firm to Ferndale, NY.

The Sullivan County Legislature has taken a proactive role in the controversial issue of Natural Gas Drilling in the Marcellus Shale by creating The Sullivan County Gas Drilling Task Force. The Task Force was created to address countywide issues and the impact of natural gas development in the Marcellus Shale. The process of extracting the natural gas from the Marcellus Shale is called "slick-water fracking" which involves injecting chemicals, fluid and sand into a rock formation to open fractures to release the gas. The Legislature acknowledges the potential positive economic impact of gas drilling, but they are increasingly concerned with the environmental and cumulative impact it will have on Sullivan County. Although the Legislature has not taken a definitive stance on the issue, many of the towns in the County have decided to ban the fracking process in their areas.

MAJOR INITIATIVES AND THE FUTURE

The prediction for the County's future is steady, planned growth. Through the establishment of a County-wide strategic plan, known as Sullivan 2020, 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 Community College (SUNY Sullivan) has requested funds to build a Healthy World Studies and Tech Transfer Institute (Healthy World Institute). The facility will establish the college as a regional economic engine, an engine that improves the health of people, the health of the food shed, the health of the land and the health of the regional economy.
- SUNY Sullivan is also seeking eligible START-UP NY businesses to transition their 18 acre SUNY Sullivan Commerce Park. Space will be provided for food and beverage manufacturers to pilot products and to develop new technologies that build capacity, knowledge sharing and innovation. Technology transfer will provide a focus on how to bring new products to NYC, the region, and the world marketplace.
- The Sullivan County Adult Care Center (ACC) was awarded the HEAL Grant in late 2012. Renovations on the facility began in early 2013 creating a secure Alzheimer unit and a new short term rehabilitation unit. The upgrades to the ACC will increase the overall occupancy and give residence of the County an alternative to out of town rehabilitation. In May of 2014, the ACC held a ribbon-cutting ceremony opening the newly renovated areas of the center.
- Several town planning boards have numerous proposed projects actively being reviewed. Many of the small hamlets in the County are thriving with new businesses, eateries and lodging facilities. Most recently the hamlet of Rock Hill has seen major renovations on Bernie's Holiday Restaurant and The Sullivan (formerly The Lodge at Rock Hill). A new unique establishment is slated to open this summer that will be serving a variety of coffee during the day and a range of local and national craft beers in the evening.
- The County entered into an agreement with the Sullivan Alliance for Sustainable Development which will be responsible for future green technology for all County buildings and projects.
- The expansion of the Ideal Snacks Manufacturing Company - A producer of soy-based snacks, Ideal has undergone several expansions at their headquarters in Liberty. With large clients such as Frito Lay and Quaker Oats, Ideal has made Sullivan County home, adding employees as needed, expansion capital, and production capacity, making it the first in our growing food processing cluster. Ideal is a prime example of taking an existing vacant site and through adaptive reuse, creating an entire industry trend. When Ideal opened in 1998 their facility was 30,000 square feet it has since grown to 250,000 square feet and is one of our largest employers.
- The Southern Catskills Red Meat Processing Facility is in the first stages of construction in the Town of Liberty and begun the process of awarding contracts for the site. The facility will play a critical role in supporting local agricultural operations, making it much easier for local farmers to bring their livestock to market. The facility will serve farming industries throughout the

southern tier of New York State and northeastern Pennsylvania distributing its products to the New York City region, restaurants and farmers markets. A groundbreaking ceremony is expected sometime this year.

- Drilling for Natural Gas in the Marcellus Shale is currently on hold. The New York State Department of Environmental Conservation is developing regulations on natural gas drilling in the Marcellus Shale. Natural Gas Drilling could prove to be extremely lucrative for the County but along with that comes many environmental and geological concerns.
- The Center for Discovery has recently introduced a new 'game changing' autism assessment clinic. The \$20 million clinic is projected to bring 200 new jobs to the area. The clinic will include 32 short-term beds and be able to treat 200 children.
- The Sullivan County Division of Planning and Environmental Management recently completed a Microenterprise Assistance Program to assist new and expanding small businesses throughout the County, thanks to a \$185,000 Community Development Block Grant. The County is currently seeking financial assistance to continue this successful program.
- The Sullivan County Division of Planning, along with the Partnership for Economic Development and the IDA continue to administer several revolving loan funds to help new and expanding businesses throughout the County. A recent success was the collaboration of Planning with the Partnership to fund the relocation of Brandenburg Bakery to Main Street in Livingston Manor.
- In 2011 Roscoe, NY was named The Ultimate Fishing Town USA by The World Fishing Network (WFN) increasing the influx of outdoorsmen to the already popular fishing town. Along with this boost for the town, many new businesses have opened their doors. Roscoe and their neighbor, Livingston Manor are now home to three distilleries/breweries (Prohibition Distillery, Catskill Brewery, and Roscoe Beer Company), a new pharmacy (Roscoe Medicine Shoppe), a homemade pasta company (Northern Farmhouse Pasta), a health food store (Pepacton Natural Foods), and an ammunition store (Big Dog Arms).
- Early in 2013, Monticello, NY was named the "Bagel Capital" by resolution of the State Assembly and Senate. The village is home to Louis Wichinsky, the inventor of the first patented bagel making machine. The annual "Bagel Festival" is set for August 17, 2014 and crowds are expected to be near 15,000.

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

FINANCIAL POLICIES

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

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

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

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

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

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

AWARDS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012.

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

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

CONCLUSION

The County, in anticipation of future expenses, has a designated fund balance for landfill construction/closure cost. The total is in excess of \$7.4 million. The undesignated, unreserved and unappropriated fund balance for 2013 is \$17.9 million.

In the County's 2013 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, Toski & Co., CPAs, P.C. 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,

Ira J. Cohen
County Treasurer



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, 2012

Executive Director/CEO



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Ira J. Cohen

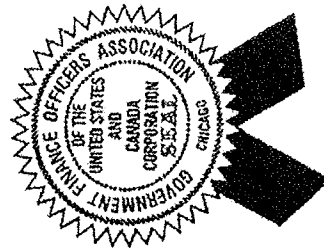
County Treasurer

County of Sullivan, New York

The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date February 27, 2014



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Members of the Sullivan County Legislature
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 as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Sullivan County Community College, Sullivan County Industrial Development Agency, Emerald Corporate Center Economic Development Corporation, and Sullivan County Funding Corporation which collectively represent 98.3 percent, 98.0 percent, and 95.1 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. We also did not audit the financial statements of Sullivan County Tobacco Asset Securitization Corporation which represent 30.3 percent, 43.6 percent, and 10.4 percent, respectively, of the assets, net position, and revenues of the Proprietary Funds. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Sullivan County Community College, Sullivan County Industrial Development Agency, Emerald Corporate Center Economic Development Corporation, Sullivan County Funding Corporation and Sullivan County Tobacco Asset Securitization Corporation is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 financial statement 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 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 of Sullivan, New York, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, County Road, and Refuse and Garbage Funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other postemployment benefits - schedule of funding progress on pages 4 to 16 and 72, respectively 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 and other auditors 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 of Sullivan, New York's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements and schedules and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2014, on our consideration of the County of Sullivan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Toski & Co., CPAs, P.C.

Williamsville, New York
June 30, 2014

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

Introduction

As management of the County of Sullivan, New York, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights for Fiscal Year 2013

Key financial highlights for fiscal year 2013 are as follows:

- The net position (assets plus deferred outflows of resources minus liabilities and deferred inflows of resources) of the primary government for fiscal year 2013 were \$25,353,123. Of this amount, \$49,089,176 represents governmental net position and (\$23,736,053) is business-type net position.
- The General Fund reported an ending fund balance of \$27,509,105, which represents an increase of \$3,086,243 from fiscal year 2012. The unassigned fund balance was \$7,017,360, which represents a decrease of \$5,819,750 from fiscal year 2012. County Road and Road Machinery Funds assigned fund balances increased by \$499,627 and \$243,952 respectively. The Capital Projects Fund reported an ending fund balance of \$(4,258,647) a decrease of \$1,971,129 from fiscal year 2012. The Adult Care Center, an enterprise fund, experienced a reduction in fund balance in excess of \$2.7 million due to an increase in OPEB liabilities, a decrease in patient occupancy and the addition of a bond anticipation note.
- The primary government's total outstanding bonds payable for December 31, 2013 were \$62,345,000, inclusive of \$12,945,000 of tobacco asset securitization bonds.

County of Sullivan, New York Management's Discussion and Analysis, Continued

Overview of the Financial Statements

The County's financial statements are comprised of the Management's Discussion and Analysis ("MD&A") and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A provides analysis and overview of the County's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains combining and individual fund financial statements and schedules, in addition to the basic financial statements, along with statistical tables.

Government-Wide Financial Statements

The government-wide financial statements are presented in a manner similar to private-sector business financial statements. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The government-wide financial statements include two statements: a Statement of Net Position and a Statement of Activities. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements.

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing the change in the County's net position during the current fiscal year. All revenues and expenses are reported in this statement, regardless of the timing of cash flows. The focus of this statement is on the net cost of providing various activities to the citizens of the County.

Both of the above statements have separate sections for the two different types of activities. These two types of activities are:

Governmental Activities - The activities reflected in this section are general government support, education, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest. These activities are mostly supported by taxes, charges for services, and operating grants and contributions.

County of Sullivan, New York Management's Discussion and Analysis, Continued

Business-type Activities - These activities consist of the Adult Care Center, a skilled nursing facility and the Sullivan County Tobacco Asset Securitization Corporation. These activities are intended to recover their costs of operation, including depreciation, primarily through user charges and/or tobacco settlement revenues from participating manufacturers of cigarettes.

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

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is an entity with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The County divides its funds into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Most of the basic services provided by the County are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the County's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Since the focus of governmental funds is for the current period, it is useful to compare this information to the data presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's current 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.

County of Sullivan, New York Management's Discussion and Analysis, Continued

The County has seven individual governmental funds: General, Refuse and Garbage, County Road, Road Machinery, Community Development, Debt Service and Capital Projects funds. Of these, the General, Refuse and Garbage, County Road and Capital Projects funds are reported as major funds, and are presented in separate columns on the balance sheet and statement of revenues, expenditures, and changes in fund balance. Data for the other three governmental funds are combined into a single, aggregated column on these statements. Individual fund data for these non-major funds can be found on the combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund, all Special Revenue Funds (except the Community Development Fund) and the Debt Service Fund. A budgetary comparison statement has been provided for the General and County Road funds (major funds) to demonstrate compliance with the budgets.

The governmental fund financial statements can be found in the basic financial statements section of this report.

Proprietary Funds - These funds are used to show activities that operate similar to private business enterprises. Since these funds charge fees for services provided, they are known as proprietary funds. Proprietary fund financial statements use the economic resources measurement focus and the accrual basis of accounting, like 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 information for the Adult Care Center and the Sullivan County Tobacco Asset Securitization Corporation (enterprise funds). In addition, the internal service fund (workers' compensation benefits and self-insured dental) are presented in the proprietary fund financial statements.

The proprietary fund financial statements can be found in the basic financial statement section of this report.

Fiduciary funds - These funds are used to account for resources held for the benefit of parties outside of the County. Fiduciary funds are not reflected in the government-wide financial statements, because the assets of these funds are not available to support the activities of the County.

The financial statements for the fiduciary funds can be found in the basic financial statement section of this report.

County of Sullivan, New York Management's Discussion and Analysis, Continued

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 in the basic financial statements section of this report.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the combining statements for the nonmajor governmental funds, schedules of budget to actual comparisons, and the statistical tables.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. In the case of the County, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$25,353,123 for fiscal year 2013.

County of Sullivan, New York Management's Discussion and Analysis, Continued

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 124,104,888	\$ 118,538,309	\$ 6,031,008	\$ 8,063,360	\$ 130,135,896	\$ 126,601,669
Capital Assets	145,756,741	146,416,429	2,495,679	1,480,424	148,252,420	147,896,853
Total Assets	<u>\$ 269,861,629</u>	<u>\$ 264,954,738</u>	<u>\$ 8,526,687</u>	<u>\$ 9,543,784</u>	<u>\$ 278,388,316</u>	<u>\$ 274,498,522</u>
Deferred Outflows of Resources	\$ 1,386,986	\$ -	\$ 39,368	\$ 51,800	\$ 1,426,354	\$ 51,800
Current Liabilities	\$ 69,802,088	\$ 69,445,034	\$ 9,086,579	\$ 8,811,167	\$ 78,888,667	\$ 78,256,201
Long-term Liabilities	151,144,011	142,362,464	23,215,529	22,155,718	174,359,540	164,518,182
Total Liabilities	<u>\$ 220,946,099</u>	<u>\$ 211,807,498</u>	<u>\$ 32,302,108</u>	<u>\$ 30,966,885</u>	<u>\$ 253,248,207</u>	<u>\$ 242,774,383</u>
Deferred Inflows of Resources	\$ 1,213,340	\$ 774,966	\$ -	\$ -	\$ 1,213,340	\$ 774,966
Net Position:						
Net investment in capital assets	\$ 85,562,582	\$ 81,670,910	\$ 1,298,706	\$ 1,413,451	\$ 86,861,288	\$ 83,084,361
Restricted	1,758,414	4,500,821	850,579	-	2,608,993	4,500,821
Unrestricted	<u>(33,231,820)</u>	<u>(33,799,457)</u>	<u>(25,885,338)</u>	<u>(22,784,752)</u>	<u>(64,117,158)</u>	<u>(56,584,209)</u>
Total Net Position	<u>\$ 49,089,176</u>	<u>\$ 52,372,274</u>	<u>\$ (23,736,053)</u>	<u>\$ (21,371,301)</u>	<u>\$ 25,353,123</u>	<u>\$ 31,000,973</u>

The largest component of the County's net position is net investment in capital assets, (e.g., land, buildings and improvements, machinery and equipment, infrastructure and construction-in-progress), which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**County of Sullivan, New York
Management's Discussion and Analysis, Continued**

The next largest component of the County's net position is restricted net position of \$2,608,993. This represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

Capital Projects	\$ 850,579
Law Enforcement	248,604
Stop DWI Program	515,575
Community Development	927,344
Debt Service	66,891

The remaining portion of net position, unrestricted net position, is a negative \$64,969,404, with a deficit of \$39,084,066 reported in governmental activities and a deficit \$25,885,338 reported in business-type activities. This deficit does not mean that the County does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including retirement incentives, claims payable, compensated absences, and landfill closure costs that are greater than currently available resources. Additionally, beginning in 2007, the County adopted Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions ("OPEB")*. This statement requires municipalities to begin recognizing an actuarial determined liability for benefits provided to retirees. The liability will be amortized into the County's entity-wide operations over a period of 30 years. The liability reflected in 2013 for the primary government was \$67,926,352. Additional information on all of these long-term liabilities can be found in Note 3(k).

County of Sullivan, New York Management's Discussion and Analysis, Continued

The following table reflects the Statement of Activities:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program Revenue:						
Charges for Services	\$ 33,641,072	\$ 34,679,134	\$ 9,241,119	\$ 11,766,216	\$ 42,882,191	\$ 46,445,350
Operating Grants and Contributions	37,409,612	38,601,375	3,631,094	4,119,586	41,040,706	42,720,961
Capital Grants and Contributions	2,210,020	1,712,392	-	-	2,210,020	1,712,392
General Revenue:						
Real Property Taxes	53,982,110	49,824,079	-	-	53,982,110	49,824,079
Other Tax Items	9,313,959	8,463,919	-	-	9,313,959	8,463,919
Non-Property Taxes	36,206,602	36,226,594	-	-	36,206,602	36,226,594
Unrestricted Use of Money and Property	663,814	601,741	91,838	95,094	755,652	696,835
Miscellaneous	48,241	-	1,064,864	33,933	1,113,105	33,933
Total Revenue	\$ 173,475,430	\$ 170,109,234	\$ 14,028,915	\$ 16,014,829	\$ 187,504,345	\$ 186,124,063
Program Expenses:						
General Government Support	22,299,150	23,222,974	-	-	22,299,150	23,222,974
Education	6,499,480	5,775,448	-	-	6,499,480	5,775,448
Public Safety	26,924,495	26,070,999	-	-	26,924,495	26,070,999
Health	24,293,812	25,388,743	-	-	24,293,812	25,388,743
Transportation	20,593,635	19,581,033	-	-	20,593,635	19,581,033
Economic Opportunity and Development	56,813,202	58,836,611	-	-	56,813,202	58,836,611
Culture and Recreation	3,463,248	3,545,385	-	-	3,463,248	3,545,385
Home and Community Services	13,221,737	10,530,023	-	-	13,221,737	10,530,023
Interest	2,096,007	2,472,088	-	-	2,096,007	2,472,088
Adult Care Center	-	-	16,165,086	17,447,113	16,165,086	17,447,113
Sullivan Tobacco Asset Securitization Corporation	-	-	782,343	818,639	782,343	818,639
Total Expenses	176,204,766	175,423,304	16,947,429	18,265,752	193,152,195	193,689,056
Excess (deficiency) in net position before transfers	(2,729,336)	(5,314,070)	(2,918,514)	(2,250,923)	(5,647,850)	(7,564,993)
Transfers	(553,762)	(300,621)	553,762	300,621	-	-
Change in Net Position	(3,283,098)	(5,614,691)	(2,364,752)	(1,950,302)	(5,647,850)	(7,564,993)
Net Position - at beginning of year	52,372,274	57,986,965	(21,130,237)	(19,179,935)	31,242,037	38,807,030
Prior Period Adjustments	-	-	(241,064)	-	(241,064)	-
Net Position - at beginning of year, as Restated	52,372,274	57,986,965	(21,371,301)	(19,179,935)	31,000,973	38,807,030
Net Position - end of year	\$ 49,089,176	\$ 52,372,274	\$ (23,736,053)	\$ (21,130,237)	\$ 25,353,123	\$ 31,242,037

Governmental activities - Governmental activities decreased the County's net position by \$3,283,098. The total County governmental activities revenues were \$172,921,668 for the year ended December 31, 2013, an increase of \$3,113,055 over the prior year. Real property taxes comprised 31.22% while non-property taxes (i.e. sales taxes) comprised 20.94% and operating grants and contributions (primarily state and federal aid) provided an additional 21.63% of the overall revenue stream. Governmental activities expenses of the County for the year ended December 31, 2013 totaled \$176,204,766, an increase of

County of Sullivan, New York Management's Discussion and Analysis, Continued

\$781,462 over the prior year. Economic opportunity and development expenses (for social services type programs) accounted for the largest portion (\$56,816,202 or 32.24%), followed by public safety (\$26,924,495 or 15.28%) and health spending (\$24,293,812 or 13.79%).

The major changes are as follows:

Revenues:

- Real property and other tax items increased by \$4,158,031 due to an increase in the County tax rate and interest and penalties.

Expenses:

- From 2012 to 2013 our expenses stayed relatively consistent.

Business-type activities Business-type activities decreased the County's net position by \$23,736,053. The Adult Care Center (ACC) experienced a decrease in operating revenue for the fiscal year 2013. Operating expenses decreased by approximately 20.78%. This decrease can be attributed to facility renovations resulting in one quarter of the center being closed for the entire year. The Sullivan County Tobacco Asset Securitization Corporation's net position increased in 2013 by \$137,179.

Financial Analysis of the Government's 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 spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$27,670,040, an increase of \$1,774,724 in comparison with the prior year. Of the total combined fund balance, \$2,758,713 constitutes unassigned fund balance, \$4,919,074 is assigned fund balance, \$13,503,770 is committed fund balance, \$1,623,092 is restricted, and \$4,865,391 is nonspendable.

County of Sullivan, New York Management's Discussion and Analysis, Continued

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,017,360, representing 25.5% of the total General Fund balance of \$27,509,105. Unassigned fund balance in 2013 was reduced as a result of classifying the \$4,865,351 owed to the General Fund by the ACC as nonspendable. Two useful measures of liquidity are the percentage of unassigned fund balance to total expenditures, and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed a 5.2% unassigned fund balance to total expenditures, while total fund balance represents 20.24% of that same amount.

Revenues and other financing sources were \$156,266,742, which was \$370,516 more than the original budget and \$79,358 less than the final budget. Expenditures and other financing uses were \$153,180,499 which was \$4,230,140 less than the original budget and \$5,522,316 less than the final budget. Major changes in specific revenues and expenditures in comparison to the prior year were as follows:

- Real property tax revenues increased from \$51,466,856 to \$53,786,165 (\$2,319,309), partially reflecting the tax increase and adjustments to deferred inflows and uncollectable allowances.

The Capital Projects Fund is used to account for capital project activity throughout the County. The Capital Projects Fund total fund balance at year end is a deficit of \$4,258,647. This is an increase of \$1,971,129 and is attributable to an increase in Bond Anticipation Notes Payable.

Other Governmental Funds consist of the Special Revenue Funds and the Debt Service Fund. The Special Revenue Funds are made up of the following individual funds: County Road, Road Machinery, Community Development, and Refuse and Garbage funds. For fiscal year ending December 31, 2013, the combined fund balances of these Special Revenue funds totaled \$4,419,582 this represents an increase of \$659,610 for the fiscal year 2013.

The Debt Service Fund is maintained with no fund balance. Interest earned on bonded indebtedness is transferred out of the Debt Service Fund to one of the other operating funds as revenue to offset debt service expenditures.

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

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

During 2013, the unrestricted net assets of the Internal Service Fund increased by \$605,284. This resulted in a deficit in net position of (\$532,309) at December 31, 2013.

**County of Sullivan, New York
Management's Discussion and Analysis, Continued**

General Fund Budgetary Highlights

During the year adjustments to both revenue and expense budgets were less than \$850,000 in the aggregate.

Overall, actual General Fund expenditures, exclusive of transfers, were \$136 million, which was \$5.3 million less than the final budget. The major areas where spending was less than budgeted were general government support (\$1.6 million), health (\$1.5 million), and economic opportunity and development (\$1.1 million).

Actual General Fund revenue, exclusive of transfers, was \$156 million, which was \$125,908 less than the final budget.

Capital Asset and Debt Administration

Capital Assets The County's investment in capital assets for its governmental and business-type activities as of December 31, 2013 amounts to \$148,252,420 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction-in-progress.

	Sullivan County Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 8,659,087	\$ 8,659,087	\$ -	\$ -	\$ 8,659,087	\$ 8,659,087
Buildings and improvements	32,563,731	32,612,127	1,294,495	1,333,478	33,858,226	33,945,605
Machinery and equipment	7,471,727	7,727,937	97,028	115,513	7,568,755	7,843,450
Infrastructure	93,815,883	93,706,627	-	-	93,815,883	93,706,627
Construction-in-progress	3,246,313	3,710,651	1,104,156	31,433	4,350,469	3,742,084
Total (Net of Depreciation)	<u>\$ 145,756,741</u>	<u>\$ 146,416,429</u>	<u>\$ 2,495,679</u>	<u>\$ 1,480,424</u>	<u>\$ 148,252,420</u>	<u>\$ 147,896,853</u>

County of Sullivan, New York Management's Discussion and Analysis, Continued

The following highlights the amounts expended during the current fiscal year on major capital assets:

- Airport Construction - \$1,600,000
- DPW Equipment - \$426,000
- Road Construction - \$3,600,000
- Radio Communications - \$317,000
- Adult Care Center Renovations - \$1,095,000

Additional information on the County's capital assets can be found in Note 3(e) in the notes to financial statements.

Long-term Debt At the end of the current fiscal year, the County had total debt outstanding of \$62,345,000. The change in the County's total debt was decreased by \$1,100,000 due to the refinancing of several bonds. All of this debt is backed by the full faith and credit of the County, exclusive of the Tobacco Asset bonds.

Sullivan County Outstanding Debt General Obligations Bonds

	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General Obligation Bonds	\$ 49,333,027	\$ 57,460,397	\$ 66,973	\$ 84,603	\$ 49,400,000	\$ 57,545,000
Tobacco Asset Bonds	-	-	<u>12,945,000</u>	<u>13,340,000</u>	<u>12,945,000</u>	<u>13,340,000</u>
Total	<u>\$ 49,333,027</u>	<u>\$ 57,460,397</u>	<u>\$ 13,011,973</u>	<u>\$ 13,424,603</u>	<u>\$ 62,345,000</u>	<u>\$ 70,885,000</u>

Through sound financial management and manageable debt levels, the County has been successful in maintaining its high-grade rating for its general obligation bonds. The County has enjoyed a very favorable Moody's Investors Service bond rating of AA3 since 2001 with our most current rating in April 2013. In 2013, S&P upgraded the County's bond rating AA, a rate we have maintained in 2014.

County of Sullivan, New York Management's Discussion and Analysis, Continued

The 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 within 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, 2013, the County of Sullivan had used \$57,496,420 or 9.71% of the constitutional debt limit leaving \$534,922,837 remaining to be used.

Additional information on the County's long-term debt can be found in Note 3(k) in the notes to financial statements.

Economic Factors and Next Year's Budget

According to the New York State Department of Labor, the unemployment rate for Sullivan County was 8.4% in March 2014, down from 9.6% in March 2013. The County's March 2014 unemployment rate exceeded the State-wide rate of 7.3%.

Labor Department data also indicates that the number of people employed in the County decreased by 0.40%, from 29,900 to 29,500 between March 2013 and March 2014.

The County's 2013 per capita personal income of \$40,258 is 74.5% of the State's \$54,064. The taxable assessed value of real property in the County decreased from \$5,436,125,192 in 2012 to \$5,084,380,624 in 2013, with the median sales price of residential properties declining from \$125,000 in 2012 to \$106,500 in 2013.

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

All of these factors were taken into consideration in developing the fiscal 2014 budget.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ira J. Cohen, 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

COUNTY OF SULLIVAN, NEW YORK
Statement of Net Position
December 31, 2013

<u>Assets</u>	Primary Government			Component units
	Governmental activities	Business-type activities	Total	
Cash and equivalents	\$ 31,003,127	1,331,823	32,334,950	5,970,888
Restricted cash and equivalents	-	2,210,077	2,210,077	-
Investments	-	-	-	44,661
Receivables:				
Taxes, net	33,984,941	-	33,984,941	-
Accounts, net	17,106,270	2,129,846	19,236,116	835,397
Loans and notes, net	156,958	-	156,958	1,153,287
State and Federal aid	24,831,530	272,457	25,103,987	-
Due from other governments	191,546	-	191,546	279,316
Due from other funds	16,830,516	-	16,830,516	-
Prepaid expenses	-	22,373	22,373	692,519
Other	-	64,432	64,432	2,547,039
Capital assets:				
Not being depreciated	11,905,400	1,148,956	13,054,356	1,823,366
Being depreciated, net	133,851,341	1,346,723	135,198,064	21,467,975
Total assets	269,861,629	8,526,687	278,388,316	34,814,448
<u>Deferred outflows of resources</u>	1,386,986	39,368	1,426,354	-
<u>Liabilities</u>				
Accounts payable	10,052,233	278,153	10,330,386	1,489,752
Accrued liabilities	3,989,418	2,633,542	6,622,960	1,582,763
Accrued interest payable	809,909	62,652	872,561	-
Retained percentages payable	398,068	-	398,068	18,544
Due to other governments	314,258	-	314,258	1,314,825
Due to school districts	18,477,332	-	18,477,332	-
Due to other funds	8,292,959	4,865,391	13,158,350	-
Due to New York State retirement system	5,378,238	-	5,378,238	-
Tax anticipation notes payable	9,500,000	-	9,500,000	-
Bond anticipation notes payable	8,100,000	1,130,000	9,230,000	-
Deposits and escrow payable	4,489,673	116,841	4,606,514	569,760
Unearned revenue	-	-	-	950,728
Non-current liabilities:				
Due within one year	11,044,893	1,565,187	12,610,080	3,424,287
Due in more than one year:	140,099,118	21,650,342	161,749,460	19,035,479
Total liabilities	220,946,099	32,302,108	253,248,207	28,386,138
<u>Deferred inflows of resources</u>	1,213,340	-	1,213,340	357,940
<u>Net position</u>				
Net investment in capital assets	85,562,582	1,298,706	86,861,288	11,045,240
Restricted for:				
Capital projects	-	850,579	850,579	-
Community development	927,344	-	927,344	-
Law enforcement	248,604	-	248,604	-
Stop DWI program	515,575	-	515,575	-
Debt service	66,891	-	66,891	-
Component units	-	-	-	1,460,438
Unrestricted	(38,231,820)	(25,885,338)	(64,117,158)	(6,435,308)
Total net position	\$ 49,089,176	(23,736,053)	25,353,123	6,070,370

See accompanying notes to financial statements

COUNTY OF SULLIVAN, NEW YORK
Statement of Activities
Year ended December 31, 2013

Functions/Programs	Program Revenues						Total	Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
Primary Government:								
Governmental activities:								
General government support	\$ 22,299,150	8,440,597	964,942	-	(12,893,611)	-	(12,893,611)	-
Education	6,499,480	-	-	625,324	(5,874,156)	-	(5,874,156)	-
Public safety	26,924,495	1,298,078	467,773	363,912	(24,794,732)	-	(24,794,732)	-
Health	24,293,812	7,525,923	7,656,866	-	(9,111,023)	-	(9,111,023)	-
Transportation	20,593,635	1,272,124	3,824,897	1,220,784	(14,275,830)	-	(14,275,830)	-
Economic opportunity and development	56,813,202	3,175,957	22,149,063	-	(31,488,182)	-	(31,488,182)	-
Culture and recreation	3,463,248	213,173	1,195,083	-	(2,054,992)	-	(2,054,992)	-
Home and community services	13,221,737	11,715,220	993,106	-	(513,411)	-	(513,411)	-
Interest	2,096,007	-	157,882	-	(1,938,125)	-	(1,938,125)	-
Total governmental activities	176,204,766	33,641,072	37,409,612	2,210,020	(102,944,062)	-	(102,944,062)	-
Business-type activities:								
Adult Care Center	16,165,086	9,241,119	2,555,973	-	(4,367,994)	-	(4,367,994)	-
Sullivan County Tobacco Asset Securitization Corporation	782,343	-	1,075,121	-	292,778	-	292,778	-
Total business-type activities	16,947,429	9,241,119	3,631,094	-	(4,075,216)	-	(4,075,216)	-
Total primary government	\$ 193,152,195	42,882,191	41,040,706	2,210,020	(102,944,062)	-	(107,019,278)	-
Component Units:								
Sullivan County Community College	28,446,008	6,086,684	19,435,106	-	-	-	(2,924,218)	-
Sullivan County Soil and Water Conservation District	1,355,096	18,583	1,264,156	-	-	-	(72,357)	-
Sullivan County Industrial Development Agency	434,098	322,594	1,500	335,441	-	-	225,437	-
Sullivan County Funding Corporation	74,745	111,500	-	-	-	-	36,755	-
Emerald Corporate Center Economic Development Corporation	69,023	67,667	-	-	-	-	(1,356)	-
Total component units	\$ 30,378,970	6,607,028	20,700,762	335,441	-	-	(2,735,739)	-
General revenues:								
Real property taxes					53,982,110	-	53,982,110	-
Other tax items:								
Gain on sale of tax acquired property					2,751,742	-	2,751,742	-
Interest and penalties on real property taxes					5,566,052	-	5,566,052	-
Payments in lieu of taxes					996,165	-	996,165	-
Non-property taxes					36,206,602	-	36,206,602	-
Sale of property and compensation of loss					589,724	-	589,724	-
Unrestricted use of money and property					74,090	91,838	165,928	214,043
Miscellaneous local sources					48,241	-	48,241	-
Grants and contributions not restricted to specific programs					-	-	-	102,766
Miscellaneous income					-	1,064,864	1,064,864	589,464
Transfers					(553,762)	553,762	-	-
Total general revenue and transfers					99,660,964	1,710,464	101,371,428	906,273
Change in net position					(3,283,098)	(2,364,752)	(5,647,850)	(1,829,466)
Net position at beginning of year, as reported					52,372,274	(21,130,237)	31,242,037	7,899,836
Prior period adjustment (note 2(f))					-	(241,064)	(241,064)	-
Net position at beginning of year, as restated					52,372,274	(21,371,301)	31,000,973	7,899,836
Net position at end of year					\$ 49,089,176	(23,736,053)	25,353,123	6,070,370

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK
Balance Sheet - Governmental Funds
December 31, 2013

	<u>General</u>	<u>County Road</u>	<u>Refuse and Garbage</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>						
Cash and equivalents	\$ 26,597,100	36,496	708,700	2,459,922	900,680	30,702,898
Taxes receivable, net of allowance for uncollectible amounts	33,984,941	-	-	-	-	33,984,941
Other receivables:						
Accounts, net	8,270,666	90,407	1,560,805	675,000	49	10,596,927
Loans, net	-	-	-	-	156,958	156,958
State and Federal aid	21,264,280	2,275,050	4,643	1,168,778	118,779	24,831,530
Due from other governments	191,546	-	-	-	-	191,546
Due from other funds	7,926,380	579,012	123,505	6,424	822,810	9,458,131
Total other receivables	37,652,872	2,944,469	1,688,953	1,850,202	1,098,596	45,235,092
Total assets	\$ 98,234,913	2,980,965	2,397,653	4,310,124	1,999,276	109,922,931
<u>Liabilities, deferred inflows of resources and fund balances</u>						
<u>Liabilities:</u>						
Accounts payable	7,902,881	660,894	1,007,737	154,491	326,064	10,052,067
Accrued liabilities	3,281,169	457,679	106,182	-	144,388	3,989,418
Retained percentages payable	1,352	98,411	-	298,305	-	398,068
Due to other governments	314,258	-	-	-	-	314,258
Due to school districts	18,477,332	-	-	-	-	18,477,332
Due to other funds	8,276,984	-	-	15,975	-	8,292,959
Due to New York State retirement system	5,378,238	-	-	-	-	5,378,238
Deposits	4,385,955	-	-	-	-	4,385,955
Tax anticipation notes payable	9,500,000	-	-	-	-	9,500,000
Bond anticipation notes payable	-	-	-	8,100,000	-	8,100,000
Total liabilities	57,518,169	1,216,984	1,113,919	8,568,771	470,452	68,888,295
Deferred inflows of resources	13,207,639	-	-	-	156,957	13,364,596
Fund balances (deficits):						
Nonspendable	4,865,391	-	-	-	-	4,865,391
Restricted	773,434	-	54,846	-	794,812	1,623,092
Committed	13,503,770	-	-	-	-	13,503,770
Assigned	1,349,150	1,763,981	1,228,888	-	577,055	4,919,074
Unassigned	7,017,360	-	-	(4,258,647)	-	2,758,713
Total fund balances (deficits)	27,509,105	1,763,981	1,283,734	(4,258,647)	1,371,867	27,670,040
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 98,234,913	2,980,965	2,397,653	4,310,124	1,999,276	109,922,931

See accompanying notes to financial statements

COUNTY OF SULLIVAN, NEW YORK
 Reconciliation of Governmental Funds Balance Sheet to the
 Government-Wide Statement of Net Position - Governmental Activities
 December 31, 2013

Fund balances - total governmental funds	\$ 27,670,040
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	145,756,741
Internal service funds are used by management to charge insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(532,309)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Real property taxes	11,994,299
Departmental income	156,957
Bond refunding	<u>1,386,986</u>
	<u>13,538,242</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(809,909)
Bonds payable plus unamortized premium	(52,094,158)
Claims payable	(302,036)
Retirement incentives and other pension obligations	(6,332,247)
Compensated absences	(3,514,361)
Other post employment benefit obligations payable	(59,474,999)
Landfill closure costs	<u>(14,815,828)</u>
	<u>(137,343,538)</u>
Net position of governmental activities	\$ <u>49,089,176</u>

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended December 31, 2013

	General	County Road	Refuse and Garbage	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenue:						
Real property taxes	\$ 53,786,165	-	-	-	-	53,786,165
Other tax items	9,313,959	-	-	-	-	9,313,959
Non-property taxes	36,206,602	-	-	-	-	36,206,602
Departmental income	20,015,462	-	11,529,394	-	64,092	31,608,948
Intergovernmental charges	521,439	429,576	-	-	997,840	1,948,855
Use of money and property	174,443	348	1,050	154	4,748	180,743
Licenses and permits	20,000	5,467	-	-	-	25,467
Fines and forfeitures	322,034	-	-	-	-	322,034
Sale of property and compensation for loss	62,818	1,005	353,661	-	192,763	610,247
Miscellaneous local sources	3,411,682	161	-	80,000	14,119	3,505,962
Interfund revenues	-	-	-	-	2,810	2,810
State aid	16,102,525	2,433,837	129,954	1,443,150	251,082	20,360,548
Federal aid	16,283,063	926,455	-	724,933	486,490	18,420,941
Total revenue	156,220,192	3,796,849	12,014,059	2,248,237	2,013,944	176,293,281
Expenditures:						
General government support	22,866,068	-	-	-	135,986	23,002,054
Education	5,547,733	-	-	-	-	5,547,733
Public safety	23,168,719	619,385	-	-	-	23,788,104
Health	23,063,706	-	-	-	-	23,063,706
Transportation	1,187,575	11,014,177	-	-	3,931,133	16,132,885
Economic opportunity and development	55,052,400	-	-	-	-	55,052,400
Culture and recreation	3,129,855	-	-	-	-	3,129,855
Home and community services	1,063,084	-	7,173,601	-	592,100	8,828,785
Debt service	843,125	423,750	1,141,250	-	9,103,168	11,511,293
Capital outlay	-	-	-	6,297,006	-	6,297,006
Total expenditures	135,922,265	12,057,312	8,314,851	6,297,006	13,762,387	176,353,821
Excess (deficiency) of revenue over expenditures	20,297,927	(8,260,463)	3,699,208	(4,048,769)	(11,748,443)	(60,540)
Other financing sources (uses):						
Proceeds from the issuance of long-term debt	-	-	-	-	17,880,000	17,880,000
Premiums	36,237	21,099	13,178	-	2,568,574	2,639,088
Payment to escrow agent	-	-	-	-	(20,330,062)	(20,330,062)
Transfers in	10,313	10,678,709	1,114,382	-	12,755,424	24,558,828
Transfers out	(17,258,234)	(1,939,718)	(4,962,118)	(122,360)	(830,160)	(25,112,590)
BANs redeemed from appropriations	-	-	-	2,200,000	-	2,200,000
Total other financing sources (uses)	(17,211,684)	8,760,090	(3,834,558)	2,077,640	12,043,776	1,835,264
Net change in fund balances	3,086,243	499,627	(135,350)	(1,971,129)	295,333	1,774,724
Fund balances (deficits) at beginning of year	24,422,862	1,264,354	1,419,084	(2,287,518)	1,076,534	25,895,316
Fund balances (deficits) at end of year	\$ 27,509,105	1,763,981	1,283,734	(4,258,647)	1,371,867	27,670,040

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK
 Reconciliation of the Statement of Revenue, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 Year ended December 31, 2013

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

Net change in fund balances - total governmental funds	\$ 1,774,724
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay expenditures	8,772,853
Depreciation expense	(9,425,268)
Loss on disposition of capital assets	<u>(7,273)</u>
	<u>(659,688)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	195,945
Departmental income	<u>(31,014)</u>
	<u>164,931</u>

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and installment purchase debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. Also, the governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal paid on bonds	7,027,370
Installment purchase debt	104,915
Amortization of issuance premium	187,650
Amortization of deferred outflows	<u>(81,588)</u>
	<u>7,238,347</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	(23,061)
Claims payable	84,380
Retirement incentives and other pension obligations	(2,695,427)
Compensated absences	(66,636)
Other post employment benefit obligations payable	(7,004,679)
Landfill closure costs	<u>(2,701,273)</u>
	<u>(12,406,696)</u>

Internal service funds are used by management to charge the cost of workers' compensation benefits to individual funds. The net expenses of the internal service fund are reported with governmental activities.

	<u>605,284</u>
Change in net position of governmental activities	\$ <u>(3,283,098)</u>

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual
General, County Road, and Refuse and Garbage Funds
Year ended December 31, 2013

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Real property taxes	\$ 53,364,524	53,364,524	53,786,165	421,641
Other tax items	6,085,851	6,463,870	9,313,959	2,850,089
Non-property taxes	36,387,000	36,426,594	36,206,602	(219,992)
Departmental income	23,042,265	22,581,968	20,015,462	(2,566,506)
Intergovernmental charges	631,967	606,752	521,439	(85,313)
Use of money and property	131,150	131,150	174,443	43,293
Licenses and permits	26,500	26,500	20,000	(6,500)
Fines and forfeitures	276,208	301,872	322,034	20,162
Sale of property and compensation for loss	108,250	144,321	62,818	(81,503)
Miscellaneous local sources	3,320,779	3,354,547	3,411,682	57,135
State aid	15,798,305	16,178,692	16,102,525	(76,167)
Federal aid	16,723,427	16,765,310	16,283,063	(482,247)
Total revenue	<u>155,896,226</u>	<u>156,346,100</u>	<u>156,220,192</u>	<u>(125,908)</u>
Expenditures:				
General government support	24,488,251	24,531,263	22,866,068	1,665,195
Education	5,600,000	5,600,000	5,547,733	52,267
Public safety	22,534,847	23,643,746	23,168,719	475,027
Health	24,885,404	24,564,446	23,063,706	1,500,740
Transportation	1,314,570	1,426,523	1,187,575	238,948
Economic opportunity and development	55,831,395	56,179,931	55,052,400	1,127,531
Culture and recreation	3,419,072	3,266,588	3,129,855	136,733
Home and community services	1,176,313	1,165,713	1,063,084	102,629
Debt service	843,125	843,125	843,125	-
Total expenditures	<u>140,092,977</u>	<u>141,221,335</u>	<u>135,922,265</u>	<u>5,299,070</u>
Excess of revenue over expenditures	<u>15,803,249</u>	<u>15,124,765</u>	<u>20,297,927</u>	<u>5,173,162</u>
Other financing sources (uses):				
Premiums	-	-	36,237	36,237
Transfers in	-	-	10,313	10,313
Transfers out	(17,317,662)	(17,481,480)	(17,258,234)	223,246
Total other financing sources (uses)	<u>(17,317,662)</u>	<u>(17,481,480)</u>	<u>(17,211,684)</u>	<u>269,796</u>
Net change in fund balances	(1,514,413)	(2,356,715)	3,086,243	5,442,958
Fund balance at beginning of year	24,422,862	24,422,862	24,422,862	-
Fund balance at end of year	<u>\$ 22,908,449</u>	<u>22,066,147</u>	<u>27,509,105</u>	<u>5,442,958</u>

(Continued)

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual
General, County Road, and Refuse and Garbage Funds, Continued
Year ended December 31, 2013

	County Road Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Intergovernmental charges	\$ 469,509	348,496	429,576	81,080
Use of money and property	-	-	348	348
Licenses and permits	2,500	5,190	5,467	277
Sale of property and compensation for loss	5,100	2,131	1,005	(1,126)
Miscellaneous local sources	350	350	161	(189)
State aid	3,422,500	2,634,636	2,433,837	(200,799)
Federal aid	<u>1,519,150</u>	<u>570,064</u>	<u>926,455</u>	<u>356,391</u>
Total revenue	<u>5,419,109</u>	<u>3,560,867</u>	<u>3,796,849</u>	<u>235,982</u>
Expenditures:				
Public safety	752,813	713,021	619,385	93,636
Transportation	13,602,931	11,531,593	11,014,177	517,416
Debt service	<u>423,750</u>	<u>423,750</u>	<u>423,750</u>	<u>-</u>
Total expenditures	<u>14,779,494</u>	<u>12,668,364</u>	<u>12,057,312</u>	<u>611,052</u>
Excess (deficiency) of revenue over expenditures	<u>(9,360,385)</u>	<u>(9,107,497)</u>	<u>(8,260,463)</u>	<u>847,034</u>
Other financing sources (uses):				
Premiums	-	-	21,099	21,099
Transfers in	10,689,048	10,947,692	10,678,709	(268,983)
Transfers out	<u>(1,840,195)</u>	<u>(1,840,195)</u>	<u>(1,939,718)</u>	<u>(99,523)</u>
Total other financing sources (uses)	<u>8,848,853</u>	<u>9,107,497</u>	<u>8,760,090</u>	<u>(347,407)</u>
Net change in fund balance	(511,532)	-	499,627	499,627
Fund balance at beginning of year	<u>1,264,354</u>	<u>1,264,354</u>	<u>1,264,354</u>	<u>-</u>
Fund balance at end of year	<u>\$ 752,822</u>	<u>1,264,354</u>	<u>1,763,981</u>	<u>499,627</u>

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual
General, County Road, and Refuse and Garbage Funds, Continued
Year ended December 31, 2013

	Refuse and Garbage Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:				
Departmental income	\$ 11,234,094	11,234,094	11,529,394	295,300
Use of money and property	-	-	1,050	1,050
Sale of property and compensation for loss	200,000	200,000	353,661	153,661
State aid	-	42,000	129,954	87,954
Total revenue	11,434,094	11,476,094	12,014,059	537,965
Expenditures:				
Home and community services	7,167,578	7,376,938	7,173,601	203,337
Debt service	1,141,250	1,141,250	1,141,250	-
Total expenditures	8,308,828	8,518,188	8,314,851	203,337
Excess of revenue over expenditures	3,125,266	2,957,906	3,699,208	741,302
Other financing sources (uses):				
Premiums	-	-	13,178	13,178
Transfers in	1,123,593	1,123,593	1,114,382	(9,211)
Transfers out	(5,032,891)	(5,032,891)	(4,962,118)	70,773
Total other financing sources (uses)	(3,909,298)	(3,909,298)	(3,834,558)	74,740
Net change in fund balance	(784,032)	(951,392)	(135,350)	816,042
Fund balance at beginning of year	1,419,084	1,419,084	1,419,084	-
Fund balance at end of year	\$ 635,052	467,692	1,283,734	816,042

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK

Statement of Net Position

Proprietary Funds

December 31, 2013

Business-type Activities - Enterprise Funds

Assets	Sullivan County		Total	Internal Service Fund
	Adult Care Center	Tobacco Asset Securitization Corporation		
Current assets:				
Cash and equivalents	\$ 1,098,552	233,271	1,331,823	300,229
Restricted cash - capital projects fund	850,579	-	850,579	-
Accounts receivable, net	1,049,346	1,080,500	2,129,846	6,509,343
Grants receivable	272,457	-	272,457	-
Due from other funds	-	-	-	7,372,385
Prepaid expenses	83,269	3,536	86,805	-
Total current assets	<u>3,354,203</u>	<u>1,317,307</u>	<u>4,671,510</u>	<u>14,181,957</u>
Noncurrent assets:				
Restricted cash - patient funds	116,841	110	116,951	-
Restricted investments	-	1,242,547	1,242,547	-
Capital assets:				
Assets not being depreciated	1,148,956	-	1,148,956	-
Buildings and improvements	10,685,150	-	10,685,150	-
Machinery and equipment	542,688	-	542,688	-
Less accumulated depreciation	(9,881,115)	-	(9,881,115)	-
Total noncurrent assets	<u>2,612,520</u>	<u>1,242,657</u>	<u>3,855,177</u>	<u>-</u>
Total assets	<u>5,966,723</u>	<u>2,559,964</u>	<u>8,526,687</u>	<u>14,181,957</u>
Deferred outflows of resources	39,368	-	39,368	-
Liabilities:				
Current liabilities:				
Current maturities of bonds payable	17,484	155,000	172,484	-
Bond anticipation note	1,130,000	-	1,130,000	-
Accounts payable	278,153	-	278,153	166
Accrued interest payable	1,175	61,477	62,652	-
Accrued liabilities	2,633,542	-	2,633,542	-
Due to other funds	4,865,391	-	4,865,391	-
Patient funds held in trust	116,841	-	116,841	-
Unearned revenue	-	-	-	103,718
Current maturities of claims payable	-	-	-	1,468,382
Due to New York State retirement system	144,894	-	144,894	-
Accrued compensation and vacation	967,935	-	967,935	-
Current portion of other postemployment benefit obligations payable	279,874	-	279,874	-
Total current liabilities	<u>10,435,289</u>	<u>216,477</u>	<u>10,651,766</u>	<u>1,572,266</u>
Non-current liabilities:				
Bonds payable, less current maturities	49,489	12,686,774	12,736,263	-
Due to New York State Retirement System	742,604	-	742,604	-
Claims payable, less current portion	-	-	-	13,142,000
Other postemployment benefit obligations payable	8,171,475	-	8,171,475	-
Total noncurrent liabilities	<u>8,963,568</u>	<u>12,686,774</u>	<u>21,650,342</u>	<u>13,142,000</u>
Total liabilities	<u>19,398,857</u>	<u>12,903,251</u>	<u>32,302,108</u>	<u>14,714,266</u>
Net position:				
Restricted	850,579	-	850,579	-
Net investment in capital assets	1,298,706	-	1,298,706	-
Unrestricted	(15,542,051)	(10,343,287)	(25,885,338)	(532,309)
Total net position	<u>\$ (13,392,766)</u>	<u>(10,343,287)</u>	<u>(23,736,053)</u>	<u>(532,309)</u>

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK
Statement of Revenue, Expenses and Changes in Net Position
Proprietary Funds
Year ended December 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>			
	Adult Care Center	Sullivan County Tobacco Asset Securitization Corporation	Total	Internal Service Fund
Operating revenue:				
Charges for services - internal	\$ -	-	-	505,012
Charges for services - external	-	-	-	6,056,603
Departmental charges	8,952,547	-	8,952,547	-
Tobacco settlement revenue	-	1,075,121	1,075,121	-
Insurance recoveries	-	-	-	145,728
Miscellaneous local sources	288,572	-	288,572	45
Total operating revenue	<u>9,241,119</u>	<u>1,075,121</u>	<u>10,316,240</u>	<u>6,707,388</u>
Operating expenses:				
Professional care of residents	4,930,636	-	4,930,636	-
General services	3,806,305	-	3,806,305	-
Administrative services	1,075,748	-	1,075,748	-
Employee benefits	5,560,953	-	5,560,953	6,102,627
Assessments	608,433	-	608,433	-
Professional fees	-	25,637	25,637	-
Insurance expense	-	4,285	4,285	-
Depreciation and amortization	148,943	-	148,943	-
Other	18,389	-	18,389	-
Total operating expenses	<u>16,149,407</u>	<u>29,922</u>	<u>16,179,329</u>	<u>6,102,627</u>
Operating income (loss)	<u>(6,908,288)</u>	<u>1,045,199</u>	<u>(5,863,089)</u>	<u>604,761</u>
Non-operating revenue (expenses):				
Intergovernmental transfers	2,555,973	-	2,555,973	-
Interest income	6,373	85,465	91,838	523
Interest expense	(15,679)	(752,421)	(768,100)	-
Miscellaneous income	1,064,864	-	1,064,864	-
Total non-operating revenue (expenses)	<u>3,611,531</u>	<u>(666,956)</u>	<u>2,944,575</u>	<u>523</u>
Transfers from governmental funds	553,762	-	553,762	-
Change in net position	<u>(2,742,995)</u>	<u>378,243</u>	<u>(2,364,752)</u>	<u>605,284</u>
Net position at beginning of year, as originally reported	(10,649,771)	(10,480,466)	(21,130,237)	(1,137,593)
Restatement (note 2(f))	-	(241,064)	(241,064)	-
Net position at beginning of year, as restated	<u>(10,649,771)</u>	<u>(10,721,530)</u>	<u>(21,371,301)</u>	<u>(1,137,593)</u>
Net position at end of year	<u>\$ (13,392,766)</u>	<u>(10,343,287)</u>	<u>(23,736,053)</u>	<u>(532,309)</u>

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK
Statement of Cash Flows
Proprietary Funds
Year ended December 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>			
	Adult Care Center	Sullivan County Tobacco Asset Securitization Corporation	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from charges for services	\$ 9,560,660	-	9,560,660	3,825,432
Cash received from tobacco settlement revenues	-	1,087,768	1,087,768	-
Cash received from insurance recoveries	-	-	-	145,728
Cash payments to vendors for goods and services	(10,513,507)	(29,880)	(10,543,387)	-
Cash payments to employees for services	(4,859,967)	-	(4,859,967)	(3,853,696)
Cash received from miscellaneous local series	288,572	-	288,572	45
Net cash provided by (used in) operating activities	<u>(5,524,242)</u>	<u>1,057,888</u>	<u>(4,466,354)</u>	<u>117,509</u>
Cash flows from investing activities:				
Purchase of restricted investments	-	(1,242,547)	(1,242,547)	-
Sale of restricted investments	-	1,242,547	1,242,547	-
Interest and miscellaneous income	-	85,465	85,465	523
Net cash provided by investing activities	<u>-</u>	<u>85,465</u>	<u>85,465</u>	<u>523</u>
Cash flows from non-capital financing activities:				
Intergovernmental transfers	2,555,973	-	2,555,973	-
Cash received from nonoperating activities	1,626,026	-	1,626,026	-
Net cash provided by non-capital financing activities	<u>4,181,999</u>	<u>-</u>	<u>4,181,999</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Principal paid on bonds	(17,630)	(395,000)	(412,630)	-
Proceeds from bond issuance	1,130,000	-	1,130,000	-
Interest paid on bonds	(3,468)	(746,450)	(749,918)	-
Acquisition of capital assets	(1,183,588)	-	(1,183,588)	-
Net cash used in capital and related financing activities	<u>(74,686)</u>	<u>(1,141,450)</u>	<u>(1,216,136)</u>	<u>-</u>
Net increase (decrease) in cash and equivalents	(1,416,929)	1,903	(1,415,026)	118,032
Cash and equivalents at beginning of year	3,366,060	231,368	3,597,428	182,197
Cash and equivalents at end of year	<u>\$ 1,949,131</u>	<u>233,271</u>	<u>2,182,402</u>	<u>300,229</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:				
Income (loss) from operations	(6,908,288)	1,045,199	(5,863,089)	604,761
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:				
Bad debt expense	50,752	-	50,752	-
Depreciation and amortization expense	148,943	-	148,943	-
Loss on disposal of equipment	18,389	-	18,389	-
Changes in assets and liabilities:				
Accounts receivable	829,818	12,650	842,468	(1,016,800)
Grant receivable	(272,457)	-	(272,457)	-
Supplies	6,709	-	6,709	-
Prepaid expenses	(612)	39	(573)	-
Accounts payable and accrued liabilities	(8,605)	-	(8,605)	(353)
Accrued compensation and vacation	(149,546)	-	(149,546)	-
Due to the other funds	(984,116)	-	(984,116)	-
Due to third party payors	130,373	-	130,373	-
Unearned revenue	-	-	-	(232,577)
Claims payable	-	-	-	2,249,284
Due to New York State Retirement System	419,699	-	419,699	-
Due from other funds	-	-	-	(1,486,806)
Other postemployment benefit obligations payable	1,194,699	-	1,194,699	-
Net cash provided by (used in) operating activities	<u>\$ (5,524,242)</u>	<u>1,057,888</u>	<u>(4,466,354)</u>	<u>117,509</u>
Noncash investing activities - increase in bonds payable from amortization of original issue and underwriters' discounts	<u>\$ -</u>	<u>7,589</u>	<u>7,589</u>	<u>-</u>

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK
Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2013

	<u>Agency</u>
<u>Assets</u>	
Cash - demand deposits	\$ 7,075,065
Due from other funds	<u>-</u>
Total assets	<u>\$ 7,075,065</u>
 <u>Liabilities</u>	
Accounts Payable	154,677
Employee payroll deductions	124,679
Deposits	3,123,543
Due to other funds	<u>3,672,166</u>
Total liabilities	<u>\$ 7,075,065</u>

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK
Statement of Net Position
Component Units
December 31, 2013

	<u>August 31, 2013</u>	<u>Sullivan County Soil and Water Conservation District</u>	<u>Sullivan County Industrial Development Agency</u>	<u>Emerald Corporate Center Economic Development Corporation</u>	<u>Sullivan County Funding Corporation</u>	<u>Total</u>
Assets:						
Cash and equivalents	\$ 3,065,964	418,818	1,960,578	9,210	516,318	5,970,888
Investments	-	44,661	-	-	-	44,661
Receivables:						
Accounts, net of allowance for uncollectible amounts						
Notes	725,401	98,278	6,608	5,110	-	835,397
Due from other governments	906,487	-	-	-	246,800	1,153,287
Prepaid expenses	75,408	-	185,441	18,467	-	279,316
Other	676,351	2,180	13,333	655	-	692,519
Capital assets:	1,291,982	-	1,255,057	-	-	2,547,039
Not being depreciated	-	-	380,905	1,442,461	-	1,823,366
Being depreciated, net	21,189,847	28,388	249,740	-	-	21,467,975
Total assets	<u>27,931,440</u>	<u>592,325</u>	<u>4,051,662</u>	<u>1,475,903</u>	<u>763,118</u>	<u>34,814,448</u>
Liabilities:						
Accounts payable	1,031,012	98,600	356,625	3,515	-	1,489,752
Accrued liabilities	1,552,007	-	30,756	-	-	1,582,763
Due to other governments	-	-	639,825	675,000	-	1,314,825
Unearned revenue	799,951	-	147,468	-	3,309	950,728
Retention payable	-	-	18,544	-	-	18,544
Deposits and escrow payable	568,143	-	1,617	-	-	569,760
Non-current liabilities:						
Due within one year	3,413,000	1,500	9,787	-	-	3,424,287
Due in more than one year:	18,649,371	13,504	372,604	-	-	19,035,479
Total liabilities	<u>26,013,484</u>	<u>113,604</u>	<u>1,577,226</u>	<u>678,515</u>	<u>3,309</u>	<u>28,386,138</u>
Deferred inflows	-	357,940	-	-	-	357,940
Net Position:						
Net investment in capital assets	8,943,746	28,388	630,645	1,442,461	-	11,045,240
Restricted	830,146	92,393	537,899	-	-	1,460,438
Unrestricted	<u>(7,855,936)</u>	<u>-</u>	<u>1,305,892</u>	<u>(645,073)</u>	<u>759,809</u>	<u>(6,435,308)</u>
Total net position	<u>\$ 1,917,956</u>	<u>120,781</u>	<u>2,474,436</u>	<u>797,388</u>	<u>759,809</u>	<u>6,070,370</u>

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK
Statement of Activities
Component Units
Year ended December 31, 2013

Functions/Programs	Net Revenue (Expense) and Changes in Net Position										
	Program Revenue			Sullivan County			Sullivan County		Emerald Corporate Center		Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Sullivan County Community College	Sullivan County Soil and Water Conservation District	Sullivan County Industrial Development Agency	Sullivan County Economic Development Corporation	Sullivan County Funding Corporation			
Sullivan County Community College - August 31, 2013	\$ 28,446,008	6,086,684	19,435,106	-	(2,924,218)	-	-	-	-	-	(2,924,218)
Sullivan County Soil and Water Conservation District	1,355,096	18,583	1,264,156	-	(72,357)	-	-	-	-	-	(72,357)
Sullivan County Industrial Development Agency	434,098	322,594	1,500	335,441	-	225,437	-	-	-	-	225,437
Emerald Corporate Center Economic Development Corporation	69,023	67,667	-	-	-	-	(1,356)	-	-	-	(1,356)
Sullivan County Funding Corporation	74,745	111,500	-	-	-	-	-	36,755	-	-	36,755
Total component units	\$ 30,378,970	6,607,028	20,700,762	335,441	(72,357)	225,437	(1,356)	36,755	(2,735,739)		
General revenue:											
Unrestricted use of money and property Grants and contributions not restricted to specific programs				153,071	-	60,972	-	-	-	-	214,043
Miscellaneous				577,412	102,766	-	-	-	-	-	102,766
Total general revenue				730,483	107,800	1,038	-	5,980	-	-	589,464
Change in net position				(2,193,735)	35,443	287,447	(1,356)	42,735	(1,829,466)		
Net position at beginning of year				4,111,691	85,338	2,186,989	798,744	717,074	7,899,836		
Net position at end of year				\$ 1,917,956	120,781	2,474,436	797,388	759,809	6,070,370		

See accompanying notes to financial statements.

COUNTY OF SULLIVAN, NEW YORK

Notes to Financial Statements

December 31, 2013

(1) Summary of Significant Accounting Policies

The County of Sullivan, New York (County) was established in 1809 and operates in accordance with County Law and the various other applicable laws of the State of New York. The County functions under a County Manager form of government. The County Legislature is the legislative body responsible for overall operation. The County Manager serves as the chief executive officer and the County Treasurer serves as the chief financial officer. The County provides the following services to its residents: education, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the County conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the County's more significant accounting policies:

(a) Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the County, b) organizations for which the County is financially accountable and c) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the County's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following individual component units are included in the County's reporting entity because of their operational relationship with the County.

The Sullivan County Community College (College) was established in 1963 with the County as the local sponsor under provisions of Article 126 of Education Law. The College is administered by a board of trustees consisting of nine voting members; five are appointed by the County Legislature and four by the Governor. The College budget is subject to approval by the County Legislature. The County generally provides one half of the capital costs and one third of the operating costs for the College. Title to real property of the College vests with the County and bonds and notes for College capital costs are issued by the County and are County debt. A fiscal year ending August 31st is mandated by State Law for the College. The College is included in the County's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets. The College may also result in a financial burden to the primary government since the County is obligated for the debt of the College. Since the College does not provide services entirely or almost entirely to the County, the College has been reflected as a discretely presented component unit.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Financial Reporting Entity, Continued

The Sullivan County Soil and Water Conservation District (District) was established in 1966 pursuant to Chapter 727 of the Laws of the State of New York. The District provides for the conservation of soil and soil resources of the State and the County. The Board of Directors is appointed by the County Legislature. The Board of Directors serve at the pleasure of the County Legislature and therefore, the primary government is able to impose its will on the District. Since the District is also dependent on the financial support provided by the County, the financial statements of the District have been reflected as a discretely presented component unit.

The Sullivan County Industrial Development Agency (Agency) is a public benefit corporation created by State legislation to promote the economic welfare, recreation opportunities and prosperity of the County's inhabitants. Members of the Agency are appointed by the County Legislature. Agency members have complete responsibility for management of the Agency and accountability for fiscal matters. The County is not liable for Agency bonds or notes. The governing board of the Agency serves at the pleasure of the County Legislature and therefore, the primary government is able to impose its will on the Agency. Since the Agency does not provide services entirely or almost entirely to the County, the financial statements of the Agency have been reflected as a discretely presented component unit.

The Emerald Corporate Center Economic Development Corporation (Corporation) was established by the County Legislature in 2000 to assist in the commercial rehabilitation of the County. The nine member board is appointed by the County Legislature. The County advances funds necessary to develop the park and is reimbursed upon the sale of property within the park. Since the Corporation is dependent on the financial support provided by the County, the financial statements of the Corporation have been reflected as a discretely presented component unit.

The Sullivan County Funding Corporation (SCFC) was incorporated in November 2010 under Section 1411 of the Not-For-Profit Corporation Law of the State of New York. The mission of the SCFC is to foster the creation, retention and expansion of jobs and economic opportunities within the County. The sole member of the SCFC shall be the County acting by and through its County Manager, ex officio. The SCFC is managed by a Board of Directors consisting of nine Directors that serves at the pleasure of the sole member and, therefore, the County is considered able to impose its will on the SCFC. The County is not liable for SCFC's bonds or notes. Since the SCFC does not provide services entirely or almost entirely to the County, the financial statements of the SCFC have been reflected as a discretely presented component unit.

The Sullivan Tobacco Asset Securitization Corporation (SCTASC) is a special purpose, bankruptcy-remote local development corporation. SCTASC was organized under the provisions of Section 1411 of the New York State Not-For-Profit Corporation Law and pursuant to the Public Authorities Law of the State of New York. The Board of Directors

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Financial Reporting Entity, Continued

of SCTASC 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. The Board of Directors has complete responsibility for management of the SCTASC and accountability for fiscal matters. The County is not liable for any deficits or SCTASC bonds or notes. GASB, in April 2004, issued a technical bulletin which clarified the financial reporting of Tobacco Settlement Authorities ("TSA"). This bulletin, which is effective for fiscal years ending after June 15, 2004, provides that when TSA's are entitled to future tobacco settlement resources and have a majority of the governing board appointed by the primary government, the financial accountability criteria are met and the TSA should be reported as a component unit of the settling government. The SCTASC is reflected in the financial statements as a proprietary fund.

Complete financial statements of the individual component units can be obtained from their respective administrative offices:

Sullivan County Community College
112 College Road
Loch Sheldrake, New York 12759

Sullivan County Soil and Water Conservation District
69 Ferndale-Loomis Road
Liberty, New York 12754

Sullivan County Industrial Development Agency
One Cablevision Center
Ferndale, New York 12734

Emerald Corporate Center
Economic Development Corporation
100 North Street, P.O. Box 5012
Monticello, New York 12701

Sullivan County Funding Corporation
One Cablevision Center
Ferndale, New York 12734

Sullivan Tobacco Asset Securitization Corporation
Sullivan County Government Center
100 North Street P.O. Box 5012
Monticello, New York 12701

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) 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 non-fiduciary activities of the primary government as a whole and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of net position presents the financial position of the County and its component units at the end of its fiscal year. The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The County does not allocate indirect expenses to functions in the statement of activities. 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. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the enterprise funds is charges to customers for services and Tobacco Settlement Revenue. Operating expenses for the enterprise funds include the cost of services, administrative expenses, professional and director's fees, insurance, depreciation costs and benefit costs. The principal operating revenues of the internal service fund is charges for services, and operating expenses are for workers' compensation costs. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Fund Financial Statements

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, liabilities, fund balances/net position, revenue and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The County maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Proprietary and fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The County's resources are reflected in the financial statements in three broad fund categories in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the County's major governmental funds.

General Fund - The general fund constitutes the primary operating fund of the County and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the County are as follows:

County Road Fund - The County road fund is used to account for the maintenance and repair of County roads and bridges and snow removal costs, as defined in New York State Highway Law, and is funded by New York State revenue.

Refuse and Garbage Fund - The refuse and garbage fund is used to account for the activity of the County's solid waste operations, and is funded primarily by user fees.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlay, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Fund Financial Statements, Continued

The County also reports the following non-major governmental funds:

Special Revenue Funds:

Road Machinery Fund - The road machinery fund is used to account for the purchase, repair and maintenance of highway machinery, tools and equipment and for the construction, purchase and maintenance of buildings for the storage and repair of highway machinery and equipment.

Community Development Fund - The community development 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 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.

- b. Proprietary Funds - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The operations of the Sullivan County Adult Care Center and the Sullivan County Tobacco Asset Securitization Corporation are recorded as major enterprise funds. The Adult Care Center is a skilled nursing facility established and operated under provisions of Article 6 of General Municipal Law. The County has established its Workers' Compensation Benefits Fund as an internal service fund. The County has also established a self-insured dental fund as an internal service fund.
- c. Fiduciary Funds (not included in Government-Wide Financial Statements) - The fiduciary funds are used to account for assets held by the County in an agency capacity on behalf of others. The Agency Fund is used to account for employee payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

(d) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued

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 (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. The agency fund has no measurement focus and utilizes the accrual basis of accounting. Revenue is 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 revenue 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenue. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenue are considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. Fees and other similar revenue are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenue from Federal and State grants is accrued when the expenditure is made. 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, certain pension costs, landfill closure costs, certain claims and postemployment benefit obligations 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.

Patient revenue in the enterprise fund is recorded on the gross charge basis. Contractual adjustments are deducted to arrive at net patient service revenue. Revenue received under cost reimbursement agreements and prospective contractual agreements represent a substantial portion of the Sullivan County Adult Care Center's revenue and are subject to subsequent adjustment either by audit of third-party payors or appeals by the Sullivan County Adult Care Center. Retroactively calculated third-party contractual adjustments are accrued on an estimated basis in the period the services are rendered and adjusted in future periods as required. Final settlements of retroactive cost reimbursements are recorded as retroactive adjustments.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued

Component units are presented on the basis of accounting that most accurately reflect their activities. The Sullivan County Soil and Water Conservation District is accounted for on the modified accrual basis and is converted to the accrual basis for the government-wide statements. The Sullivan County Community College, Sullivan County Industrial Development Agency, Emerald Corporate Center Economic Development Corporation and the Sullivan County Funding Corporation are accounted for on the accrual basis.

(e) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

- Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The County's deposits and investment policies are governed by State statutes. The County has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The County is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the County's policy provides for no credit risk on investments.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The County has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the County's name. The County's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2013.

The County was invested only in demand deposit accounts, time deposit accounts and money market accounts and, accordingly, was not exposed to any interest rate risk or credit risk.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balances, Continued

Deposits, Investments and Risk Disclosure, Continued

- Investments - All investments are stated at fair value and/or amortized cost, which approximates fair value.
- Restricted Cash and Equivalents and Investments - The terms of the bond indenture of the Sullivan County Tobacco Asset Securitization Corporation provide for the establishment of a liquidity reserve. The reserve has been established at the maximum annual debt service requirements in the current and any future fiscal year, assuming principal is paid in accordance with the requirements of the indenture.

Taxes Receivable - 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 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 in 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.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the County. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Loans Receivable - Loans receivable consist of residential and commercial loans made by the County. The loans have various interest rates and maturities.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balances, Continued

Due From/To Other Funds - During the course of its operations, the County has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2013, balances of inter-fund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Inventory - There are no inventory values presented in the balance sheets of the respective funds of the County. Purchases of inventorable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Prepaid Expense/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of employee retirement and other costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Cost of Issuance - For the year ended December 31, 2013, the SCTASC implemented GASB Statement No. 65 - "Items Previously Reported as Assets and Liabilities". This statement establishes accounting and financial reporting standards that reclassify as deferred outflows/inflows of resources, certain items that were previously reported as assets and liabilities. This statement also recognizes as outflows of resources (expenses) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

In accordance with the provisions of GASB Statement No. 65, bond issuance costs are to be expensed when incurred, rather than amortized over the life of the bonds. Accordingly, the net position as of January 1, 2013 has been restated to remove \$241,064 of previously unamortized bond issuance costs.

Deferred Outflows of Resources - Deferred outflows arise when expense recognition has not been met for assets consumed by the County. The County's deferred outflows consist of excess amounts paid associated with refunded debt, net of amortization.

COUNTY OF SULLIVAN, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balances, Continued

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the County are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Infrastructure and land improvements	10-50
Buildings and improvements	20-50
Machinery and equipment	5-20
Intangibles	25

The costs associated with the acquisition or construction of capital assets are shown as capital outlay in the capital projects fund or as expenditures in the other governmental funds on the governmental fund financial statements. Capital assets are not shown on the governmental funds balance sheet.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balances, Continued

Unearned Revenue - Unearned revenue arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, unearned revenue consists of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met. Unearned revenue includes \$799,951 in the Sullivan County Community College (component unit) for tuition and other fees, \$147,468 in the Sullivan County Industrial Development Agency (component unit) for State Aid received in advance and \$3,309 in the Sullivan County Funding Corporation (component unit).

Deferred Inflows of Resources - Deferred inflows arise where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The County has reported deferred inflows of \$11,994,299 for real property taxes and \$1,213,340 for various departmental income in the general fund and \$156,957 for loans receivable in the community development fund. Such amounts have been deemed to be measurable but not “available” pursuant to generally accepted accounting principles. Deferred inflows in the government-wide statement of net position includes \$1,213,340 in governmental activities and \$357,940 in the Sullivan County Soil and Water Conservation District (component unit).

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide statement of net position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balances, Continued

Net Position - Net position represents assets plus deferred outflows minus liabilities minus deferred inflows. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the statement of net position includes, net investment in capital assets, law enforcement, Stop DWI program, debt service, community development, capital projects and component unit. The remaining balance is classified as unrestricted.

Fund Balances - Fund balance represents the difference between current assets plus deferred outflows and current liabilities plus deferred inflows. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications as contained in the County's fund balance policy are as follows:

- Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).
- Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law.
- Committed fund balance will be reported for amounts that can only be used for specific purposes imposed by a formal action (adopted resolution) by the highest level of decision-making authority (County Legislature). These funds may only be used for the purpose specified unless the Legislature removes or changes the purpose by taking the same action that was used to establish the commitment.
- Assigned fund balance, in the general fund, represents amounts constrained either by the County's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the general fund. This classification will include amounts designated for balancing the subsequent year's budget and encumbrances. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balances, Continued

- Unassigned fund balance, in the general fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the general fund, unassigned fund balance would necessarily be negative, since the fund's liabilities, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: committed, assigned, and unassigned.

(f) Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the general, county road, refuse and garbage and road machinery funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities. At December 31, 2013, all encumbrances of the County had lapsed.

(g) Use of Estimates

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

(h) Subsequent Events Evaluation by Management

Management has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(2) Stewardship, Compliance and Accountability

(a) Budgetary Data

The County generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- On or before November 15th, the County Manager submits to the County Legislature a tentative operating budget for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the means of financing.
- The County Manager meets with the Management and Budget Committee of the Legislature after transmittal of the tentative budget to review the budget document.
- The County Legislature conducts two public hearings on the tentative budget to obtain taxpayer comments.
- After the public hearing and prior to December 20th, the Legislature meets to consider and adopt the budget.
- All line item changes are made through majority vote by the County Legislature. This process is completed and the final budget is adopted by December 20th.
- Formal budgetary integration is employed during the year as a management control device for general, county road, refuse and garbage, road machinery and debt service funds.
- Budgets for general, county road, refuse and garbage, road machinery and debt service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The capital projects fund is budgeted on a project basis. An annual budget is not adopted for the community development fund.
- The County Legislature has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Legislature. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Legislature.
- Appropriations in general, county road, refuse and garbage, road machinery and debt service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

(b) Property Tax Limitation

The County is permitted by the Constitution of the State of New York to levy taxes for purposes other than debt service up to 1¹/₂% of the five-year average full valuation of taxable real estate located within the County. In accordance with this provision, the maximum amount of the tax levy for 2013 was \$132,618,512, which exceeded the actual levy less exclusions, by \$89,661,366.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(2) Stewardship, Compliance and Accountability, Continued

(c) Expenditures in Excess of Budget

Certain individual budgetary expenditures accounts exceeded their budgetary authorizations in the general and debt service funds.

(d) Capital Projects Fund Deficits

The unassigned deficit in the capital projects fund of \$4,258,647 arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as other financing sources. Liabilities for bond anticipation notes payable are accounted for in the capital projects fund. The redemption of bond anticipation notes is recognized as other financing sources. The unassigned deficit will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

(e) Fund Deficits

The Sullivan County Adult Care Center and Sullivan County Tobacco Asset Securitization Corporation reflect unrestricted deficits at December 31, 2013 of \$15,542,051 and \$10,343,287, respectively. These deficits will be reduced annually with the receipt of patient service fees and tobacco revenues, respectively.

(f) Prior Period Adjustment

In fiscal 2013, the Sullivan County Tobacco Asset Securitization Corporation changed its method of accounting in accordance with GASB Statement No. 65. As a result, net position of the Corporation decreased as of December 31, 2013 by \$241,064.

(3) Detailed Notes on All Funds

(a) Investments

Investments of the component units consist of the following:

- Investments of the Sullivan County Soil and Water Conservation District (component unit) of \$44,661 consists of certificates of deposit that have maturities that are of a duration of greater than three months and are secured by FDIC coverage and collateral posted by the respective depository.

(b) Restricted Investments

Restricted investments at December 31, 2013 consisted of the following:

Sullivan Tobacco Asset Securitization Corporation - Commercial
paper, at cost, which approximates fair value, due in June 2013. \$ 1,242,547

Investments of the Sullivan Tobacco Asset Securitization Corporation are not subject to risk categorization.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(c) Taxes Receivable

Taxes receivable at December 31, 2013 consisted of the following:

Taxes receivable - overdue	\$ 20,839,573
Returned school district taxes	15,172,435
Tax liens	<u>30,791</u>
	36,042,799
Allowance for uncollectible taxes	<u>(2,057,858)</u>
	<u>\$ 33,984,941</u>

School district taxes are offset by liabilities to the school districts. Taxes receivable and tax liens are also partially offset by deferred tax revenues of \$11,994,299, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

(d) Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2013 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 7,926,380	8,276,984
County road	579,012	-
Refuse and garbage	123,505	-
Capital projects	6,424	15,975
Non-major governmental	822,810	-
Enterprise fund - Adult Care Center	-	4,865,391
Internal service fund - workers' compensation benefits	7,372,385	-
Fiduciary funds	<u>-</u>	<u>3,672,166</u>
	<u>\$ 16,830,516</u>	<u>16,830,516</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(e) Capital Assets

Changes in the County's capital assets are as follows:

	Balance January 1, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2013</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 8,659,087	-	-	8,659,087
Construction-in-progress	<u>3,710,651</u>	<u>734,126</u>	<u>(1,198,464)</u>	<u>3,246,313</u>
Total capital assets, not being depreciated	<u>12,369,738</u>	<u>734,126</u>	<u>(1,198,464)</u>	<u>11,905,400</u>
Capital assets, being depreciated:				
Buildings and improvements	62,201,137	1,225,206	-	63,426,343
Machinery and equipment	30,034,583	1,372,214	(1,609,679)	29,797,118
Infrastructure	<u>202,447,110</u>	<u>6,639,771</u>	<u>-</u>	<u>209,086,881</u>
Total capital assets, being depreciated	<u>294,682,830</u>	<u>9,237,191</u>	<u>(1,609,679)</u>	<u>302,310,342</u>
Less accumulated depreciation for:				
Buildings and improvements	29,589,010	1,273,602	-	30,862,612
Machinery and equipment	22,306,646	1,621,151	(1,602,406)	22,325,391
Infrastructure	<u>108,740,483</u>	<u>6,530,515</u>	<u>-</u>	<u>115,270,998</u>
Total accumulated depreciation	<u>160,636,139</u>	<u>9,425,268</u>	<u>(1,602,406)</u>	<u>168,459,001</u>
Capital assets, being depreciated, net	<u>134,046,691</u>	<u>(188,077)</u>	<u>(7,273)</u>	<u>133,851,341</u>
Governmental activities capital assets, net	<u>\$ 146,416,429</u>	<u>546,049</u>	<u>(1,205,737)</u>	<u>145,756,741</u>
Business-type activities:				
Capital assets not being depreciated - construction in progress	<u>31,433</u>	<u>1,072,723</u>	<u>-</u>	<u>1,104,156</u>
Capital assets, being depreciated:				
Buildings and improvements	10,659,257	89,848	(19,155)	10,729,950
Machinery and equipment	<u>522,672</u>	<u>20,016</u>	<u>-</u>	<u>542,688</u>
Total capital assets, being depreciated	<u>11,181,929</u>	<u>109,864</u>	<u>(19,155)</u>	<u>11,272,638</u>
Less accumulated depreciation for:				
Buildings and improvements	9,325,779	110,442	(766)	9,435,455
Machinery and equipment	<u>407,159</u>	<u>38,501</u>	<u>-</u>	<u>445,660</u>
Total accumulated depreciation	<u>9,732,938</u>	<u>148,943</u>	<u>(766)</u>	<u>9,881,115</u>
Business-type activities capital assets, net	<u>\$ 1,480,424</u>	<u>1,033,644</u>	<u>(18,389)</u>	<u>2,495,679</u>

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(e) Capital Assets, Continued

Depreciation expense was charged to the County's functions and programs as follows:

Governmental activities:

General government support	\$ 685,136
Education	326,423
Public safety	329,222
Health	130,612
Transportation	6,342,889
Economic opportunity and development	52,648
Culture and recreation	83,428
Home and community services	<u>1,474,910</u>

Total depreciation expense governmental activities	\$ <u>9,425,268</u>
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Business-type activities - Adult Care Center	\$ <u>148,943</u>
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Capital Assets - Component Units

Changes in the Soil and Water Conservation District's (component unit) capital assets are as follows:

	Balance January 1, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2013</u>
Capital assets, being depreciated:				
Buildings	\$ 55,197	-	-	55,197
Machinery and equipment	<u>114,310</u>	<u>1,115</u>	<u>(2,673)</u>	<u>112,752</u>
Total capital assets, being depreciated	<u>169,507</u>	<u>1,115</u>	<u>(2,673)</u>	<u>167,949</u>
Less accumulated depreciation for:				
Buildings	33,810	1,380	(2,673)	32,517
Machinery and equipment	<u>102,174</u>	<u>4,870</u>	<u>-</u>	<u>107,044</u>
Total accumulated depreciation	<u>135,984</u>	<u>6,250</u>	<u>(2,673)</u>	<u>139,561</u>
Soil and Water Conservation District capital assets, net	<u>\$ 33,523</u>	<u>(5,135)</u>	<u>-</u>	<u>28,388</u>

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(e) Capital Assets, Continued

Changes in the Industrial Development Agency's (component unit) capital assets are as follows:

	Balance January 1, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2013</u>
Capital assets not being depreciated - construction-in-progress	\$ <u> -</u>	<u>380,905</u>	<u> -</u>	<u>380,905</u>
Capital assets, being depreciated:				
Machinery and equipment	299,865	-	-	299,865
Less accumulated depreciation	<u>34,483</u>	<u>15,642</u>	<u> -</u>	<u>50,125</u>
Industrial Development Agency capital assets, net	<u>\$ 265,382</u>	<u>(15,642)</u>	<u> -</u>	<u>249,740</u>

Changes in the Emerald Corporate Center Economic Development Corporation's (component unit) capital assets are as follows:

	Balance January 1, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2013</u>
Capital assets, not being depreciated - construction-in-progress	<u>\$ 1,442,461</u>	<u> -</u>	<u> -</u>	<u>1,442,461</u>

A detailed schedule of capital assets for the Community College (component unit) is not currently available.

(f) Accrued Liabilities

Accrued liabilities at December 31, 2013 were as follows:

	Fund				<u>Total</u>
	<u>General</u>	<u>County road</u>	<u>Refuse and garbage</u>	<u>Non-major governmental</u>	
Payroll and employee benefits	<u>\$ 3,281,169</u>	<u>457,679</u>	<u>106,182</u>	<u>144,388</u>	<u>3,989,418</u>

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(g) Pension Plan - Primary Government

The County participates in the New York State and Local Employees' Retirement System (ERS) (System). This System is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The System is non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary; employees in tier 5 who contribute 3% of their salary without regard to their years of service; and, employees in tier 6 who contribute 3% of their salaries through March 31, 2013. Beginning on April 1, 2013, employees in tier 6 will contribute between 3% and 6% based upon the amount of their annual salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plan year ended March 31, 2014 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 751	28.8%
2 751	26.3, 26.2
3 551	25.4
3 A14	21.1, 21.0
4 551	25.4
4 89PAF	22.4
4 A15	21.1, 21.0
5 89PAF	19.6
5 A15	17.0, 16.9
6 89PAF	13.2
6 A15	11.6, 11.5, 11.4

Contributions made or accrued to the System for the current and two preceding years were as follows:

2013	\$ 7,712,766
2012	4,923,708
2011	6,386,461

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(g) Pension Plan - Primary Government, Continued

The current ERS contribution for the County was charged to the funds identified below.

<u>Fund</u>	<u>Amount</u>
General	\$ 5,790,707
County Road	534,059
Refuse and Garbage	156,626
Road Machinery	198,667
Adult Care Center	<u>1,032,707</u>
	<u>\$ 7,712,766</u>

(h) Pension Plans - Component Units

The College participates in ERS, as well as the New York State Teachers' Retirement System (TRS) and the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA/CREF). The Sullivan County Soil and Water Conservation District also participates in the ERS. The ERS system is the same system which covers County employees. The elements of this system are described above. TRS is a cost-sharing multiple-employer defined benefit pension plan. TRS provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by Education Law. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The TRS report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

Funding Policy - TRS is non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who contribute 3.5% of salary without regard to their years of service. Pursuant to Article 11 of Education Law, contributions are established annually for TRS by the New York State Teachers' Retirement Board. Contribution rates are actuarially determined and based upon membership tier and plan. The employer contribution rate for the plan year ended June 30, 2013 was 11.5% for all covered TRS employees.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(h) Pension Plans - Component Units, Continued

Contributions made to the Systems for the current and two preceding years were as follows:

	<u>Sullivan County Community College</u>		<u>Soil and Water Conservation District</u>
	<u>TRS</u>	<u>ERS</u>	<u>ERS</u>
2013	\$ 131,014	460,452	58,934
2012	134,895	524,049	47,872
2011	99,623	350,498	39,941

All contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

TIAA/CREF is an optional retirement program, designated by the trustees of the State University of New York, which has been made available by the College to eligible employees. This System is a privately operated defined contribution retirement plan. The College assumes no liability for the financial status of TIAA/CREF members' accounts other than payment of contributions. Benefits are determined by the amount of individual accumulations and the retirement income option selected.

All benefits are fully vested after thirteen months of participation in TIAA/CREF. New York State Education Law establishes the contribution rate for each employee electing this optional retirement program. TIAA/CREF is contributory for employees who joined after July 27, 1976 who contribute 2-3% of their salary. TIAA/CREF allows members to make extra payments at any time. These extra payments are not matched by the College. For the plan year ended August 31, 2013, the College incurred \$425,851 in pension expenses under this Plan.

The Industrial Development Agency, Emerald Corporate Center Economic Development Corporation and the Sullivan County Funding Corporation do not participate in a pension program.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(i) Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of			Balance			Balance December 31, 2013
	Original Issue	Maturity Date	Interest Rate	January 1, 2013	New Issues	Redemptions	
Governmental activities:							
Jail planning	2008	3/8/2013	0.80%	\$ 500,000	-	(500,000)	-
Landfill cap	2010	3/7/2014	1.00%	3,300,000	-	(1,100,000)	2,200,000
Road reconstruction	2012	3/7/2014	1.00%	2,000,000	-	(400,000)	1,600,000
Computer equipment	2012	3/7/2014	1.00%	1,000,000	-	(200,000)	800,000
Road construction	2013	3/7/2014	1.00%	-	3,500,000	-	3,500,000
				<u>\$ 6,800,000</u>	<u>3,500,000</u>	<u>(2,200,000)</u>	<u>8,100,000</u>
Business-type activities:							
ACC Construction	2013	3/7/2014	1.00%	\$ -	1,130,000	-	1,130,000

Liabilities for bond anticipation notes are generally accounted for in the capital projects fund.

Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. Reductions in outstanding BAN obligations when principal payment is made in another fund is reported as BANs redeemed from appropriations.

Interest expenditures of \$18,125, \$23,750 and \$41,250 were recorded in the fund financial statements in the general, county road and refuse and garbage funds, respectively. Interest expense of \$132,628 was recorded in the government-wide financial statements for governmental activities.

(j) Short-Term Non-Capital Borrowings

The schedule below details the changes in short-term non-capital borrowings. These borrowings consisted of notes issued in anticipation of the collection of real property taxes.

Issued	Matures	Interest Rate	Balance			Balance December 31, 2013
			January 1, 2013	New Issues	Redemptions	
03/15/2012	03/15/2013	1.25%	\$ 10,000,000	-	(10,000,000)	-
03/19/2013	03/07/2014	0.75%	-	9,500,000	-	9,500,000
			<u>\$ 10,000,000</u>	<u>9,500,000</u>	<u>(10,000,000)</u>	<u>9,500,000</u>

Interest expenditures of \$125,000 were recorded in the fund financial statements in the general fund. Interest expense of \$82,624 was recorded in the government-wide financial statements for governmental activities.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(k) Long-Term Liabilities

The changes in the County's long-term indebtedness for the year ended December 31, 2013 is as follows:

	Balance January 1, 2013	New Issues and/or Additions	Maturities and/or Payments	Balance December 31, 2013	Due Within One Year
Governmental activities:					
Bonds payable	\$ 57,460,397	17,880,000	(26,007,370)	49,333,027	7,017,516
Plus unamortized premium	380,207	2,568,574	(187,650)	2,761,131	330,348
	<u>57,840,604</u>	<u>20,448,574</u>	<u>(26,195,020)</u>	<u>52,094,158</u>	<u>7,347,864</u>
Installment purchase debt	104,915	-	(104,915)	-	-
Other non-current liabilities:					
Claims payable	12,747,514	6,102,627	(3,937,723)	14,912,418	1,718,382
Retirement incentives and other pension obligations	3,636,820	3,003,731	(308,304)	6,332,247	596,582
Compensated absences	3,447,725	66,636	-	3,514,361	350,000
Other postemployment benefit obligations payable	52,470,320	11,343,950	(4,339,271)	59,474,999	-
Landfill closure costs	12,114,555	3,390,030	(688,757)	14,815,828	1,032,065
Total other non-current liabilities	<u>84,416,934</u>	<u>23,906,974</u>	<u>(9,274,055)</u>	<u>99,049,853</u>	<u>3,697,029</u>
Governmental activities long-term liabilities	<u>\$ 142,362,453</u>	<u>44,355,548</u>	<u>(35,573,990)</u>	<u>151,144,011</u>	<u>11,044,893</u>
Business-type activities:					
Bonds payable	13,424,603	-	(412,630)	13,011,973	172,484
Less unamortized original issue discount	(110,815)	-	7,589	(103,226)	-
	<u>13,313,788</u>	<u>-</u>	<u>(405,041)</u>	<u>12,908,747</u>	<u>172,484</u>
Other non-current liabilities:					
Retirement incentives and other pension obligations	467,799	771,521	(351,822)	887,498	144,894
Compensated absences	1,117,481	-	(149,546)	967,935	967,935
Other postemployment benefit obligations payable	7,256,650	1,474,573	(279,874)	8,451,349	279,874
Total other non-current liabilities	<u>8,841,930</u>	<u>2,246,094</u>	<u>(781,242)</u>	<u>10,306,782</u>	<u>1,392,703</u>
Business-type activities long-term liabilities	<u>\$ 22,155,718</u>	<u>2,246,094</u>	<u>(1,186,283)</u>	<u>23,215,529</u>	<u>1,565,187</u>

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(k) Long-Term Liabilities, Continued

	Balance January 1, <u>2013</u>	New Issues and/or <u>Additions</u>	Maturities and/or <u>Payments</u>	Balance December 31, <u>2013</u>	Due Within <u>One Year</u>
Component units:					
Mortgage payable	\$ 7,955,845	-	(87,939)	7,867,906	-
Note payable	372,000	10,391	-	382,391	9,787
Capital lease obligations	3,413,000	-	-	3,413,000	3,413,000
Compensated absences	438,810	87,669	-	526,479	1,500
Other postemployment benefit obligations payable	<u>8,781,125</u>	<u>2,364,944</u>	<u>(876,079)</u>	<u>10,269,990</u>	<u>-</u>
Component units long-term liabilities	<u>\$ 20,960,780</u>	<u>2,463,004</u>	<u>(964,018)</u>	<u>22,459,766</u>	<u>3,424,287</u>

Governmental fund liabilities for bonds and installment purchase debt are liquidated by the debt service fund, which is primarily funded by the general fund. Each governmental fund's liability for retirement incentives and other pension obligations, compensated absences, other postemployment benefit obligations and landfill closure costs are liquidated by the respective fund, primarily the general fund. Claims liabilities are liquidated by the workers' compensation benefits fund, which is funded primarily by the general fund.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(k) Long-Term Liabilities, Continued

Bonds Payable - Governmental and Business-type Activities - Bonds payable at December 31, 2013 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at December 31, 2013</u>
Landfill projects	1999	\$ 9,976,987	April, 2019	1.242 - 3.382	\$ 3,215,000
Tobacco Asset Securitization	2001	16,965,000	June, 2027	5.000 - 6.000	12,945,000
Landfill projects	2002	4,085,000	May, 2014	5.530 - 5.851	375,000
Public improvements	2005	9,790,000	July, 2019	3.500 - 4.000	735,000
Landfill projects	2005	1,890,000	May, 2014	4.373 - 4.593	180,000
Public improvements	2006	5,055,000	July, 2014	4.125 - 4.250	720,000
Public improvements	2007	15,515,000	July, 2022	4.250 - 4.300	3,050,000
Refunding bonds	2007	6,900,000	March, 2017	4.000 - 5.000	2,120,000
Public improvements - tax exempt bonds	2010	8,775,000	May, 2021	3.610 - 5.110	7,600,000
Public improvements - Build America Bonds	2010	7,600,000	May, 2024	4.932 - 5.932	5,835,000
Public improvements - Recovery Zone Economic Development Bonds	2010	810,000	May, 2024	5.932	810,000
Public improvement	2012	9,495,000	October, 2026	1.500 - 3.000	8,335,000
Public improvement refunding	2013	17,880,000	July, 2022	1.000 - 5.000	16,425,000
					<u>\$ 62,345,000</u>

Interest expenditures of \$1,966,686 were recorded in the fund financial statements in the debt service fund. Interest expense of \$1,876,558 was recorded in the government-wide financial statements for governmental activities. Interest expense of \$15,679 and \$752,421 was recorded in the fund and government-wide financial statements for the business-type activities in the Adult Care Center Fund and the Sullivan County Tobacco Asset Securitization Corporation, respectively.

On April 9, 2013, the County deposited \$20,330,062 of proceeds from the sale of refunding bonds of \$17,880,000 with an escrow agent to advance refund \$18,980,000 in County serial bonds with the difference recorded as a deferred outflow of resources. This resulted in a net present value savings of approximately \$1,143,704, or a 6.02% savings on the refunded bonds.

Installment Purchase Debt - The County, in 2003, entered into an \$885,000 capital lease agreement to acquire a parcel of property from the New York State Power Authority in exchange for the County selling a piece of its own property to a third party. The agreement provides for annual payments of \$109,112, including interest at 4.0% through July 2013. There was no balance due at December 31, 2013.

Interest expenditures/expense of \$4,197 was recorded in the fund financial statements in the debt service fund and in the government-wide financial statements.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(k) Long-Term Liabilities, Continued

Payments to Maturity - The annual requirements to amortize all bonded and installment purchase debt outstanding as of December 31, 2013 including interest payments of \$15,946,912 are as follows:

Year Ended December 31,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Principal</u>	<u>Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2014	\$ 7,017,516	1,966,701	962,484	712,760	7,980,000	2,679,461
2015	5,828,109	1,694,275	591,891	669,956	6,420,000	2,364,231
2016	5,973,541	1,480,994	631,459	635,071	6,605,000	2,116,065
2017	5,328,861	1,240,242	661,139	598,462	5,990,000	1,838,704
2018	5,050,000	1,064,234	825,000	554,450	5,875,000	1,618,684
2019 - 2023	16,385,000	2,649,178	4,920,000	1,977,454	21,305,000	4,626,632
2024 - 2027	<u>3,750,000</u>	<u>170,378</u>	<u>4,420,000</u>	<u>532,757</u>	<u>8,170,000</u>	<u>703,135</u>
	<u>\$ 49,333,027</u>	<u>10,266,002</u>	<u>13,011,973</u>	<u>5,680,910</u>	<u>62,345,000</u>	<u>15,946,912</u>

* Includes optional flexible principal of \$790,000.

The above general obligation bonds and installment purchase debt are direct obligations of the County for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the County, except for the 2001 Sullivan County Tobacco Asset Securitization Corporation bonds. These bonds are obligations of SCTASC, and will be repaid from future tobacco revenues.

Note Payable - The Sullivan County Industrial Development Agency has 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 outstanding amount will accrue interest at 2% per annum throughout the term of the loan but will be deferred for the first 24 months. Once the deferral period is over, the Agency must repay the loan in equally amortized monthly payments of principal and interest over a period not to exceed 20 years. As of December 31, 2013, the Agency has drawn down a total of \$382,391 of the \$440,000 loan funds available.

Claims Payable - The internal service fund reflects workers' compensation benefits liabilities. The general fund reflects general liability claims liabilities. 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. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(k) Long-Term Liabilities, Continued

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.

An analysis of the activity of unpaid claim liabilities is as follows:

	Year ended December 31, 2013			Year ended December 31, 2012		
	<u>Dental</u>	<u>Workers' compensation</u>	<u>General liability</u>	<u>Dental</u>	<u>Workers' compensation</u>	<u>General liability</u>
Balance at beginning of year	\$ 8,625	12,352,473	386,416	-	4,894,773	427,343
Provision for claims and claims adjustment expenses/expenditures	386,919	5,715,708	(29,821)	349,054	10,870,334	101,653
Claims and claims adjustment expenses/expenditures paid	<u>(387,670)</u>	<u>(3,465,673)</u>	<u>(54,559)</u>	<u>(340,429)</u>	<u>(3,412,634)</u>	<u>(142,580)</u>
Balance at end of year	<u>\$ 7,874</u>	<u>14,602,508</u>	<u>302,036</u>	<u>8,625</u>	<u>12,352,473</u>	<u>386,416</u>
Due within one year	<u>\$ 7,874</u>	<u>1,460,508</u>	<u>250,000</u>	<u>8,625</u>	<u>1,227,475</u>	<u>250,000</u>

Retirement Incentives and Other Pension Obligations - Legislation approved by the State and adopted by the County in 2006 permitted correction officers to avail themselves of Section 4434 of the Retirement and Social Security Law. This section provided that the retirement calculation for these employees would be based on the regular compensation earned during the last year of credited service immediately preceding the member's effective date of retirement. Enactment of this provision resulted in a liability for past service costs estimated at \$48,800. Payments are being made over a ten year period, with interest at 8% per annum. The current year cost of the program was \$6,734, including interest, and was charged to general fund expenditures in the fund financial statements. The balance due at December 31, 2013 was \$17,354.

Legislation approved by the State and adopted by the County in 2009 permits probation officers in counties electing coverage under Section 89-t to retire on completion of 25 years of creditable service. This section provides that the retirement calculation for these employees will be based on one half of the regular compensation earned during the last year of credited service immediately preceding the member's effective date of retirement. Enactment of this provision has resulted in a liability for past service costs estimated at \$43,678. Payments are being made over a five year period, with interest at 8% per annum. The current year cost of the program was \$10,277, including interest, and was charged to general fund expenditures in the fund financial statements. The balance due at December 31, 2013 was \$9,470.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(k) Long-Term Liabilities, Continued

The 2010 State-wide Retirement Incentive Program enacted under Chapter 105 of the Laws of 2010 authorized local municipalities to offer employees a retirement incentive. Under Part A of the plan, eligible employees would be granted one month of additional service credit for each year of service up to 36 years. Under Part B of the plan, eligible employees can retire without penalty and benefit reduction if they are under the age of 62 and have less than 30 years of credited service. The estimated cost of the program will be approximately 60% of the employee's final average salary. The County has elected to pay this obligation over a five year period, with interest. The current year cost of the program was \$455,795 and was charged to general fund expenditures in the fund financial statements. The balance due at December 31, 2013 was \$1,023,368 for governmental activities and \$115,978 for business-type activities.

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 elected to amortize the maximum allowable ERS contributions for 2012. The amount amortized for the County's 2013 contributions made in February 2014, was \$3,633,100. The County elected to amortize the maximum allowable ERS contributions for 2013. The amount amortized for the County's 2013 contributions made in February 2014, was \$3,628,103.

Compensated Absences - 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 value of these compensated absences has been reflected in the government-wide financial statements.

Sullivan County Community College (component unit) and the Soil and Water Conservation District (component unit) employees may accumulate vacation leave. Upon termination, they are compensated for this leave at their current rate of pay. The liability at December 31, 2013 was \$511,475 and \$15,004, respectively

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(k) Long-Term Liabilities, Continued

The Industrial Development Agency (component unit), the Emerald Corporate Center Economic Development Corporation (component unit) and the Sullivan County Funding Corporation (component unit) have no full time employees and therefore do not require policies with respect to compensated absences.

Other Postemployment Benefit Obligations Payable - 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. Contributions by the County may vary according to length of service. The cost of providing postemployment health care benefits is shared between the County and the retired employee. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the governmental funds.

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution, (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(k) Long-Term Liabilities, Continued

The County is required to accrue on the government-wide and proprietary fund financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in healthcare costs is 8.5% for the next year, decreases annually through 2021 to 8%, 7.5%, 7%, 6.5%, 6%, 5.5% and 5%, respectively, and then continues at 5% thereafter. The amortization basis is the level dollar method with an open amortization approach of 30 years. The actuarial assumptions include a 4.155% investment rate of return and a 2.5% inflation rate. The County currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit method. Separate financial statements are not available.

The number of participants as of December 31, 2013 was as follows:

	<u>Primary government</u>	<u>Community College (Component Unit)</u>	<u>Total</u>
Active employees	829	152	981
Retired employees	<u>656</u>	<u>94</u>	<u>750</u>
	<u>1,485</u>	<u>246</u>	<u>1,731</u>

	<u>Governmental Activities</u>	<u>Adult Care Center</u>	<u>Sullivan County Community College</u>
Amortization component:			
Actuarial accrued liability as of January 1, 2013	\$ 140,661,684	14,213,859	31,366,081
Assets at market value	-	-	-
Unfunded actuarial accrued liability (UAAL)	\$ <u>140,661,684</u>	<u>14,213,859</u>	<u>31,366,081</u>
Funded ratio	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered payroll (active plan members)	<u>39,815,946</u>	<u>4,894,132</u>	<u>6,659,707</u>
UAAL as a percentage of covered payroll	<u>353.28%</u>	<u>290.43%</u>	<u>470.98%</u>
Annual required contribution	12,255,536	1,600,649	2,352,259
Interest on net OPEB obligation	2,180,142	301,510	394,295
Adjustment to annual required contribution	<u>(3,091,728)</u>	<u>(427,586)</u>	<u>(381,610)</u>
Annual OPEB cost	11,343,950	1,474,573	2,364,944
Contributions made	<u>(4,339,271)</u>	<u>(279,874)</u>	<u>(876,079)</u>
Increase in net OPEB obligation	7,004,679	1,194,699	1,488,865
Net OPEB obligation at beginning of year	<u>52,470,320</u>	<u>7,256,650</u>	<u>8,781,125</u>
Net OPEB obligation at end of year	\$ <u>59,474,999</u>	<u>8,451,349</u>	<u>10,269,990</u>

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(k) Long-Term Liabilities, Continued

The primary government's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding years is as follows:

<u>Fiscal</u> <u>Year Ended</u> <u>December 31,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2013	\$ 12,818,523	36.03%	67,926,348
2012	12,644,434	36.95	59,726,970
2011	12,143,366	35.84	51,755,197

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

Landfill Closure Costs - State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The amount of \$14,815,828 reported as a landfill closure costs liability in the government-wide financial statements, at December 31, 2013, represents an estimated amount based on the use of 100 percent of the landfill capacity less the actual expenditures to date of \$31,377,455. These expenditures have been charged to the capital projects fund, which has a total project budget of \$32,061,010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Capital Lease Obligations - Component Unit - 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. During 2012, the College ceased payment on the capital lease while resolving a dispute with the lessor. Subsequently, the College has begun making payments on a modified payment plan. As a result full payments not made in 2013, the College is in default of the lease covenants. In recognition of this default, the College has classified the entire lease balance as current. While the College has classified the lease as current, the following represents the original terms. Future minimum capital lease payments and the present value of the minimum lease payments are as follows:

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(k) Long-Term Liabilities, Continued

Year ending <u>August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 186,000	221,375	407,375
2013	197,000	210,680	407,680
2014	208,000	199,353	407,353
2015	220,000	187,392	407,392
2016	233,000	176,392	409,392
2017-2021	1,299,000	701,361	2,000,361
2022-2025	<u>1,070,000</u>	<u>164,123</u>	<u>1,234,123</u>
Totals	\$ <u>3,413,000</u>	<u>1,860,676</u>	<u>5,273,676</u>

The stated interest rate is 5.75%. Interest expense recognized in fiscal year ended August 31, 2013 was \$250,000. Interest is payable in February and August of each year.

The College has the right to pre-pay the lease at any time.

(l) Revenue and Expenditures Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

<u>Transfers out</u>	<u>General fund</u>	<u>County road fund</u>	<u>Refuse and garbage fund</u>	<u>Capital projects fund</u>	<u>Non-major governmental fund</u>	<u>Adult Care Center</u>	<u>Total</u>
General fund	\$ -	10,677,408	1,100,000	-	4,927,064	553,762	17,258,234
County road fund	-	-	-	-	1,939,718	-	1,939,718
Refuse and garbage fund	-	-	-	-	4,962,118	-	4,962,118
Capital projects fund	1,060	-	-	-	121,300	-	122,360
Non-major governmental fund	9,253	1,301	14,382	-	805,224	-	830,160
Adult Care Center	-	-	-	-	-	-	-
	<u>\$ 10,313</u>	<u>10,678,709</u>	<u>1,114,382</u>	<u>-</u>	<u>12,755,424</u>	<u>553,762</u>	<u>25,112,590</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for capital projects fund expenditures, 2) move unexpended capital projects fund balances to the operating funds that originally provided the funding, 3) move amounts earmarked in the operating funds to fulfill commitments for debt service fund expenditures and 4) move amounts in the general fund that are associated with the refuse and garbage fund.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(m) Net Position/Fund Balance

The components of net position are detailed below:

- Net investment in capital assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.
- Restricted for capital projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.
- Restricted for law enforcement - the component of net position that represents the proceeds of seized funds which are restricted by New York State Law for use in law enforcement activities.
- Restricted for Stop DWI program - the component of net position that represents State revenues that must be used in accordance with the parameters of the Driving While Intoxicated Program.
- Restricted for debt service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.
- Restricted for Community Development - the component of net position that reports the difference between assets and liabilities of the community development fund with constraints placed on their use by the United States Department of Housing and Urban Development.
- Restricted for component units - this component of net position reports assets set aside by the Counties component units and detailed in their respective financial statements.
- Unrestricted - all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

Nonspendable fund balance reported in the general fund represents the amount due from the ACC which is a long-term receivable not available to fund current year operations.

Amounts committed by the County Legislature include \$7,494,162 to fund the closure and post closure care costs of the County’s land fill site; \$4,000,000 for building repairs; \$2,000,000 for infrastructure; and \$9,608 for Fort Delaware.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(m) Net Position/Fund Balance, Continued

Assignment of fund balance are not legally required segregations but represent intended use for a specific purpose. At December 31, 2013, the County has assigned \$1,349,150 to be appropriated for the ensuing year's budget in the general fund. All remaining fund balances of the County Road, Refuse and Garbage, and Road Machinery Fund are reported as assigned fund balances.

Unassigned fund balance in the general fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balance in the capital projects fund represents the deficit balances in the capital projects.

(4) Summary Disclosure of Significant Contingencies

(a) Litigation

The County receives numerous notices of claims for damages arising generally from alleged negligence, false arrest, bodily injury, breach of contract and civil rights violations. The County is self-insured for general liability claims to the extent disclosed below. The County attorney has indicated that he is not aware of any such action which would have a significant adverse impact on the County's financial condition.

The County is also a defendant in numerous pending tax certiorari proceedings, the results of which cannot be determined at this time. Any future refunds resulting from adverse settlements will be funded in the year in which the payments are made.

(b) Contingencies

The County participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County anticipates such amounts, if any, to be immaterial.

The County has been made aware of a possible Medicaid recoupment of \$1,051,229 from the Sullivan County Adult Care Center, the provider, for the disallowance of a federal payment from the Centers for Medicare and Medicaid Services (CMS) for the New York State fiscal year 2006/07 intergovernmental transfer payment. CMS is basing this possible recoupment on the claim that payment was made outside the 2-year claiming window and, as such, is an overpayment to the health care provider. The County is of the opinion that its original request for payment was made within the 2-year claiming window, but later changed as directed by the New York State Department of Health (NYS DOH). Subsequent to the change in the requested payment date, CMS informed NYS DOH that supplemental Medicaid payments are based on "date of service" rather than "date of payment". This was contrary to how NYS DOH had interpreted the methodology for supplemental Medicaid payments since inception of the program in New York. This difference of opinion regarding payment methodology between CMS and

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(4) Summary Disclosure of Significant Contingencies, Continued

(b) Contingencies, Continued

NYS DOH should not result in a recoupment of Medicaid payments from the County. Due to these circumstances, a Congressional letter has been sent to CMS requesting a “good cause” waiver be granted to the counties affected. The outcome of this request is still pending and the County has not yet received official notification from NYS DOH regarding the recoupment. The County is of the opinion that since it originally requested payment within the 2-year claiming window and modified its payment request based on the directions received from NYS DOH, that the County should be held harmless from any recoupment. The potential recoupment reflects the actual amount due to the County from CMS, under the accepted guidelines that have been followed for more than two decades. Therefore, the only portion of any recoupment that should be subject of discussion are those enhanced funds that were awarded as part of the federal American Reinvestment and Recovery Act program, which are wholly outside of this \$1,051,229 that was properly and timely claimed by the County. The County may consider legal action to ensure that NYS DOH is held responsible for any recoupment, as opposed to funds from the County.

(c) Significant Contingencies - 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 Master Settlement Agreement (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 SCTASC to pay bondholders may be reduced or eliminated.

The bonds are payable only from the assets of SCTASC. 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. SCTASC’s only source of funds for payments on the bonds is the collections and amounts on deposit in pledged accounts pursuant to the indenture. SCTASC has no taxing power and no significant assets other than the rights to receive tobacco settlement revenues.

(d) Risk Management

The County purchases various insurance coverages to reduce its exposure to loss. The County maintains a general liability policy with limits of \$1 million per occurrence. There is a \$75,000 self-insured retention per claim. The County also maintains an excess liability policy with coverage up to \$9 million per claim and in the aggregate. In addition, the County purchases conventional health insurance coverage. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(4) Summary Disclosure of Significant Contingencies, Continued

(d) Risk Management, Continued

The County adopted a self-insured workers compensation program under the provisions of Local Law No. 1 of 1967. The County, as well as other participants in the program (15 towns and 5 villages within the County), are assessed premiums which are based on a formula involving assessed value and the actual historical claims experience of such participant.

(5) Subsequent Events

The County issued \$11,315,000 in bonds on June 10, 2014. The bonds mature through June 1, 2024 and bear interest at the rate of 2.00% to 2.50%.

The County issued \$9,000,000 of tax anticipation notes on March 6, 2014 in anticipation of real property tax collections. The notes mature on March 6, 2015 and bear interest at the rate of 1.00%.

The County issued bond anticipation notes of \$5,700,000 for various capital projects on March 6, 2014. The notes mature on March 6, 2015 and bear interest at the rate of 1.00%. The County also issued bond anticipation notes of \$750,000 for various capital projects on June 10, 2014. The notes mature on June 10, 2015 and bear interest at the rate of 1.00%.

(6) Other Matters

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 (Tax Levy Limitation Law). This law applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a County in a particular year, beginning with the 2012 year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the County to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(6) Other Matters, Continued

determined by the United States with the result expressed as a decimal to four places. The County is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the County, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the County. The County legislature may adopt a budget that exceeds the tax levy limit for the coming fiscal year only if the County Legislature first enacts, by a vote of at least sixty percent of the total voting power of the County Legislature, a local law to override such limit for such coming fiscal year.

(7) Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 67 - "Financial Reporting for Pension Plans - an Amendment of GASB Statement No. 25" replaces existing standards for financial reporting and note disclosure for most pension plans that are administered through trusts or equivalent arrangements. The requirements of this statement are effective for periods beginning after June 15, 2013, which is the fiscal year beginning January 1, 2014 for the County. This statement is not expected to have a material effect on the financial statements of the County.

GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" replaces existing standards of accounting and financial reporting for pension plans that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. The requirements of this statement are effective for periods beginning after June 15, 2014, which is the fiscal year beginning January 1, 2015 for the County. This statement is being evaluated for its effect on the financial statements of the County.

GASB Statement No. 69 - "Government Combinations and Disposals of Government Operations" establishes accounting and financial reporting standards for government mergers, acquisitions and disposals. The statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effect of those transactions. The requirements of this statement are effective for periods beginning after December 15, 2013, which is the fiscal year beginning January 1, 2014 for the County. This statement is not expected to have a material effect on the financial statements of the County.

COUNTY OF SULLIVAN, NEW YORK
Notes to Financial Statements, Continued

(7) Accounting Standards Issued But Not Yet Implemented, Continued

GASB Statement No. 70 - "Accounting and Financial Reporting for Nonexchange Financial Guarantees" improves the accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The requirements of this statement are effective for periods beginning after June 15, 2013, which is the fiscal year beginning January 1, 2014 for the County. This statement is not expected to have a material effect on the financial statements of the County.

GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date" addresses an issue regarding application of the transition provisions of GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions." This Statement amends paragraph 137 of GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The requirements of this statement are required to be applied simultaneously with GASB Statement No. 68 which is for periods beginning after June 15, 2014, which is the fiscal year beginning January 1, 2015 for the County. This statement is being evaluated for its effect on the financial statements of the County.

COUNTY OF SULLIVAN, NEW YORK
 Required Supplementary Information - Schedule of Funding Progress
 Other Postemployment Benefits
 Last Three Fiscal Years

<u>Valuation Date</u>	<u>Actuarial</u>		<u>Unfunded Actuarial</u>	<u>Funded</u>	<u>Covered</u>	<u>Unfunded Liability as a Percentage of Covered Payroll</u>
	<u>Value of Assets</u>	<u>Accrued Liability</u>	<u>Liability</u>	<u>Ratio</u>	<u>Payroll</u>	
January 1, 2013	\$ -	154,875,543	154,875,543	-%	44,710,078	346.40%
January 1, 2012	-	158,452,478	158,452,478	-	45,250,882	350.16
January 1, 2011	-	146,917,684	146,917,684	-	43,553,182	337.33

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The general fund constitutes the primary operating fund of the County and is used to account for and report all financial resources not accounted for and reported in another fund.

COUNTY ROAD FUND

The county road fund is established pursuant to New York State Highway Law and is used to account for the maintenance and repair of County roads and bridges and snow removal costs.

REFUSE AND GARBAGE FUND

The refuse and garbage fund is used to account for the activity of the County's solid waste operations.

CAPITAL PROJECTS FUND

The capital projects fund is utilized to account for and report financial resources that are restricted, committed or assigned for capital outlay, including the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

COUNTY OF SULLIVAN, NEW YORK
General Fund
Comparative Balance Sheets
December 31, 2013 and 2012

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Cash:		
Demand deposits	\$ 26,584,300	23,366,081
Petty cash	12,800	12,650
	<u>26,597,100</u>	<u>23,378,731</u>
Taxes receivable:		
Taxes receivable - overdue	20,839,573	21,662,294
Returned school district taxes	15,172,435	15,692,627
Tax liens	30,791	88,536
	<u>36,042,799</u>	<u>37,443,457</u>
Less allowance for uncollectible amounts	<u>(2,057,858)</u>	<u>(2,070,935)</u>
	<u>33,984,941</u>	<u>35,372,522</u>
Other receivables:		
Accounts	8,270,666	5,018,727
State and Federal aid	21,264,280	24,597,861
Due from other governments	191,546	265,381
Due from other funds	7,926,380	6,138,561
	<u>37,652,872</u>	<u>36,020,530</u>
Total assets	<u>\$ 98,234,913</u>	<u>94,771,783</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>		
Liabilities:		
Accounts payable	7,902,881	8,077,578
Accrued liabilities	3,281,169	3,144,286
Retained percentages payable	1,352	1,352
Due to other governments	314,258	278,828
Due to school districts	18,477,332	19,662,798
Due to other funds	8,276,984	6,839,496
Due to New York State retirement system	5,378,238	4,832,164
Deposits	4,385,955	4,939,099
Tax anticipation notes payable	9,500,000	10,000,000
Total liabilities	<u>57,518,169</u>	<u>57,775,601</u>
Deferred inflows of resources:		
Deferred departmental income inflows	1,213,340	774,966
Deferred tax inflows	11,994,299	11,798,354
Total deferred inflows	<u>13,207,639</u>	<u>12,573,320</u>
Fund balance:		
Nonspendable	4,865,391	-
Restricted	773,434	775,058
Committed	13,503,770	9,694,504
Assigned	1,349,150	1,116,190
Unassigned	7,017,360	12,837,110
Total fund balance	<u>27,509,105</u>	<u>24,422,862</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 98,234,913</u>	<u>94,771,783</u>

COUNTY OF SULLIVAN, NEW YORK

General Fund

Comparative Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
Years ended December 31, 2013 and 2012

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Real property taxes	\$ 53,364,524	53,364,524	53,786,165	421,641
Other tax items	6,085,851	6,463,870	9,313,959	2,850,089
Non-property taxes	36,387,000	36,426,594	36,206,602	(219,992)
Departmental income	23,042,265	22,581,968	20,015,462	(2,566,506)
Intergovernmental charges	631,967	606,752	521,439	(85,313)
Use of money and property	131,150	131,150	174,443	43,293
Licenses and permits	26,500	26,500	20,000	(6,500)
Fines and forfeitures	276,208	301,872	322,034	20,162
Sale of property and compensation for loss	108,250	144,321	62,818	(81,503)
Miscellaneous local sources	3,320,779	3,354,547	3,411,682	57,135
State aid	15,798,305	16,178,692	16,102,525	(76,167)
Federal aid	16,723,427	16,765,310	16,283,063	(482,247)
Total revenue	<u>155,896,226</u>	<u>156,346,100</u>	<u>156,220,192</u>	<u>(125,908)</u>
Expenditures:				
General government support	24,488,251	24,531,263	22,866,068	1,665,195
Education	5,600,000	5,600,000	5,547,733	52,267
Public safety	22,534,847	23,643,746	23,168,719	475,027
Health	24,885,404	24,564,446	23,063,706	1,500,740
Transportation	1,314,570	1,426,523	1,187,575	238,948
Economic opportunity and development	55,831,395	56,179,931	55,052,400	1,127,531
Culture and recreation	3,419,072	3,266,588	3,129,855	136,733
Home and community services	1,176,313	1,165,713	1,063,084	102,629
Debt service	843,125	843,125	843,125	-
Total expenditures	<u>140,092,977</u>	<u>141,221,335</u>	<u>135,922,265</u>	<u>5,299,070</u>
Excess of revenue over expenditures	<u>15,803,249</u>	<u>15,124,765</u>	<u>20,297,927</u>	<u>5,173,162</u>
Other financing sources (uses):				
Premiums	-	-	36,237	36,237
Transfers in	-	-	10,313	10,313
Transfers out	(17,317,662)	(17,481,480)	(17,258,234)	223,246
Total other financing sources (uses)	<u>(17,317,662)</u>	<u>(17,481,480)</u>	<u>(17,211,684)</u>	<u>269,796</u>
Net change in fund balance	(1,514,413)	(2,356,715)	3,086,243	5,442,958
Fund balance at beginning of year	<u>24,422,862</u>	<u>24,422,862</u>	<u>24,422,862</u>	<u>-</u>
Fund balance at end of year	<u>\$ 22,908,449</u>	<u>22,066,147</u>	<u>27,509,105</u>	<u>5,442,958</u>

COUNTY OF SULLIVAN, NEW YORK
General Fund

Comparative Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual, Continued

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Real property taxes	\$ 48,877,857	48,877,857	51,466,856	2,588,999
Other tax items	6,570,278	6,610,941	8,463,919	1,852,978
Non-property taxes	35,442,000	35,197,009	36,226,594	1,029,585
Departmental income	22,866,955	22,898,145	20,811,540	(2,086,605)
Intergovernmental charges	640,755	621,528	510,912	(110,616)
Use of money and property	125,350	125,350	157,862	32,512
Licenses and permits	23,500	23,500	20,990	(2,510)
Fines and forfeitures	284,708	296,272	497,936	201,664
Sale of property and compensation for loss	110,300	232,503	176,060	(56,443)
Miscellaneous local sources	3,052,542	3,039,088	3,271,251	232,163
State aid	15,664,660	16,380,109	15,014,371	(1,365,738)
Federal aid	16,155,997	17,664,471	18,197,064	532,593
Total revenue	<u>149,814,902</u>	<u>151,966,773</u>	<u>154,815,355</u>	<u>2,848,582</u>
Expenditures:				
General government support	25,494,848	26,029,565	23,008,080	3,021,485
Education	5,350,000	5,300,000	5,297,188	2,812
Public safety	22,617,395	22,974,717	22,281,506	693,211
Health	24,968,980	25,053,086	23,150,414	1,902,672
Transportation	1,283,103	1,237,116	1,172,599	64,517
Economic opportunity and development	56,536,269	58,132,164	56,711,538	1,420,626
Culture and recreation	3,416,474	3,531,993	3,289,795	242,198
Home and community services	1,495,691	1,504,440	1,443,075	61,365
Debt service	685,537	668,168	668,167	1
Total expenditures	<u>141,848,297</u>	<u>144,431,249</u>	<u>137,022,362</u>	<u>7,408,887</u>
Excess of revenue over expenditures	<u>7,966,605</u>	<u>7,535,524</u>	<u>17,792,993</u>	<u>10,257,469</u>
Other financing sources (uses):				
Premiums	-	-	81,993	81,993
Transfers in	463,239	726,334	726,335	1
Transfers out	(16,089,969)	(17,311,051)	(17,311,051)	-
Total other financing sources (uses)	<u>(15,626,730)</u>	<u>(16,584,717)</u>	<u>(16,502,723)</u>	<u>81,994</u>
Net change in fund balance	(7,660,125)	(9,049,193)	1,290,270	10,339,463
Fund balance at beginning of year	<u>23,132,592</u>	<u>23,132,592</u>	<u>23,132,592</u>	-
Fund balance at end of year	<u>\$ 15,472,467</u>	<u>14,083,399</u>	<u>24,422,862</u>	<u>10,339,463</u>

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Revenue and Other Financing Sources Compared to Budget - With Prior Year Actual
Year ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2012 Actual</u>
Real property taxes	\$ 53,364,524	53,364,524	53,786,165	421,641	51,466,856
Other tax items:					
Gain on sale of tax acquired property	500,000	506,005	2,751,742	2,245,737	2,207,956
Interest and penalties on real property taxes	4,750,000	5,122,014	5,566,052	444,038	5,414,070
Payments in lieu of taxes	835,851	835,851	996,165	160,314	841,893
	<u>6,085,851</u>	<u>6,463,870</u>	<u>9,313,959</u>	<u>2,850,089</u>	<u>8,463,919</u>
Non-property taxes:					
Sales and use tax	34,250,000	34,250,000	33,793,427	(456,573)	34,034,864
Hotel room occupancy tax	550,000	550,000	619,352	69,352	629,009
Off-track betting surcharge	300,000	279,594	265,550	(14,044)	323,316
E-911 surcharge	300,000	300,000	286,122	(13,878)	291,465
Automobile use tax	515,000	515,000	548,403	33,403	473,315
Mortgage tax	470,000	530,000	689,150	159,150	469,369
Other taxes	<u>2,000</u>	<u>2,000</u>	<u>4,598</u>	<u>2,598</u>	<u>5,256</u>
	<u>36,387,000</u>	<u>36,426,594</u>	<u>36,206,602</u>	<u>(219,992)</u>	<u>36,226,594</u>

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Revenue and Other Financing Sources Compared to Budget - with prior year actual, Continued

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2012 Actual</u>
Departmental income:					
General government support:					
County treasurer fees	\$ 4,350	4,350	5,726	1,376	6,012
Tax collection fees	641,000	852,005	1,099,667	247,662	1,194,227
Tax map fees	2,225	2,225	3,502	1,277	3,513
Clerk fees	1,657,058	1,657,058	1,642,387	(14,671)	1,549,152
Charges for tax advertising	1,500	1,500	937	(563)	2,967
Civil service examination fees	10,000	10,000	8,841	(1,159)	13,216
Attorney fees	36,190	36,190	108,409	72,219	17,436
Public works charges	3,793,972	3,793,972	3,804,417	10,445	3,805,180
Management information fees	1,408,879	1,428,414	990,857	(437,557)	1,086,191
Stop-DWI reimbursement	80,850	80,850	67,850	(13,000)	44,721
Central services chargebacks	265,437	265,437	172,754	(92,683)	183,082
	<u>7,901,461</u>	<u>8,132,001</u>	<u>7,905,347</u>	<u>(226,654)</u>	<u>7,905,697</u>
Public safety:					
Sheriff fees	701,010	714,260	730,310	16,050	722,612
Probation fees	117,100	117,100	122,328	5,228	126,454
Public safety fees	109,688	109,688	103,473	(6,215)	93,415
	<u>927,798</u>	<u>941,048</u>	<u>956,111</u>	<u>15,063</u>	<u>942,481</u>

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Revenue and Other Financing Sources Compared to Budget - With Prior Year Actual, Continued

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	2012 <u>Actual</u>
Departmental income, continued:					
Health:					
Home nursing charges	\$ 5,750,260	5,400,260	4,682,373	(717,887)	4,339,725
Mental health fees	3,454,262	3,454,262	1,811,195	(1,643,067)	3,245,105
Early intervention child care services	858,177	527,345	737,151	209,806	656,853
Narcotics, DWI and alcoholism programs	494,880	494,880	275,413	(219,467)	515,288
Other	<u>7,000</u>	<u>5,667</u>	<u>6,822</u>	<u>1,155</u>	<u>5,833</u>
	<u>10,564,579</u>	<u>9,882,414</u>	<u>7,512,954</u>	<u>(2,369,460)</u>	<u>8,762,804</u>
Transportation:					
Airport rentals and fees	81,700	81,700	63,732	(17,968)	5,389
Public transportation fees	<u>294,775</u>	<u>294,775</u>	<u>294,721</u>	<u>(54)</u>	<u>293,839</u>
	<u>376,475</u>	<u>376,475</u>	<u>358,453</u>	<u>(18,022)</u>	<u>299,228</u>
Economic opportunity and development:					
Medical assistance	1,293,342	1,301,992	1,395,279	93,287	1,243,981
Child care	563,251	576,801	489,011	(87,790)	409,668
Juvenile delinquency	30,000	15,000	18,232	3,232	12,311
Safety net	349,467	330,967	326,241	(4,726)	292,918
Home energy assistance program repayments	116,121	81,621	91,211	9,590	99,896
Emergency aid to adults	27,676	13,926	26,553	12,627	32,353
Family services - chargebacks	63,475	122,475	140,628	18,153	120,451
Other	<u>493,765</u>	<u>508,502</u>	<u>580,115</u>	<u>71,613</u>	<u>438,832</u>
	<u>2,937,097</u>	<u>2,951,284</u>	<u>3,067,270</u>	<u>115,986</u>	<u>2,650,410</u>

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Revenue and Other Financing Sources Compared to Budget - With Prior Year Actual, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
Departmental income, continued:					
Culture and recreation:					
Parks and recreation	\$ 74,680	63,644	57,439	(6,205)	64,064
Recreation concessions	15,000	14,769	9,771	(4,998)	10,007
Contributions - office for the Aging	154,175	131,263	130,882	(381)	134,208
Fort Delaware admissions fees	17,500	15,570	13,281	(2,289)	12,860
	<u>261,355</u>	<u>225,246</u>	<u>211,373</u>	<u>(13,873)</u>	<u>221,139</u>
Home and Community Services - community development administration reimbursement	73,500	73,500	3,954	(69,546)	29,781
Total departmental income	<u>23,042,265</u>	<u>22,581,968</u>	<u>20,015,462</u>	<u>(2,566,506)</u>	<u>20,811,540</u>
Intergovernmental charges:					
General services	424,754	399,539	400,520	981	391,504
Election service charges	400	400	344	(56)	1,719
Public safety	16,000	16,000	16,127	127	14,720
Health services	85,000	85,000	21	(84,979)	992
Economic assistance	105,813	105,813	104,427	(1,386)	101,977
	<u>631,967</u>	<u>606,752</u>	<u>521,439</u>	<u>(85,313)</u>	<u>510,912</u>
Use of money and property:					
Earnings on investments	41,350	41,350	58,167	16,817	52,724
Rental of property	7,800	7,800	7,800	-	11,998
Commissions	82,000	82,000	108,476	26,476	93,140
	<u>131,150</u>	<u>131,150</u>	<u>174,443</u>	<u>43,293</u>	<u>157,862</u>

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Revenue and Other Financing Sources Compared to Budget - With Prior Year Actual, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
Licenses and permits:					
Business and occupational licenses	\$ 25,000	25,000	18,500	(6,500)	19,490
Other licenses and permits	1,500	1,500	1,500	-	1,500
	<u>26,500</u>	<u>26,500</u>	<u>20,000</u>	<u>(6,500)</u>	<u>20,990</u>
Fines and forfeitures:					
Fines and forfeited bail	12,000	37,664	157,244	119,580	309,621
Stop DWI fines	264,208	264,208	164,790	(99,418)	188,315
	<u>276,208</u>	<u>301,872</u>	<u>322,034</u>	<u>20,162</u>	<u>497,936</u>
Sale of property and compensation for loss:					
Sale of equipment	-	-	-	-	100
Minor sales	8,250	9,150	12,243	3,093	5,921
Insurance recoveries	100,000	135,171	50,575	(84,596)	170,039
	<u>108,250</u>	<u>144,321</u>	<u>62,818</u>	<u>(81,503)</u>	<u>176,060</u>
Miscellaneous local sources:					
Refund of prior year's expenditures	-	-	22,063	22,063	183,515
Gifts and donations	107,000	89,944	89,460	(484)	108,353
Video and lottery terminals	199,000	242,448	242,448	-	199,000
Indirect cost chargebacks	3,014,779	3,014,779	3,043,779	29,000	2,730,742
Other	-	7,376	13,932	6,556	49,641
	<u>3,320,779</u>	<u>3,354,547</u>	<u>3,411,682</u>	<u>57,135</u>	<u>3,271,251</u>

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Revenue and Other Financing Sources Compared to Budget - With Prior Year Actual, Continued

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (<u>Negative</u>)	2012 <u>Actual</u>
State aid:					
General government support:					
Court facilities	\$ 217,041	217,041	216,963	(78)	197,644
District attorney	108,476	118,476	130,552	12,076	50,800
Indigent legal services	161,999	161,999	291,393	129,394	291,506
Records management	-	-	2,616	2,616	1,282
Other	5,500	101,886	210,020	108,134	2,084
	<u>493,016</u>	<u>599,402</u>	<u>851,544</u>	<u>252,142</u>	<u>543,316</u>
Public safety:					
Homeland security	32,000	58,182	-	(58,182)	-
Probation services	292,442	292,442	278,501	(13,941)	366,889
Navigation aid	5,000	5,000	3,995	(1,005)	4,012
Court officer reimbursement	27,500	17,000	14,710	(2,290)	18,260
Other	48,500	48,500	(307)	(48,807)	88,091
	<u>405,442</u>	<u>421,124</u>	<u>296,899</u>	<u>(124,225)</u>	<u>477,252</u>
Health:					
Public health	1,366,452	1,352,316	1,160,751	(191,565)	1,236,770
Education and care of handicapped children	6,765	2,665	824	(1,841)	5,052
Addition control	334,892	334,892	222,078	(112,814)	334,892
Mental health	3,108,304	3,138,399	2,976,453	(161,946)	2,739,612
Education and transportation of handicapped children	15,000	15,000	141,885	126,885	83,495
Early intervention program	2,615,218	2,808,218	2,264,236	(543,982)	2,581,828
	<u>7,446,631</u>	<u>7,651,490</u>	<u>6,766,227</u>	<u>(885,263)</u>	<u>6,981,649</u>

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Revenue and Other Financing Sources Compared to Budget - With Prior Year Actual, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
State aid, continued:					
Transportation - bus subsidies	\$ 5,000	56,750	64,415	7,665	23,153
Economic opportunity and development:					
Medical assistance	(274,310)	(274,310)	(308,370)	(34,060)	(239,342)
Aid to dependent children	101,823	101,823	2,764	(99,059)	11,215
Family services administration	3,238,899	3,238,899	4,406,590	1,167,691	3,453,574
Child care	1,821,041	1,821,041	1,817,369	(3,672)	1,242,973
Juvenile delinquency	174,866	174,866	77,931	(96,935)	114,550
Home relief	994,001	994,001	1,026,700	32,699	1,230,166
Emergency aid for adults	64,010	64,010	59,563	(4,447)	66,014
Day care	242,100	242,100	160,686	(81,414)	231,674
Veterans' service agency	8,654	8,654	8,529	(125)	8,529
Economic assistance	6,000	6,000	4,829	(1,171)	5,221
Workforce development	79,197	79,197	-	(79,197)	109,106
Services for recipients	306,341	306,341	158,338	(148,003)	46,405
	6,762,622	6,762,622	7,414,929	652,307	6,280,085
Culture and recreation:					
Programs for the aging	622,010	594,149	594,149	-	624,482
Youth programs	49,584	79,155	51,875	(27,280)	56,043
	671,594	673,304	646,024	(27,280)	680,525
Home and community services - refuse, garbage and recycling charges	14,000	14,000	62,487	48,487	28,391
Total state aid	15,798,305	16,178,692	16,102,525	(76,167)	15,014,371

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Revenue and Other Financing Sources Compared to Budget - With Prior Year Actual, Continued

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (<u>Negative</u>)	2012 <u>Actual</u>
Federal aid:					
Public safety:					
Sheriff's department	\$ 165,000	66,000	60,019	(5,981)	50,145
Other	5,721	27,095	122,810	95,715	42,927
	<u>170,721</u>	<u>93,095</u>	<u>182,829</u>	<u>89,734</u>	<u>93,072</u>
Health:					
Public health	320,934	310,908	269,834	(41,074)	306,466
W.I.C. program	494,891	494,891	372,381	(122,510)	347,467
Mental health	300,000	300,000	239,274	(60,726)	311,442
	<u>1,115,825</u>	<u>1,105,799</u>	<u>881,489</u>	<u>(224,310)</u>	<u>965,375</u>
Economic opportunity and development:					
Medial assistance	(263,553)	(263,553)	(299,021)	(35,468)	(224,125)
Aid to dependent children	3,913,048	3,913,048	3,805,336	(107,712)	4,252,654
Family services administration	4,822,925	4,785,574	5,033,386	247,812	5,477,100
Food stamps	693,259	693,259	620,998	(72,261)	616,263
Flexible fund family services	2,532,267	2,532,267	2,651,826	119,559	2,928,619
Child care	1,397,738	1,397,738	1,349,727	(48,011)	1,373,308
Home relief	11,295	11,295	5,931	(5,364)	242,692
Workforce development	595,271	792,581	601,457	(191,124)	620,567
Day care	1,242,429	1,242,429	941,033	(301,396)	1,081,399
	<u>14,944,679</u>	<u>15,104,638</u>	<u>14,710,673</u>	<u>(393,965)</u>	<u>16,368,477</u>

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Revenue and Other Financing Sources Compared to Budget - With Prior Year Actual, Continued

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2012 Actual</u>
Federal aid, continued:					
Culture and recreation - programs for the aging	\$ 492,202	461,778	461,799	21	510,690
Home and community services - planning	-	-	46,273	46,273	259,450
Total federal aid	<u>16,723,427</u>	<u>16,765,310</u>	<u>16,283,063</u>	<u>(482,247)</u>	<u>18,197,064</u>
Total revenue	<u>155,896,226</u>	<u>156,346,100</u>	<u>156,220,192</u>	<u>(125,908)</u>	<u>154,815,355</u>
Other financing sources:					
Premiums	-	-	36,237	36,237	81,993
Transfer in:					
Capital projects fund	-	-	1,060	1,060	-
Debt service fund	-	-	9,253	9,253	726,335
Total other financing sources	-	-	46,550	46,550	808,328
Total revenue and other financing sources	<u>\$ 155,896,226</u>	<u>156,346,100</u>	<u>156,266,742</u>	<u>(79,358)</u>	<u>155,623,683</u>

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - With Prior Year Actual
Year ended December 31, 2013

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (<u>Negative</u>)	2012 <u>Actual</u>
General governmental support:					
County legislature	\$ 560,520	560,773	549,149	11,624	522,776
Municipal Court	8,000	8,000	6,640	1,360	6,920
District Attorney	1,505,282	1,548,665	1,532,247	16,418	1,428,226
Public defense	1,387,657	1,387,657	1,497,310	(109,653)	1,513,033
Coroners	282,524	338,024	317,897	20,127	284,568
County manager	313,470	291,470	284,090	7,380	303,150
Audit and control	444,838	485,288	474,850	10,438	533,331
County treasurer	500,035	500,429	486,619	13,810	494,125
Tax collection	999,069	1,214,375	1,194,268	20,107	1,334,467
Management and budget	398,086	430,871	422,500	8,371	379,517
Grants administration	242,190	242,190	238,700	3,490	185,540
Risk management	-	-	2	(2)	(5,389)
Payroll	247,335	257,335	250,511	6,824	248,252
Health finance	215,149	179,149	164,549	14,600	144,440
Purchasing	346,858	346,949	343,599	3,350	337,736
Real property tax map	584,639	584,696	568,797	15,899	544,337
County clerk	1,932,996	1,998,262	2,003,771	(5,509)	1,919,459
County attorney	828,380	876,527	838,630	37,897	843,055
Personnel	829,091	863,079	843,285	19,794	796,698
Elections	625,095	626,856	610,546	16,310	724,063

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - With Prior Year Actual, Continued

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (<u>Negative</u>)	2012 <u>Actual</u>
General governmental support, continued:					
Records management	\$ 153,270	153,270	131,506	21,764	148,595
Public works administration	544,773	590,311	603,772	(13,461)	526,471
Central services administration	278,626	278,626	249,586	29,040	173,722
Buildings	4,446,712	4,749,017	4,411,762	337,255	4,588,614
Management information systems	3,197,118	3,224,597	2,948,344	276,253	3,195,040
Unallocated insurance	829,060	829,060	896,032	(66,972)	777,956
Municipal association dues	25,000	34,221	34,221	-	34,431
Judgments and claims	150,000	150,000	85,278	64,722	182,415
Postemployment benefits	752,478	752,478	779,330	(26,852)	774,000
Miscellaneous	1,860,000	1,029,088	98,277	930,811	-
Bond and note issuance costs	-	-	-	-	68,532
	<u>24,488,251</u>	<u>24,531,263</u>	<u>22,866,068</u>	<u>1,665,195</u>	<u>23,008,080</u>
Education:					
Community college - non-resident tuition	1,600,000	1,600,000	1,547,733	52,267	1,297,188
Contribution to community college	4,000,000	4,000,000	4,000,000	-	4,000,000
	<u>5,600,000</u>	<u>5,600,000</u>	<u>5,547,733</u>	<u>52,267</u>	<u>5,297,188</u>

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - With Prior Year Actual, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
Public safety:					
Administration	\$ 157,539	235,335	230,299	5,036	162,076
E-911	1,532,881	1,536,061	1,460,406	75,655	1,442,122
Sheriff	6,240,843	6,496,130	6,430,413	65,717	6,283,048
Probation	2,145,599	2,152,015	2,064,975	87,040	2,113,724
Jail	11,353,188	12,117,848	11,911,216	206,632	11,196,648
Stop DWI	281,708	281,828	248,050	33,778	251,739
Fire protection	88,003	89,443	81,947	7,496	94,897
Animal control	-	-	2,283	(2,283)	1,329
Safety inspection	1,600	1,600	914	686	1,437
Postemployment benefits	733,486	733,486	738,216	(4,730)	734,486
	<u>22,534,847</u>	<u>23,643,746</u>	<u>23,168,719</u>	<u>475,027</u>	<u>22,281,506</u>
Health:					
Public health	7,945,617	7,671,468	7,137,181	534,287	7,088,333
Handicapped children	24,638	16,438	10,386	6,052	21,942
Diagnostic and treatment programs	647,936	647,590	603,903	43,687	595,732
W.I.C.	6,054,469	5,924,908	5,811,107	113,801	5,973,932
Addiction control	623,378	623,687	513,696	109,991	471,532
Community services administration	875,840	875,840	768,163	107,677	785,550
Mental health programs	1,732,362	1,798,257	1,680,913	117,344	1,506,299
Contracted mental health services	4,079,640	4,104,734	3,752,204	352,530	4,014,661
Postemployment benefits	2,548,826	2,548,826	2,402,084	146,742	2,331,583
Public transportation fees	352,698	352,698	384,069	(31,371)	360,850
	<u>24,885,404</u>	<u>24,564,446</u>	<u>23,063,706</u>	<u>1,500,740</u>	<u>23,150,414</u>

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - With Prior Year Actual, Continued

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	2012 <u>Actual</u>
Transportation:					
Airport	\$ 384,841	395,646	389,438	6,208	369,314
Public transportation	853,532	954,680	719,766	234,914	725,532
Postemployment benefits	<u>76,197</u>	<u>76,197</u>	<u>78,371</u>	<u>(2,174)</u>	<u>77,753</u>
	<u>1,314,570</u>	<u>1,426,523</u>	<u>1,187,575</u>	<u>238,948</u>	<u>1,172,599</u>
Economic opportunity and development:					
Family services administration	14,028,238	14,104,871	13,043,055	1,061,816	13,059,934
Day care	1,537,437	1,537,437	1,391,662	145,775	1,760,350
Services for recipients	484,300	484,300	537,077	(52,777)	462,762
Medical assistance	141,280	141,280	140,319	961	129,701
Medical assistance - MMIS	22,090,685	22,090,685	21,718,772	371,913	21,762,530
Family assistance	4,698,847	4,698,847	5,257,885	(559,038)	6,101,570
Child care	4,618,223	4,618,223	4,856,104	(237,881)	4,176,404
Juvenile delinquent care	394,305	394,305	210,505	183,800	287,356
State training schools	196,308	196,308	(45,672)	241,980	288,521
Safety net	3,717,034	3,717,034	3,669,078	47,956	4,489,290
Home energy assistance program	20,000	20,000	11,371	8,629	42,736
Emergency aid for adults	249,650	249,650	273,383	(23,733)	181,594
Center for workforce development	1,294,381	1,509,581	1,332,245	177,336	1,296,523
Community action commission	18,360	62,272	62,272	-	-
Other economic opportunity programs	31,396	31,396	31,396	-	39,245
Public information	467,500	467,500	648,774	(181,274)	499,342
Veterans' services	544,389	546,928	531,954	14,974	529,512

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - With Prior Year Actual, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
Economic opportunity and development, continued:					
Consumer affairs - weights and measures	\$ 77,438	80,190	89,971	(9,781)	85,699
Economic and community development	215,804	223,304	223,240	64	500,433
Postemployment benefits	1,005,820	1,005,820	1,069,009	(63,189)	1,018,036
	<u>55,831,395</u>	<u>56,179,931</u>	<u>55,052,400</u>	<u>1,127,531</u>	<u>56,711,538</u>
Culture and recreation:					
Parks and recreation	375,696	369,636	318,356	51,280	302,522
Youth programs	234,337	191,623	161,732	29,891	252,525
County museum	76,010	77,024	56,908	20,116	78,689
Historical property - Fort Delaware	92,371	85,430	61,969	23,461	100,501
Cultural affairs	42,833	42,833	49,303	(6,470)	47,004
Aging programs	2,468,738	2,370,955	2,358,762	12,193	2,382,819
Postemployment benefits	129,087	129,087	122,825	6,262	125,735
	<u>3,419,072</u>	<u>3,266,588</u>	<u>3,129,855</u>	<u>136,733</u>	<u>3,289,795</u>
Home and community services:					
Planning	628,116	615,741	511,400	104,341	600,744
Human rights commission	34,853	35,853	38,085	(2,232)	34,215
Fish and game	13,600	13,600	13,600	-	17,000
DPW flood and erosion control	158,828	158,828	158,828	-	365,903
Veterans' cemetery	5,130	5,905	5,517	388	4,474
Postemployment benefits	3,786	3,786	3,654	132	5,739
Other	332,000	332,000	332,000	-	415,000
	<u>1,176,313</u>	<u>1,165,713</u>	<u>1,063,084</u>	<u>102,629</u>	<u>1,443,075</u>

(Continued)

COUNTY OF SULLIVAN, NEW YORK
General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - With Prior Year Actual, Continued

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	2012 <u>Actual</u>
Debt service:					
Principal	\$ 700,000	700,000	700,000	-	545,000
Interest:					
Bond anticipation notes	18,125	18,125	18,125	-	19,914
Tax anticipation notes	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	-	<u>103,253</u>
	843,125	843,125	843,125	-	668,167
Total expenditures	<u>140,092,977</u>	<u>141,221,335</u>	<u>135,922,265</u>	5,299,070	<u>137,022,362</u>
Other financing uses:					
Transfer out:					
Adult Care Center	553,760	553,760	553,760	-	300,621
County road fund	10,689,048	10,947,692	10,677,408	270,284	10,419,480
Refuse and garbage fund	1,123,593	1,123,593	1,100,000	23,593	1,100,000
Capital projects fund	-	-	-	-	109,727
Road machinery fund	3,776,499	3,681,673	3,777,687	(96,014)	4,169,745
Debt service fund	<u>1,174,762</u>	<u>1,174,762</u>	<u>1,149,379</u>	25,383	<u>1,211,478</u>
Total other financing uses	<u>17,317,662</u>	<u>17,481,480</u>	<u>17,258,234</u>	223,246	<u>17,311,051</u>
Total expenditures and other financing uses	<u>\$ 157,410,639</u>	<u>158,702,815</u>	<u>153,180,499</u>	5,522,316	<u>154,333,413</u>

COUNTY OF SULLIVAN, NEW YORK
County Road Fund
Comparative Balance Sheets
December 31, 2013 and 2012

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Cash - demand deposits	\$ 36,496	95,155
Receivables:		
Accounts	90,407	49,963
State and Federal aid	2,275,050	2,412,648
Due from other funds	<u>579,012</u>	<u>170,140</u>
Total receivables	<u>2,944,469</u>	<u>2,632,751</u>
Total assets	<u>\$ 2,980,965</u>	<u>\$ 2,727,906</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	660,894	954,531
Accrued liabilities	457,679	421,045
Retained percentages payable	<u>98,411</u>	<u>87,976</u>
Total liabilities	1,216,984	1,463,552
Fund balance - assigned	<u>1,763,981</u>	<u>1,264,354</u>
Total liabilities and fund balance	<u>\$ 2,980,965</u>	<u>\$ 2,727,906</u>

COUNTY OF SULLIVAN, NEW YORK
County Road Fund
Comparative Schedule of Revenue, Expenditures and
Changes in Fund Balances - Budget and Actual
Years ended December 31, 2013 and 2012

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Intergovernmental charges	\$ 469,509	348,496	429,576	81,080
Use of money and property	-	-	348	348
Licenses and permits	2,500	5,190	5,467	277
Sale of property and compensation for loss	5,100	2,131	1,005	(1,126)
Miscellaneous local sources	350	350	161	(189)
State aid	3,422,500	2,634,636	2,433,837	(200,799)
Federal aid	<u>1,519,150</u>	<u>570,064</u>	<u>926,455</u>	<u>356,391</u>
Total revenue	<u>5,419,109</u>	<u>3,560,867</u>	<u>3,796,849</u>	<u>235,982</u>
Expenditures:				
Public safety	752,813	713,021	619,385	93,636
Transportation	13,602,931	11,531,593	11,014,177	517,416
Debt service:				
Principal	400,000	400,000	400,000	-
Interest	<u>23,750</u>	<u>23,750</u>	<u>23,750</u>	<u>-</u>
Total expenditures	<u>14,779,494</u>	<u>12,668,364</u>	<u>12,057,312</u>	<u>611,052</u>
Excess (deficiency) of revenue over expenditures	<u>(9,360,385)</u>	<u>(9,107,497)</u>	<u>(8,260,463)</u>	<u>847,034</u>
Other financing sources (uses):				
Premiums	-	-	21,099	21,099
Transfers in	10,689,048	10,947,692	10,678,709	(268,983)
Transfers out	<u>(1,840,195)</u>	<u>(1,840,195)</u>	<u>(1,939,718)</u>	<u>(99,523)</u>
Total other financing sources (uses)	<u>8,848,853</u>	<u>9,107,497</u>	<u>8,760,090</u>	<u>(347,407)</u>
Net change in fund balance	(511,532)	-	499,627	499,627
Fund balance at beginning of year	<u>1,264,354</u>	<u>1,264,354</u>	<u>1,264,354</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 752,822</u></u>	<u><u>1,264,354</u></u>	<u><u>1,763,981</u></u>	<u><u>499,627</u></u>

COUNTY OF SULLIVAN, NEW YORK
County Road Fund
Comparative Schedule of Revenue, Expenditures and
Changes in Fund Balances - Budget and Actual, Continued

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Departmental income	\$ -	-	20	20
Intergovernmental charges	558,869	321,668	312,963	(8,705)
Use of money and property	-	-	375	375
Licenses and permits	2,000	2,000	9,551	7,551
Sale of property and compensation for loss	100	100	15,675	15,575
Miscellaneous local sources	255	255	339	84
State aid	3,906,750	3,906,750	3,040,944	(865,806)
Federal aid	1,694,852	1,694,852	895,873	(798,979)
Total revenue	<u>6,162,826</u>	<u>5,925,625</u>	<u>4,275,740</u>	<u>(1,649,885)</u>
Expenditures:				
Public safety	762,547	758,469	697,496	60,973
Transportation	14,106,779	13,843,445	11,534,790	2,308,655
Debt service:				
Principal	400,850	400,850	400,850	-
Interest	5,960	5,960	5,960	-
Total expenditures	<u>15,276,136</u>	<u>15,008,724</u>	<u>12,639,096</u>	<u>2,369,628</u>
Excess (deficiency) of revenue over expenditures	<u>(9,113,310)</u>	<u>(9,083,099)</u>	<u>(8,363,356)</u>	<u>719,743</u>
Other financing sources (uses):				
Premiums	-	-	11,641	11,641
Transfers in	10,501,407	10,419,480	10,441,570	22,090
Transfers out	(1,947,260)	(1,947,260)	(1,947,260)	-
Total other financing sources (uses)	<u>8,554,147</u>	<u>8,472,220</u>	<u>8,505,951</u>	<u>33,731</u>
Net change in fund balance	(559,163)	(610,879)	142,595	753,474
Fund balance at beginning of year	<u>1,121,759</u>	<u>1,121,759</u>	<u>1,121,759</u>	<u>-</u>
Fund balance at end of year	<u>\$ 562,596</u>	<u>510,880</u>	<u>1,264,354</u>	<u>753,474</u>

COUNTY OF SULLIVAN, NEW YORK
 Refuse and Garbage Fund
 Comparative Balance Sheets
 December 31, 2013 and 2012

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Cash - demand deposits	\$ 708,700	972,455
Receivables:		
Accounts, net of allowance for uncollectible amounts of \$0 in 2013 and \$0 in 2012	1,560,805	1,159,757
State and Federal aid	4,643	-
Due from other funds	<u>123,505</u>	<u>32,369</u>
Total receivables	<u>1,688,953</u>	<u>1,192,126</u>
Total assets	<u>\$ 2,397,653</u>	<u>2,164,581</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	1,007,737	626,760
Accrued liabilities	106,182	100,564
Due to other funds	<u>-</u>	<u>18,173</u>
Total liabilities	<u>1,113,919</u>	<u>745,497</u>
Fund balance:		
Restricted	54,846	183,471
Assigned	<u>1,228,888</u>	<u>1,235,613</u>
Total fund balance	<u>1,283,734</u>	<u>1,419,084</u>
Total liabilities and fund balance	<u>\$ 2,397,653</u>	<u>2,164,581</u>

COUNTY OF SULLIVAN, NEW YORK
 Refuse and Garbage Fund
 Comparative Schedule of Revenue, Expenditures and
 Changes in Fund Balances - Budget and Actual
 Years ended December 31, 2013 and 2012

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Departmental income	\$ 11,234,094	11,234,094	11,529,394	295,300
Use of money and property	-	-	1,050	1,050
Sale of property and compensation for loss	200,000	200,000	353,661	153,661
State Aid	-	42,000	129,954	87,954
Total revenue	<u>11,434,094</u>	<u>11,476,094</u>	<u>12,014,059</u>	<u>537,965</u>
Expenditures:				
Home and community services	7,167,578	7,376,938	7,173,601	203,337
Debt service:				
Principal	1,100,000	1,100,000	1,100,000	-
Interest	41,250	41,250	41,250	-
Total expenditures	<u>8,308,828</u>	<u>8,518,188</u>	<u>8,314,851</u>	<u>203,337</u>
Excess of revenue over expenditures	<u>3,125,266</u>	<u>2,957,906</u>	<u>3,699,208</u>	<u>741,302</u>
Other financing sources (uses):				
Premiums	-	-	13,178	13,178
Transfers in	1,123,593	1,123,593	1,114,382	(9,211)
Transfers out	<u>(5,032,891)</u>	<u>(5,032,891)</u>	<u>(4,962,118)</u>	<u>70,773</u>
Total other financing sources (uses)	<u>(3,909,298)</u>	<u>(3,909,298)</u>	<u>(3,834,558)</u>	<u>74,740</u>
Net change in fund balance	(784,032)	(951,392)	(135,350)	816,042
Fund balance at beginning of year	<u>1,419,084</u>	<u>1,419,084</u>	<u>1,419,084</u>	<u>-</u>
Fund balance at end of year	<u>\$ 635,052</u>	<u>467,692</u>	<u>1,283,734</u>	<u>816,042</u>

COUNTY OF SULLIVAN, NEW YORK
 Refuse and Garbage Fund
 Comparative Schedule of Revenue, Expenditures and
 Changes in Fund Balances - Budget and Actual, Continued

	2012			Variance with
	Original	Final	Actual	Final Budget
	Budget	Budget		Positive
				(Negative)
Revenue:				
Departmental income	\$ 10,623,137	10,623,137	11,256,729	633,592
Use of money and property	-	-	1,928	1,928
Sale of property and compensation for loss	<u>247,500</u>	<u>247,500</u>	<u>381,443</u>	<u>133,943</u>
Total revenue	<u>10,870,637</u>	<u>10,870,637</u>	<u>11,640,100</u>	<u>769,463</u>
Expenditures:				
Home and community services	6,685,247	6,677,920	6,771,262	(93,342)
Debt service:				
Principal	350,000	350,000	1,100,000	(750,000)
Interest	<u>195,000</u>	<u>195,000</u>	<u>68,921</u>	<u>126,079</u>
Total expenditures	<u>7,230,247</u>	<u>7,222,920</u>	<u>7,940,183</u>	<u>(717,263)</u>
Excess of revenue over expenditures	<u>3,640,390</u>	<u>3,647,717</u>	<u>3,699,917</u>	<u>52,200</u>
Other financing sources (uses):				
Premiums	-	-	20,263	20,263
Transfers in	-	-	1,112,106	1,112,106
Transfers out	<u>(4,505,087)</u>	<u>(4,505,087)</u>	<u>(5,084,701)</u>	<u>(579,614)</u>
Total other financing sources (uses)	<u>(4,505,087)</u>	<u>(4,505,087)</u>	<u>(3,952,332)</u>	<u>552,755</u>
Net change in fund balance	(864,697)	(857,370)	(252,415)	604,955
Fund balance at beginning of year	<u>1,671,499</u>	<u>1,671,499</u>	<u>1,671,499</u>	<u>-</u>
Fund balance at end of year	<u>\$ 806,802</u>	<u>814,129</u>	<u>1,419,084</u>	<u>604,955</u>

COUNTY OF SULLIVAN, NEW YORK
 Capital Projects Fund
 Comparative Balance Sheets
 December 31, 2013 and 2012

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Cash - demand deposits	\$ 2,459,922	4,056,112
Receivables:		
Accounts	675,000	693,200
State and Federal aid	1,168,778	740,594
Due from other funds	<u>6,424</u>	<u>135,799</u>
Total receivables	<u>1,850,202</u>	<u>1,569,593</u>
Total assets	<u>\$ 4,310,124</u>	<u>5,625,705</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	154,491	458,432
Retained percentages payable	298,305	314,804
Due to other funds	15,975	339,987
Bond anticipation notes payable	<u>8,100,000</u>	<u>6,800,000</u>
Total liabilities	8,568,771	7,913,223
Fund balance (deficit) - unassigned	<u>(4,258,647)</u>	<u>(2,287,518)</u>
Total liabilities and fund balance	<u>\$ 4,310,124</u>	<u>5,625,705</u>

COUNTY OF SULLIVAN, NEW YORK
 Capital Projects Fund
 Comparative Schedule of Revenue, Expenditures and Changes in Fund Balance
 Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenue:		
Use of money and property	\$ 154	285
Miscellaneous local sources	80,000	132,720
State aid	1,443,150	329,224
Federal aid	<u>724,933</u>	<u>1,250,448</u>
Total revenue	<u>2,248,237</u>	<u>1,712,677</u>
Expenditures - capital outlay	<u>6,297,006</u>	<u>6,651,897</u>
Excess (deficiency) of revenue over expenditures	<u>(4,048,769)</u>	<u>(4,939,220)</u>
Other financing sources (uses):		
Bonds issued	-	9,495,000
BAN's redeemed from appropriations	2,200,000	2,045,850
Transfers in	-	116,151
Transfers out	<u>(122,360)</u>	<u>(397,671)</u>
Total other financing sources (uses)	<u>2,077,640</u>	<u>11,259,330</u>
Net change in fund balance	(1,971,129)	6,320,110
Fund balance (deficit) at beginning of year	<u>(2,287,518)</u>	<u>(8,607,628)</u>
Fund balance (deficit) at end of year	<u>\$ (4,258,647)</u>	<u>(2,287,518)</u>

COUNTY OF SULLIVAN, NEW YORK
 Capital Projects Fund
 Project-Length Schedule
 Inception of project through December 31, 2013

	Appropriation	Expenditures and transfers	Unexpended balance	State and federal aid	Interfund transfers	Methods of Financing			Fund balance (deficit) at December 31, 2013	Bond Anticipation Notes Outstanding at December 31, 2013
						Proceeds of obligations	Others	Totals		
General government support:										
Computer equipment	\$ 1,000,000	843,265	156,735	-	-	200,000	85	200,085	(643,180)	800,000
Total general government support	1,000,000	843,265	156,735	-	-	200,000	85	200,085	(643,180)	800,000
Education:										
SCCC Pass Thru Improvement	777,161	777,161	-	777,161	-	-	4	777,165	4	-
Seelig SUNY Grant	976,342	482,363	493,979	482,363	-	-	4	482,367	4	-
Total education	1,753,503	1,259,524	493,979	1,259,524	-	-	8	1,259,532	8	-
Public safety:										
Fire training center	2,859,409	2,840,348	77,208	1,392,556	550,000	975,000	-	2,917,556	77,208	-
Jail planning	2,500,000	1,775,597	724,403	-	-	1,500,000	500,000	2,000,000	224,403	-
Jail facility	1,996,085	1,996,085	-	-	-	1,995,000	1,085	1,996,085	-	-
Sheriff patrol facility	250,000	3,495	59	-	3,436	-	59	3,495	-	-
Public safety improvements	943,790	653,016	263,311	526,498	114,400	-	335,245	976,143	323,127	-
Total public safety	8,549,284	7,268,541	1,064,981	1,919,054	667,836	4,470,000	836,389	7,893,279	624,738	-
Health - 2012 ACC Heal Grant	-	-	-	-	-	-	-	-	-	-
Transportation:										
Airport construction	18,035,685	17,604,373	431,312	16,972,308	933,693	-	22,319	17,928,320	323,947	-
Bus garage	2,712,901	2,572,443	140,458	2,457,435	-	115,000	8	2,572,443	-	-
Right of way	2,485,092	2,322,126	162,966	13,164	2,124,195	-	350,609	2,487,968	165,842	-
DPW Maplewood facility	3,191,332	3,118,981	72,351	-	153,000	1,913,800	1,124,567	3,191,367	72,386	-
Road reconstruction 2007	2,000,000	2,000,000	-	-	-	1,599,150	400,850	2,000,000	-	-
Road reconstruction 2008	6,000,000	6,000,000	127,936	3,000,000	154,850	2,845,150	-	6,000,000	-	-
Road and bridge reconstruction	2,354,000	2,360,426	(6,426)	-	160,574	2,199,850	2	2,360,426	-	-

(Continued)

COUNTY OF SULLIVAN, NEW YORK
Capital Projects Fund
Project-Length Schedule, Continued

Project Transportation, continued:	Appropriation	Expenditures and transfers	Unexpended balance	State and federal aid	Interfund transfers	Methods of Financing			Fund balance (deficit) at December 31, 2013	Bond Anticipation Notes Outstanding at December 31, 2013
						Proceeds of obligations	Others	Totals		
DPW equipment 2008 - road machinery	\$ 2,354,000	2,360,426	(6,426)	-	160,574	2,199,850	2	2,360,426	-	-
Bridge reconstruction 2010	800,000	628,075	171,925	-	-	800,000	107	800,107	172,032	-
DPW equipment 2010	1,874,700	1,034,432	840,268	-	-	1,874,700	1,697	1,876,397	841,965	-
Road Construction 2012	2,000,000	2,000,014	(14)	-	-	400,000	14	400,014	(1,600,000)	1,600,000
Road Construction 2013	3,500,000	3,499,738	262	-	-	-	189	189	(3,499,549)	3,500,000
Total transportation	47,307,710	45,501,034	1,934,612	22,442,907	3,686,886	13,947,500	1,900,364	41,977,657	(3,523,377)	5,100,000
Economic opportunity and development - Emerald corporate park	4,825,150	4,138,881	686,269	1,831,762	1,225,000	-	1,768,398	4,825,160	686,279	-
Culture and recreation:										
Snowmobile trail	134,974	134,974	-	134,826	-	-	148	134,974	-	-
D and H canal park	769,858	693,612	76,246	601,904	114,700	-	4,959	721,563	27,951	-
Park improvements	139,164	54,878	84,286	133,846	-	-	5,400	139,246	84,368	-
Total culture and recreation	1,043,996	883,464	160,532	870,576	114,700	-	10,507	995,783	112,319	-
Home and community services:										
Landfill MRF construction 2001	2,227,759	2,227,759	-	-	32,000	1,369,000	826,759	2,227,759	-	-
Landfill cell 6 construction	7,329,687	7,329,687	-	-	441,000	6,864,000	24,687	7,329,687	-	-
Landfill phase II expansion	1,906,310	1,906,310	-	-	140,000	1,760,000	6,310	1,906,310	-	-
Landfill closure 3-5	6,400,000	6,400,000	-	-	1,500,000	4,900,000	-	6,400,000	-	-
DPW equipment 2008 - landfill	60,000	60,000	-	-	60,000	-	-	60,000	-	-
Landfill	7,857,254	7,857,251	3	-	357,241	7,500,000	10	7,857,251	-	-
Solid waste equipment 2010	780,000	780,000	-	-	-	780,000	-	780,000	-	-
Landfill cap	5,500,000	4,816,448	683,552	-	-	2,200,000	1,101,014	3,301,014	(1,515,434)	2,200,000
Total home and community servc	32,061,010	31,377,455	683,555	-	2,530,241	25,373,000	1,958,780	29,862,021	(1,515,434)	2,200,000
Total	\$ 96,540,653	91,272,164	5,180,663	28,323,823	8,224,663	43,990,500	6,474,531	87,013,517	(4,258,647)	8,100,000

**NON-MAJOR
GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

- Road machinery fund - The road machinery fund is used to account for the purchase, repair and maintenance of highway machinery, tools and equipment and for the purchase, construction and maintenance of buildings for the storage and repair of highway machinery and equipment.
- Community development fund - The community development 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 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.

COUNTY OF SULLIVAN, NEW YORK
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2013
 (with comparative totals for 2012)

<u>Assets</u>	Road Machinery Fund	Community Development Fund	<u>Totals</u>	
			<u>2013</u>	<u>2012</u>
Cash and equivalents	\$ 102,276	798,404	900,680	811,249
Receivables:				
Accounts	49	-	49	287
Loans, net	-	156,958	156,958	187,971
State and Federal aid	-	118,779	118,779	3,935
Due from other funds	<u>822,810</u>	<u>-</u>	<u>822,810</u>	<u>684,572</u>
Total receivables	<u>822,859</u>	<u>275,737</u>	<u>1,098,596</u>	<u>876,765</u>
Total assets	<u>\$ 925,135</u>	<u>1,074,141</u>	<u>1,999,276</u>	<u>1,688,014</u>
 <u>Liabilities, Deferred Inflows and Fund Balance</u>				
Liabilities:				
Accounts payable	200,902	125,162	326,064	282,433
Accrued liabilities	144,388	-	144,388	134,652
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,424</u>
Total liabilities	<u>345,290</u>	<u>125,162</u>	<u>470,452</u>	<u>423,509</u>
Deferred inflows	<u>-</u>	<u>156,957</u>	<u>156,957</u>	<u>187,971</u>
Fund balance:				
Restricted	2,790	792,022	794,812	743,431
Assigned	<u>577,055</u>	<u>-</u>	<u>577,055</u>	<u>333,103</u>
Total fund balance	<u>579,845</u>	<u>792,022</u>	<u>1,371,867</u>	<u>1,076,534</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 925,135</u>	<u>1,074,141</u>	<u>1,999,276</u>	<u>1,688,014</u>

COUNTY OF SULLIVAN, NEW YORK
 Nonmajor Governmental Funds
 Combining Statement Revenue, Expenditures and Changes in Fund Balance
 December 31, 2013
 (with comparative totals for 2012)

	Road Machinery <u>Fund</u>	Community Development <u>Fund</u>	Debt Service <u>Fund</u>	<u>Totals</u>	
				<u>2013</u>	<u>2012</u>
Revenue:					
Departmental income	\$ -	64,092	-	64,092	565,303
Intergovernmental charges	997,840	-	-	997,840	917,989
Use of money and property	201	967	3,580	4,748	15,774
Sale of property and compensation for loss	192,763	-	-	192,763	-
Miscellaneous local sources	2,160	-	11,959	14,119	1,264
Interfund revenue	2,810	-	-	2,810	13,264
State aid	-	251,082	-	251,082	247,146
Federal aid	-	328,608	157,882	486,490	226,313
Total revenue	<u>1,195,774</u>	<u>644,749</u>	<u>173,421</u>	<u>2,013,944</u>	<u>1,987,053</u>
Expenditures:					
General government support	-	-	135,986	135,986	28,379
Transportation	3,931,133	-	-	3,931,133	4,284,781
Home and community services	-	592,100	-	592,100	360,709
Debt service:					
Principal	-	-	7,132,285	7,132,285	6,943,027
Interest	-	-	1,970,883	1,970,883	2,359,343
Total expenditures	<u>3,931,133</u>	<u>592,100</u>	<u>9,239,154</u>	<u>13,762,387</u>	<u>13,976,239</u>
Excess (deficiency) of revenue over expenditures	<u>(2,735,359)</u>	<u>52,649</u>	<u>(9,065,733)</u>	<u>(11,748,443)</u>	<u>(11,989,186)</u>
Other financing sources (uses):					
Proceeds from the issuance of long-term debt	-	-	17,880,000	17,880,000	-
Premiums	-	-	2,568,574	2,568,574	-
Payment to escrow agent	-	-	(20,330,062)	(20,330,062)	-
Transfers in	3,780,477	-	8,974,947	12,755,424	13,606,772
Transfers out	(802,434)	-	(27,726)	(830,160)	(1,562,872)
Total other financing sources (uses)	<u>2,978,043</u>	<u>-</u>	<u>9,065,733</u>	<u>12,043,776</u>	<u>12,043,900</u>
Net change in fund balance	242,684	52,649	-	295,333	54,714
Fund balance at beginning of year	<u>337,161</u>	<u>739,373</u>	<u>-</u>	<u>1,076,534</u>	<u>1,021,820</u>
Fund balance at end of year	<u>\$ 579,845</u>	<u>792,022</u>	<u>-</u>	<u>1,371,867</u>	<u>1,076,534</u>

COUNTY OF SULLIVAN, NEW YORK
Road Machinery Fund
Comparative Balance Sheets
December 31, 2013 and 2012

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Cash and equivalents	\$ 102,276	59,873
Receivables:		
Accounts	49	287
Due from other funds	<u>822,810</u>	<u>684,572</u>
Total receivables	<u>822,859</u>	<u>684,859</u>
Total assets	<u><u>\$ 925,135</u></u>	<u><u>744,732</u></u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	200,902	266,495
Accrued liabilities	144,388	134,652
Due to other funds	<u>-</u>	<u>6,424</u>
Total liabilities	<u>345,290</u>	<u>407,571</u>
Fund balance:		
Restricted	2,790	4,058
Assigned	<u>577,055</u>	<u>333,103</u>
Total fund balance	<u>579,845</u>	<u>337,161</u>
Total liabilities and fund balance	<u><u>\$ 925,135</u></u>	<u><u>744,732</u></u>

COUNTY OF SULLIVAN, NEW YORK
Road Machinery Fund
Comparative Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Years ended December 31, 2013 and 2012

	2013			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenue:				
Intergovernmental charges	\$ 800,000	982,857	997,840	14,983
Use of money and property	-	-	201	201
Sale of property and compensation for loss	100,000	189,286	192,763	3,477
Miscellaneous local sources	1,248	1,248	2,160	912
Interfund revenue	<u>8,000</u>	<u>8,000</u>	<u>2,810</u>	<u>(5,190)</u>
Total revenue	<u>909,248</u>	<u>1,181,391</u>	<u>1,195,774</u>	<u>14,383</u>
Expenditures - transportation	<u>3,910,072</u>	<u>4,087,389</u>	<u>3,931,133</u>	<u>156,256</u>
Total expenditures	<u>3,910,072</u>	<u>4,087,389</u>	<u>3,931,133</u>	<u>156,256</u>
Excess (deficiency) of revenue over expenditures	<u>(3,000,824)</u>	<u>(2,905,998)</u>	<u>(2,735,359)</u>	<u>170,639</u>
Other financing sources (uses):				
Transfers in	3,776,499	3,681,673	3,780,477	98,804
Transfers out	<u>(775,675)</u>	<u>(775,675)</u>	<u>(802,434)</u>	<u>(26,759)</u>
Total other financing sources (uses)	<u>3,000,824</u>	<u>2,905,998</u>	<u>2,978,043</u>	<u>72,045</u>
Net change in fund balance	-	-	242,684	242,684
Fund balance at beginning of year	<u>337,161</u>	<u>337,161</u>	<u>337,161</u>	<u>-</u>
Fund balance at end of year	<u>\$ 337,161</u>	<u>337,161</u>	<u>579,845</u>	<u>242,684</u>

COUNTY OF SULLIVAN, NEW YORK
Road Machinery Fund
Comparative Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual, Continued

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Intergovernmental charges	\$ 750,000	750,000	917,989	167,989
Use of money and property	-	932	1,158	226
Miscellaneous local sources	1,378	1,378	1,264	(114)
Interfund revenue	8,500	9,500	13,264	3,764
Total revenue	<u>759,878</u>	<u>761,810</u>	<u>933,675</u>	<u>171,865</u>
Expenditures - transportation	<u>4,244,588</u>	<u>4,415,848</u>	<u>4,284,781</u>	<u>131,067</u>
Total expenditures	<u>4,244,588</u>	<u>4,415,848</u>	<u>4,284,781</u>	<u>131,067</u>
Excess (deficiency) of revenue over expenditures	<u>(3,484,710)</u>	<u>(3,654,038)</u>	<u>(3,351,106)</u>	<u>302,932</u>
Other financing sources (uses):				
Transfers in	4,168,179	4,169,745	4,173,576	3,831
Transfers out	<u>(813,135)</u>	<u>(819,559)</u>	<u>(819,559)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,355,044</u>	<u>3,350,186</u>	<u>3,354,017</u>	<u>3,831</u>
Net change in fund balance	(129,666)	(303,852)	2,911	306,763
Fund balance at beginning of year	<u>334,250</u>	<u>334,250</u>	<u>334,250</u>	<u>-</u>
Fund balance at end of year	<u>\$ 204,584</u>	<u>30,398</u>	<u>337,161</u>	<u>306,763</u>

COUNTY OF SULLIVAN, NEW YORK
Community Development Fund
Comparative Balance Sheets
December 31, 2013 and 2012

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Cash - demand deposits	\$ 798,404	751,376
Receivables:		
Loans, net	156,958	187,971
State and Federal aid	<u>118,779</u>	<u>3,935</u>
Total receivables	<u>275,737</u>	<u>191,906</u>
Total assets	<u>\$ 1,074,141</u>	<u>943,282</u>
<u>Liabilities, Deferred Inflows, and Fund Balance</u>		
Liabilities - accounts payable	<u>125,162</u>	<u>15,938</u>
Deferred inflows	<u>156,957</u>	<u>187,971</u>
Fund balance - restricted	<u>792,022</u>	<u>739,373</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 1,074,141</u>	<u>943,282</u>

COUNTY OF SULLIVAN, NEW YORK
 Community Development Fund
 Comparative Schedule of Revenue, Expenditures and Changes in Fund Balance
 Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenue:		
Departmental income	\$ 64,092	103,201
Use of money and property	967	914
State aid	251,082	247,146
Federal aid	<u>328,608</u>	<u>61,251</u>
Total revenue	<u>644,749</u>	<u>412,512</u>
Expenditures - home and community services	<u>592,100</u>	<u>360,709</u>
Excess of revenue over expenditures	<u>52,649</u>	<u>51,803</u>
Fund balance at beginning of year	<u>739,373</u>	<u>687,570</u>
Fund balance at end of year	<u>\$ 792,022</u>	<u>739,373</u>

COUNTY OF SULLIVAN, NEW YORK
Debt Service Fund
Comparative Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Years ended December 31, 2013 and 2012

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Use of money and property	\$ -	-	3,580	3,580
Miscellaneous local sources	-	-	11,959	11,959
Federal aid	<u>165,063</u>	<u>165,063</u>	<u>157,882</u>	<u>(7,181)</u>
Total revenue	<u>165,063</u>	<u>165,063</u>	<u>173,421</u>	<u>8,358</u>
Expenditures:				
General government support	<u>9,332</u>	<u>9,332</u>	<u>135,986</u>	<u>(126,654)</u>
Debt service:				
Principal:				
Serial bonds	6,922,370	6,922,370	7,027,370	(105,000)
Installment purchase debt	<u>104,916</u>	<u>104,916</u>	<u>104,915</u>	<u>1</u>
	<u>7,027,286</u>	<u>7,027,286</u>	<u>7,132,285</u>	<u>(104,999)</u>
Interest:				
Serial bonds	2,056,883	2,056,883	1,966,686	90,197
Installment purchase debt	<u>4,197</u>	<u>4,197</u>	<u>4,197</u>	<u>-</u>
	<u>2,061,080</u>	<u>2,061,080</u>	<u>1,970,883</u>	<u>90,197</u>
Total debt service	<u>9,088,366</u>	<u>9,088,366</u>	<u>9,103,168</u>	<u>(14,802)</u>
Total expenditures	<u>9,097,698</u>	<u>9,097,698</u>	<u>9,239,154</u>	<u>(141,456)</u>
Excess (deficiency) of revenue over expenditures	<u>(8,932,635)</u>	<u>(8,932,635)</u>	<u>(9,065,733)</u>	<u>(133,098)</u>
Other financing sources (uses):				
Proceeds from the issuance of long term debt	-	-	17,880,000	17,880,000
Premiums	-	-	2,568,574	2,568,574
Payment to escrow agent	-	-	(20,330,062)	(20,330,062)
Transfers in	8,932,635	8,932,635	8,974,947	42,312
Transfers out	<u>-</u>	<u>-</u>	<u>(27,726)</u>	<u>(27,726)</u>
Total other financing sources (uses)	<u>8,932,635</u>	<u>8,932,635</u>	<u>9,065,733</u>	<u>133,098</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

COUNTY OF SULLIVAN, NEW YORK
Debt Service Fund
Comparative Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual, Continued

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Departmental income	\$ 463,239	463,239	462,102	(1,137)
Use of money and property	-	-	13,702	13,702
Federal aid	-	-	165,062	165,062
Total revenue	<u>463,239</u>	<u>463,239</u>	<u>640,866</u>	<u>177,627</u>
Expenditures:				
General government support	<u>11,306</u>	<u>11,306</u>	<u>28,379</u>	<u>(17,073)</u>
Debt service:				
Principal:				
Serial bonds	6,222,148	6,222,148	6,842,147	(619,999)
Installment purchase debt	<u>100,880</u>	<u>100,880</u>	<u>100,880</u>	<u>-</u>
	<u>6,323,028</u>	<u>6,323,028</u>	<u>6,943,027</u>	<u>(619,999)</u>
Interest:				
Serial bonds	2,087,804	2,087,804	2,351,111	(263,307)
Installment purchase debt	<u>8,232</u>	<u>8,232</u>	<u>8,232</u>	<u>-</u>
	<u>2,096,036</u>	<u>2,096,036</u>	<u>2,359,343</u>	<u>(263,307)</u>
Total debt service	<u>8,419,064</u>	<u>8,419,064</u>	<u>9,302,370</u>	<u>(883,306)</u>
Total expenditures	<u>8,430,370</u>	<u>8,430,370</u>	<u>9,330,749</u>	<u>(900,379)</u>
Excess (deficiency) of revenues over expenditures	<u>(7,967,131)</u>	<u>(7,967,131)</u>	<u>(8,689,883)</u>	<u>(722,752)</u>
Other financing sources (uses):				
Transfers in	8,430,370	8,430,370	9,433,196	1,002,826
Transfers out	<u>(463,239)</u>	<u>(463,239)</u>	<u>(743,313)</u>	<u>(280,074)</u>
Total other financing sources (uses)	<u>7,967,131</u>	<u>7,967,131</u>	<u>8,689,883</u>	<u>722,752</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public.

Adult Care Center - This fund is used to account for the operation of the Adult Care Center, a skilled nursing facility established and operated under the provisions of Article 6 of General Municipal Law.

Sullivan Tobacco Asset Securitization Corporation - This fund reflects the operations of this not-for-profit local development corporation organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York.

COUNTY OF SULLIVAN, NEW YORK
Enterprise Fund
Sullivan County Adult Care Center
Comparative Statements of Net Position
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Current assets:		
Cash and equivalents	\$ 1,098,552	3,366,060
Accounts receivable, net	1,049,346	1,929,916
Grants receivable	272,457	
Prepaid expenses	<u>83,269</u>	<u>89,366</u>
Total current assets	<u>2,503,624</u>	<u>5,385,342</u>
Noncurrent assets:		
Restricted cash and equivalents:		
Capital projects funds	850,579	-
Patient funds	<u>116,841</u>	<u>107,265</u>
Total restricted cash and equivalents	<u>967,420</u>	<u>107,265</u>
Capital assets:		
Assets not being depreciated	1,148,956	76,233
Buildings and improvements	10,685,148	10,614,457
Machinery and equipment	542,688	522,672
Less accumulated depreciation	<u>(9,881,113)</u>	<u>(9,732,938)</u>
Total capital assets, net of accumulated depreciation	<u>2,495,679</u>	<u>1,480,424</u>
Total assets	<u>5,966,723</u>	<u>6,973,031</u>
Deferred outflows of resources	<u>39,368</u>	<u>51,800</u>
Liabilities:		
Current liabilities:		
Current maturities of bonds payable	17,484	17,630
Bond anticipation note	1,130,000	-
Accounts payable	278,153	286,758
Accrued interest payable	1,175	1,396
Accrued liabilities	2,633,542	2,503,169
Due to other funds	4,865,391	5,849,507
Patient funds held in trust	116,841	107,239
Due to New York State retirement system	144,894	65,238
Accrued compensation and vacation	967,935	1,117,481
Other postemployment benefit obligations payable	<u>279,874</u>	<u>292,396</u>
Total current liabilities	<u>10,435,289</u>	<u>10,240,814</u>
Non-current liabilities:		
Bonds payable, less current maturities	49,489	66,973
Due to New York State retirement system	742,604	402,561
Other postemployment benefit obligations payable	<u>8,171,475</u>	<u>6,964,254</u>
Total noncurrent liabilities	<u>8,963,568</u>	<u>7,433,788</u>
Total liabilities	<u>19,398,857</u>	<u>17,674,602</u>
Net position:		
Restricted	850,579	-
Net investment in capital assets	1,298,706	1,413,451
Unrestricted	<u>(15,542,051)</u>	<u>(12,063,222)</u>
Total net position	<u>\$ (13,392,766)</u>	<u>(10,649,771)</u>

COUNTY OF SULLIVAN, NEW YORK
 Enterprise Fund
 Sullivan County Adult Care Center
 Comparative Statements of Revenue, Expenses and Changes in Net Position
 Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenue:		
Departmental charges	\$ 8,952,547	11,766,216
Miscellaneous local sources	<u>288,572</u>	<u>301,111</u>
Total operating revenue	<u>9,241,119</u>	<u>12,067,327</u>
Operating expenses:		
Professional care of residents	4,930,636	5,891,954
General services	3,806,305	4,021,711
Administrative services	1,075,748	1,045,460
Employee benefits	5,560,953	5,457,396
Assessments	608,433	705,183
Depreciation and amortization	148,943	304,779
Other	<u>18,389</u>	<u>4,067</u>
Total operating expenses	<u>16,149,407</u>	<u>17,430,550</u>
Operating income (loss)	<u>(6,908,288)</u>	<u>(5,363,223)</u>
Non-operating revenue (expenses):		
Intergovernmental transfers	2,555,973	2,824,888
Interest income	6,373	8,657
Interest expense	(15,679)	(16,563)
Miscellaneous income	<u>1,064,864</u>	<u>33,933</u>
Total non-operating revenue (expenses)	<u>3,611,531</u>	<u>2,850,915</u>
Transfers from governmental funds	<u>553,762</u>	<u>300,621</u>
Change in net position	(2,742,995)	(2,211,687)
Net position at beginning of year	<u>(10,649,771)</u>	<u>(8,438,084)</u>
Net position at end of year	<u>\$ (13,392,766)</u>	<u>(10,649,771)</u>

COUNTY OF SULLIVAN, NEW YORK
Enterprise Fund
Sullivan County Adult Care Center
Comparative Statements of Cash Flows
Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from charges for services	\$ 9,560,660	11,931,765
Cash payments to vendors for goods and services	(10,513,507)	(9,004,446)
Cash payments to employees for services	(4,859,967)	(5,249,269)
Miscellaneous	<u>288,572</u>	<u>301,111</u>
Net cash used in operating activities	<u>(5,524,242)</u>	<u>(2,020,839)</u>
Cash flows from non-capital financing activities:		
Intergovernmental transfers	2,555,973	2,824,888
Cash received from non-operating activities	<u>1,626,026</u>	<u>343,211</u>
Net cash provided by non-capital financing activities	<u>4,181,999</u>	<u>3,168,099</u>
Cash flows from capital and related financing activities:		
Principal paid on bonds	(17,630)	(17,853)
Proceeds from bond issuance	1,130,000	-
Interest paid on bonds	(3,468)	(4,354)
Acquisition of capital assets	<u>(1,183,588)</u>	<u>(107,133)</u>
Net cash used in capital and related financing activities	<u>(74,686)</u>	<u>(129,340)</u>
Net increase (decrease) in cash and equivalents	(1,416,929)	1,017,920
Cash and equivalents at beginning of year	<u>3,366,060</u>	<u>2,348,140</u>
Cash and equivalents at end of year	<u>\$ 1,949,131</u>	<u>3,366,060</u>
Reconciliation of income (loss) from operations to net cash used in operating activities:		
Income (loss) from operations	(6,908,288)	(5,363,223)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Bad debt expense	50,752	108,429
Depreciation and amortization expense	148,943	304,779
Loss on disposal of equipment	18,389	4,067
Changes in assets and liabilities:		
Accounts receivable	829,818	57,120
Grant receivable	(272,457)	-
Supplies	6,709	15,130
Prepaid expenses	(612)	(1,480)
Accounts payable and accrued expenses	(8,605)	96,759
Accrued compensation and vacation	(149,546)	276,838
Due to other funds	(984,116)	1,271,727
Accrued liabilities	130,373	(158,187)
Due to New York State retirement system	419,699	273,829
Other postemployment benefit obligations payable	<u>1,194,699</u>	<u>1,093,373</u>
Net cash used in operating activities	<u>\$ (5,524,242)</u>	<u>(2,020,839)</u>

COUNTY OF SULLIVAN, NEW YORK
 Enterprise Fund
 Sullivan County Tobacco Asset Securitization Corporation
 Comparative Statements of Net Position
 December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Current assets:		
Cash and equivalents	\$ 233,271	231,368
Accounts receivable, net	1,080,500	1,093,150
Prepaid expenses	<u>3,536</u>	<u>3,578</u>
Total current assets	<u>1,317,307</u>	<u>1,328,096</u>
Noncurrent assets:		
Restricted cash and equivalents	110	-
Restricted investments	<u>1,242,547</u>	<u>1,242,657</u>
Total noncurrent assets	<u>1,242,657</u>	<u>1,242,657</u>
Total assets	<u>2,559,964</u>	<u>2,570,753</u>
Deferred outflows of resources	<u>-</u>	<u>241,064</u>
Liabilities:		
Current liabilities:		
Accrued interest payable	61,477	63,098
Current maturities of bonds payable	<u>155,000</u>	<u>145,000</u>
Total current liabilities	216,477	208,098
Non-current liabilities - bonds payable, less current maturities	<u>12,686,774</u>	<u>13,084,185</u>
Total liabilities	<u>12,903,251</u>	<u>13,292,283</u>
Net position:		
Unrestricted	<u>\$ (10,343,287)</u>	<u>(10,480,466)</u>

COUNTY OF SULLIVAN, NEW YORK
 Enterprise Fund
 Sullivan County Tobacco Asset Securitization Corporation
 Comparative Statements of Revenue, Expenses and Changes in Net Position
 Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenue - tobacco settlement revenue	\$ <u>1,075,121</u>	<u>993,587</u>
Operating expenses:		
Professional fees	25,637	24,156
Insurance expense	4,285	4,285
Amortization	<u>-</u>	<u>16,514</u>
Total operating expenses	<u>29,922</u>	<u>44,955</u>
Operating income	<u>1,045,199</u>	<u>948,632</u>
Non-operating revenue (expenses):		
Interest income	85,465	86,437
Interest expense	<u>(752,421)</u>	<u>(773,684)</u>
Total non-operating revenue (expenses)	<u>(666,956)</u>	<u>(687,247)</u>
Income before transfers	<u>378,243</u>	<u>261,385</u>
Change in net position	<u>378,243</u>	<u>261,385</u>
Net position at beginning of year, as originally reported	(10,480,466)	(10,741,851)
Restatement (note 2(f))	<u>(241,064)</u>	<u>-</u>
Net position at beginning of year, as restated	<u>(10,721,530)</u>	<u>(10,741,851)</u>
Net position at end of year	<u>\$ (10,343,287)</u>	<u>(10,480,466)</u>

COUNTY OF SULLIVAN, NEW YORK
Enterprise Fund
Sullivan County Tobacco Asset Securitization Corporation
Comparative Statements of Cash Flows
Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from tobacco settlement revenue	\$ 1,087,768	1,087,771
Cash payments to vendors for goods and services	<u>(29,880)</u>	<u>(28,450)</u>
Net cash provided by operating activities	<u>1,057,888</u>	<u>1,059,321</u>
Cash flows investing activities:		
Purchase of restricted investments	(1,242,547)	(1,242,547)
Sale of restricted investments	1,242,547	1,242,547
Interest income	<u>85,465</u>	<u>86,437</u>
Net cash provided by investing activities	<u>85,465</u>	<u>86,437</u>
Cash flows from capital and related financing activities:		
Principal paid on bonds	(395,000)	(395,000)
Interest paid on bonds	<u>(746,450)</u>	<u>(767,875)</u>
Net cash used in capital and related financing activities	<u>(1,141,450)</u>	<u>(1,162,875)</u>
Net increase (decrease) in cash and equivalents	1,903	(17,117)
Cash and equivalents at beginning of year	<u>231,368</u>	<u>248,485</u>
Cash and equivalents at end of year	<u>\$ 233,271</u>	<u>231,368</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	1,045,199	948,632
Adjustments to reconcile operating income to net cash provided by operating activities:		
Amortization	-	16,514
Changes in assets and liabilities:		
Accounts receivable	12,650	94,184
Prepaid expenses	<u>39</u>	<u>(9)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,057,888</u>	<u>1,059,321</u>
Noncash investing activities - increase in bonds payable from amortization of original issue and underwriters' discounts	<u>\$ 7,589</u>	<u>7,592</u>

INTERNAL SERVICE FUNDS

Internal Service Funds account for 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 and Dental Self-Insurance Funds as internal service funds. These funds are consolidated in the following presentation. The County established the self-insured dental fund in 2012.

COUNTY OF SULLIVAN, NEW YORK
Internal Service Funds
Combining Statement of Net Position
December 31, 2013
(With comparative totals for the years ended December 31, 2012)

	Workers' Compensation Benefits Fund	Self-insured Dental Fund	<u>2013</u>	<u>2012</u>
Assets:				
Cash and equivalents	\$ 55,291	244,938	300,229	182,197
Receivables:				
Accounts	6,509,343	-	6,509,343	5,492,543
Due from other funds	<u>7,372,385</u>	<u>-</u>	<u>7,372,385</u>	<u>5,885,579</u>
Total receivables	<u>13,881,728</u>	<u>-</u>	<u>13,881,728</u>	<u>11,378,122</u>
Total assets	<u>13,937,019</u>	<u>244,938</u>	<u>14,181,957</u>	<u>11,560,319</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	166	-	166	519
Unearned revenue	103,718	-	103,718	336,295
Current maturities of claims payable	<u>1,460,508</u>	<u>7,874</u>	<u>1,468,382</u>	<u>1,236,100</u>
Total current liabilities	1,564,392	7,874	1,572,266	1,572,914
Claims payable, less current portion	<u>13,142,000</u>	<u>-</u>	<u>13,142,000</u>	<u>11,124,998</u>
Total liabilities	<u>14,706,392</u>	<u>7,874</u>	<u>14,714,266</u>	<u>12,697,912</u>
Net position - unrestricted	<u>\$ (769,373)</u>	<u>237,064</u>	<u>(532,309)</u>	<u>(1,137,593)</u>

COUNTY OF SULLIVAN, NEW YORK
Internal Service Funds
Combining Statement of Revenue, Expenses and Changes in Net Position
Year ended December 31, 2013
(With comparative totals for the years ended December 31, 2012)

	Workers' Compensation Benefits Fund	Self-insured Dental Fund	<u>2013</u>	<u>2012</u>
Operating revenue:				
Charges for services - internal	\$ -	505,012	505,012	2,977,224
Charges for services - external	6,056,603	-	6,056,603	5,440,280
Insurance recoveries	145,728	-	145,728	155,659
Miscellaneous local sources	45	-	45	-
Total operating revenue	<u>6,202,376</u>	<u>505,012</u>	<u>6,707,388</u>	<u>8,573,163</u>
Operating expenses - employee benefits	<u>5,715,708</u>	<u>386,919</u>	<u>6,102,627</u>	<u>11,219,388</u>
Operating income (loss)	486,668	118,093	604,761	(2,646,225)
Non-operating revenue - interest income	<u>245</u>	<u>278</u>	<u>523</u>	<u>375</u>
Change in net position	486,913	118,371	605,284	(2,645,850)
Net position at beginning of year	<u>(1,256,286)</u>	<u>118,693</u>	<u>(1,137,593)</u>	<u>1,508,257</u>
Net position at end of year	<u>\$ (769,373)</u>	<u>237,064</u>	<u>(532,309)</u>	<u>(1,137,593)</u>

COUNTY OF SULLIVAN, NEW YORK
Internal Service Funds
Combining Statement of Cash Flows
Year ended December 31, 2013
(With comparative totals for the years ended December 31, 2012)

	Workers' Compensation Benefits Fund	Self-insured Dental Fund	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:				
Cash received from charges for services	\$ 3,320,420	505,012	3,825,432	3,912,987
Cash received from insurance recoveries	145,728	-	145,728	155,659
Cash received from miscellaneous local sources	45	-	45	-
Cash payments to insurance carriers and claimants	<u>(3,466,026)</u>	<u>(387,670)</u>	<u>(3,853,696)</u>	<u>(4,337,906)</u>
Net cash provided by (used in) operating activities	167	117,342	117,509	(269,260)
Cash flows from investing activities - interest income	<u>245</u>	<u>278</u>	<u>523</u>	<u>375</u>
Net increase (decrease) in cash and equivalents	412	117,620	118,032	(268,885)
Cash and equivalents at beginning of year	<u>54,879</u>	<u>127,318</u>	<u>182,197</u>	<u>451,082</u>
Cash and equivalents at end of year	<u>\$ 55,291</u>	<u>244,938</u>	<u>300,229</u>	<u>182,197</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:				
Income (loss) from operations	486,668	118,093	604,761	(2,646,225)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Accounts receivable	(1,016,800)	-	(1,016,800)	(3,160,533)
Due from other funds	(1,486,806)	-	(1,486,806)	(1,599,662)
Accounts payable and accrued liabilities	(353)	-	(353)	(584,843)
Unearned revenue	(232,577)	-	(232,577)	255,678
Claims payable	<u>2,250,035</u>	<u>(751)</u>	<u>2,249,284</u>	<u>7,466,325</u>
Net cash provided by (used in) operating activities	<u>\$ 167</u>	<u>117,342</u>	<u>117,509</u>	<u>(269,260)</u>

COUNTY OF SULLIVAN, NEW YORK
Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statements of Net Position
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and equivalents	\$ 55,291	54,879
Receivables:		
Accounts	6,509,343	5,492,543
Due from other funds	<u>7,372,385</u>	<u>5,885,579</u>
Total receivables	<u>13,881,728</u>	<u>11,378,122</u>
Total assets	<u>13,937,019</u>	<u>11,433,001</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	166	519
Unearned revenue	103,718	336,295
Current maturities of claims payable	<u>1,460,508</u>	<u>1,227,475</u>
Total current liabilities	1,564,392	1,564,289
Claims payable, less current portion	<u>13,142,000</u>	<u>11,124,998</u>
Total liabilities	<u>14,706,392</u>	<u>12,689,287</u>
Net position - unrestricted	<u>\$ (769,373)</u>	<u>(1,256,286)</u>

COUNTY OF SULLIVAN, NEW YORK
Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statements of Revenue, Expenses and Changes in Net Position
Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenue:		
Miscellaneous local sources	\$ 45	-
Charges for services - internal	-	2,509,536
Charges for services - external	6,056,603	5,440,280
Insurance recoveries	<u>145,728</u>	<u>155,659</u>
Total operating revenue	6,202,376	8,105,475
Operating expenses - employee benefits	<u>5,715,708</u>	<u>10,870,334</u>
Operating income (loss)	486,668	(2,764,859)
Non-operating revenue - interest income	<u>245</u>	<u>316</u>
Change in net position	486,913	(2,764,543)
Net position at beginning of year	<u>(1,256,286)</u>	<u>1,508,257</u>
Net position at end of year	<u><u>\$ (769,373)</u></u>	<u><u>(1,256,286)</u></u>

COUNTY OF SULLIVAN, NEW YORK
Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statements of Cash Flows
Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from charges for services	\$ 3,320,420	3,445,299
Cash received from insurance recoveries	145,728	155,659
Cash received from miscellaneous local sources	45	-
Cash payments to insurance carriers and claimants	<u>(3,466,026)</u>	<u>(3,997,477)</u>
Net cash provided by (used in) operating activities	167	(396,519)
Cash flows from investing activities - interest income	<u>245</u>	<u>316</u>
Net increase (decrease) in cash and equivalents	412	(396,203)
Cash and equivalents at beginning of year	<u>54,879</u>	<u>451,082</u>
Cash and equivalents at end of year	<u>\$ 55,291</u>	<u>54,879</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	486,668	(2,764,859)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Accounts receivable	(1,016,800)	(3,160,533)
Due from other funds	(1,486,806)	(1,599,662)
Accounts payable and accrued liabilities	(353)	(584,843)
Unearned revenue	(232,577)	255,678
Claims payable	<u>2,250,035</u>	<u>7,457,700</u>
Net cash provided by (used in) operating activities	<u>\$ 167</u>	<u>(396,519)</u>

COUNTY OF SULLIVAN, NEW YORK
 Internal Service Fund - Self-insured Dental Fund
 Comparative Statements of Net Position
 December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets - cash and equivalents	\$ <u>244,938</u>	<u>127,318</u>
Liabilities - claims payable	<u>7,874</u>	<u>8,625</u>
Net position - unrestricted	<u><u>\$ 237,064</u></u>	<u><u>118,693</u></u>

COUNTY OF SULLIVAN, NEW YORK
 Internal Service Fund - Self-insured Dental Fund
 Comparative Statements of Revenue, Expenses and Changes in Net Position
 Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenue:		
Charges for services - internal	\$ 505,012	467,688
Total operating revenue	505,012	467,688
Operating expenses - employee benefits	386,919	349,054
Operating income (loss)	118,093	118,634
Non-operating revenue - interest income	278	59
Change in net position	118,371	118,693
Net position at beginning of year	118,693	-
Net position at end of year	<u>\$ 237,064</u>	<u>118,693</u>

COUNTY OF SULLIVAN, NEW YORK
 Internal Service Fund - Self-insured Dental Fund
 Comparative Statements of Cash Flows
 Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from charges for services	\$ 505,012	467,688
Cash payments to insurance carriers and claimants	<u>(387,670)</u>	<u>(340,429)</u>
Net cash provided by (used in) operating activities	117,342	127,259
Cash flows from investing activities - interest income	<u>278</u>	<u>59</u>
Net increase (decrease) in cash and equivalents	117,620	127,318
Cash and equivalents at beginning of year	<u>127,318</u>	<u>-</u>
Cash and equivalents at end of year	<u><u>\$ 244,938</u></u>	<u><u>127,318</u></u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	118,093	118,634
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Claims payable	<u>(751)</u>	<u>8,625</u>
Net cash provided by operating activities	<u><u>\$ 117,342</u></u>	<u><u>127,259</u></u>

COUNTY OF SULLIVAN, NEW YORK
 Fiduciary Fund - Agency Fund
 Statement of Changes in Assets and Liabilities
 Year ended December 31, 2013

<u>Assets</u>	Balance January 1, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2013</u>
Cash - demand deposits	\$ 2,145,904	102,328,529	(97,399,368)	7,075,065
Due from other funds	<u>6,567</u>	<u>-</u>	<u>(6,567)</u>	<u>-</u>
Total assets	<u>\$ 2,152,471</u>	<u>102,328,529</u>	<u>(97,405,935)</u>	<u>7,075,065</u>
 <u>Liabilities and Fund Balance</u>				
Accounts payable	-	28,244,169	(28,089,492)	154,677
Employee payroll deductions	127,033	70,567,398	(70,569,752)	124,679
Deposits	2,025,438	44,643,956	(43,545,851)	3,123,543
Due to other funds	<u>-</u>	<u>83,321,139</u>	<u>(79,648,973)</u>	<u>3,672,166</u>
Total liabilities	<u>\$ 2,152,471</u>	<u>226,776,662</u>	<u>(221,854,068)</u>	<u>7,075,065</u>

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, notes, and required supplementary information says about the County's overall financial Health.

CONTENTS

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changes over time.

Revenue Capacity - These schedules contain information to help the reader assess the County's most significant revenue sources.

Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information - 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 of the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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

Year Ended December 31,	<u>2013</u>	<u>2012 (2)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008 (1)</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities:										
Net position:										
Investment in capital assets										
net of related debt	\$ 85,562,582	81,670,910	76,768,306	70,516,266	69,015,657	61,589,988	38,417,445	45,700,511	41,830,738	45,496,156
Restricted	1,758,414	4,500,821	8,270,567	8,517,769	8,500,676	11,771,895	1,014,666	2,118,289	1,474,075	1,498,397
Unrestricted	(38,231,820)	(33,799,457)	(27,051,908)	(20,556,594)	(19,618,689)	(11,622,787)	9,607,692	2,623,869	4,481,196	6,629,926
Total governmental activities net position	<u>\$ 49,089,176</u>	<u>52,372,274</u>	<u>57,986,965</u>	<u>58,477,441</u>	<u>57,897,644</u>	<u>61,739,096</u>	<u>49,039,803</u>	<u>50,442,669</u>	<u>47,786,009</u>	<u>53,624,479</u>
Business type activities:										
Net position:										
Investment in capital assets										
net of related debt	1,298,706	1,413,451	1,643,913	1,883,587	2,124,380	2,076,502	2,025,110	1,937,042	1,919,295	2,019,718
Restricted	850,579	-	-	-	-	-	-	-	-	-
Unrestricted	(25,885,338)	(22,543,688)	(20,823,848)	(18,121,973)	(13,457,345)	(14,098,396)	(208,507)	1,239,256	197,295	19,323
Total business-type activities net position	<u>\$ (23,736,053)</u>	<u>(21,130,237)</u>	<u>(19,179,935)</u>	<u>(16,238,386)</u>	<u>(11,332,965)</u>	<u>(12,021,894)</u>	<u>1,816,603</u>	<u>3,176,298</u>	<u>2,116,590</u>	<u>2,039,041</u>
Primary government:										
Net position:										
Net investment in capital assets	86,861,288	83,084,361	78,412,219	72,399,853	71,140,037	63,666,490	40,442,555	47,637,553	43,750,033	47,515,874
Restricted	2,608,993	4,500,821	8,270,567	8,517,769	8,500,676	11,771,895	1,014,666	2,118,289	1,474,075	1,498,397
Unrestricted	(64,117,158)	(56,343,145)	(47,875,756)	(38,678,567)	(33,076,034)	(25,721,183)	9,399,185	3,863,125	4,678,491	6,649,249
Total primary government net position	<u>\$ 25,353,123</u>	<u>31,242,037</u>	<u>38,807,030</u>	<u>42,239,055</u>	<u>46,564,679</u>	<u>49,717,202</u>	<u>50,856,406</u>	<u>53,618,967</u>	<u>49,902,599</u>	<u>55,663,520</u>

(1) The activities of the Sullivan County Tobacco Securitization Corporation that had previously been reported under governmental activities have been reclassified and presented under business-type activities.

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

COUNTY OF SULLIVAN, NEW YORK
Changes in Net Position
Last Ten Fiscal Years

Year Ended December 31, Expenses:	2013	2012 (2)	2011	2010	2009	2008 (1)	2007	2006	2005	2004
Governmental activities:										
General government support	\$ 22,299,150	23,222,974	18,610,178	20,573,018	17,432,319	17,114,529	24,516,886	20,393,273	22,718,564	20,742,295
Education	6,499,480	5,775,448	5,800,343	6,011,024	6,771,949	6,622,720	5,489,354	5,341,804	5,664,625	4,785,996
Public safety	26,924,495	26,070,999	24,267,723	24,460,208	23,927,441	23,456,337	22,486,088	18,409,153	15,460,359	14,609,924
Health	24,293,812	25,388,743	24,063,061	23,818,137	23,906,533	23,389,140	23,526,196	20,826,613	20,404,235	19,358,081
Transportation	20,593,635	19,581,033	19,677,365	21,447,683	18,423,675	15,723,127	20,910,476	18,753,073	13,668,423	20,566,308
Economic assistance and development	56,813,202	58,836,611	57,259,852	56,207,703	59,353,745	54,082,395	50,064,825	49,349,886	51,237,401	54,411,966
Culture and recreation	3,463,248	3,545,385	3,231,074	3,038,366	3,088,411	3,187,191	2,294,525	2,147,178	1,867,195	1,418,384
Home and community services	13,221,737	10,530,023	9,743,923	7,114,794	9,470,621	8,859,856	631,759	5,933,563	14,885,010	10,083,806
Interest	2,096,007	2,472,088	2,863,482	2,350,765	2,334,358	2,491,364	3,265,875	3,439,780	3,004,615	2,615,338
Total governmental activities expenses	<u>176,204,766</u>	<u>175,423,304</u>	<u>165,517,001</u>	<u>165,021,698</u>	<u>164,709,052</u>	<u>156,926,659</u>	<u>153,185,984</u>	<u>144,594,323</u>	<u>148,910,427</u>	<u>148,592,098</u>
Business-type activities:										
Adult Care Center	16,165,086	17,447,113	16,827,634	16,228,151	17,212,907	14,907,433	14,427,641	13,078,760	13,138,454	12,911,440
Sullivan Tobacco Asset Securitization Corporation	782,343	818,639	839,981	860,655	882,994	903,018	-	-	-	-
Total business-type activities expenses	<u>16,947,429</u>	<u>18,265,752</u>	<u>17,667,615</u>	<u>17,088,806</u>	<u>18,095,901</u>	<u>15,810,451</u>	<u>14,427,641</u>	<u>13,078,760</u>	<u>13,138,454</u>	<u>12,911,440</u>
Total primary government expenses	<u>\$ 193,152,195</u>	<u>193,689,056</u>	<u>183,184,616</u>	<u>182,110,504</u>	<u>182,804,953</u>	<u>172,737,110</u>	<u>167,613,625</u>	<u>157,673,083</u>	<u>162,048,881</u>	<u>161,503,538</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government support	8,440,597	8,386,063	2,520,630	2,573,330	2,524,940	2,433,889	2,317,104	2,426,989	2,159,046	2,320,370
Education	-	462,102	235,678	42,553	52,644	67,120	-	-	-	-
Public safety	1,298,078	1,559,469	1,881,807	1,578,510	1,574,307	1,450,584	580,086	1,022,160	916,874	850,730
Health	7,525,923	8,775,797	8,628,023	9,505,384	10,680,595	7,679,516	10,021,037	10,453,604	11,061,114	9,130,724
Transportation	1,272,124	1,200,844	1,509,166	964,553	1,373,681	1,908,668	1,890,474	949,373	1,366,068	1,028,583
Economic assistance and development	3,175,957	2,538,179	3,040,513	2,733,305	2,461,848	2,328,255	2,796,860	2,554,493	3,498,352	6,900,745
Culture and recreation	213,173	221,139	188,196	148,258	153,442	200,230	169,138	176,387	214,308	169,571
Home and community services	11,715,220	11,535,541	11,587,218	9,241,673	5,109,884	6,175,827	7,032,512	6,981,774	7,724,497	9,312,258
Operating grants and contributions	37,409,612	38,601,375	42,207,077	45,364,696	45,604,484	40,874,585	39,935,423	40,422,191	37,765,338	39,192,090
Capital grants and contributions	2,210,020	1,712,392	1,620,224	2,471,353	2,026,614	6,446,290	938,606	262,266	1,207,525	1,768,502
Total governmental activities program revenues	<u>73,260,704</u>	<u>74,992,901</u>	<u>73,418,532</u>	<u>74,623,615</u>	<u>71,562,439</u>	<u>69,564,964</u>	<u>65,681,240</u>	<u>65,249,237</u>	<u>65,913,122</u>	<u>70,673,573</u>
Business type activities:										
Adult Care Center::										
Charges for services	9,241,119	11,766,216	11,460,580	10,977,303	11,090,401	12,455,417	11,009,162	11,413,535	10,781,561	10,481,288
Operating grants and contributions	2,555,973	3,125,999	2,626,286	-	-	5,792	-	-	-	-
Capital grants and contributions	-	-	-	-	-	20,000	-	-	-	-
Sullivan Tobacco Asset Securitization Corporation - operating grants and contributions	1,075,121	993,587	1,034,231	1,106,106	1,373,566	1,334,160	-	-	-	-
Total business type activities program revenues	<u>12,872,213</u>	<u>15,885,802</u>	<u>15,121,097</u>	<u>12,083,409</u>	<u>12,463,967</u>	<u>13,815,369</u>	<u>11,009,162</u>	<u>11,413,535</u>	<u>10,781,561</u>	<u>10,481,288</u>
Total primary government program revenues	<u>\$ 86,132,917</u>	<u>90,878,703</u>	<u>88,539,629</u>	<u>86,707,024</u>	<u>84,026,406</u>	<u>83,380,333</u>	<u>76,690,402</u>	<u>76,662,772</u>	<u>76,694,683</u>	<u>81,154,861</u>

COUNTY OF SULLIVAN, NEW YORK
Changes in Net Position, Continued
Last Ten Fiscal Years

Year Ended December 31,	2013	2012 (2)	2011	2010	2009	2008 (1)	2007	2006	2005	2004
Net (expense)/revenue:										
Governmental activities	\$ (102,944,062)	(100,430,403)	(92,098,469)	(90,398,083)	(93,146,613)	(87,361,695)	(87,504,744)	(79,345,086)	(82,997,305)	(77,918,525)
Business-type activities	(4,075,216)	(2,379,950)	(2,546,518)	(5,005,397)	(5,631,934)	(1,995,082)	(3,418,479)	(1,665,225)	(2,356,893)	(2,430,152)
Total primary government net expense	<u>\$ (107,019,278)</u>	<u>(102,810,353)</u>	<u>(94,644,987)</u>	<u>(95,403,480)</u>	<u>(98,778,547)</u>	<u>(89,356,777)</u>	<u>(90,923,223)</u>	<u>(81,010,311)</u>	<u>(85,354,198)</u>	<u>(80,348,677)</u>
Governmental activities:										
General revenues:										
Taxes:										
Real property taxes	53,982,110	49,824,079	48,065,549	48,690,132	46,790,101	41,809,497	47,854,011	44,422,184	40,115,298	37,636,874
Other real property tax items	9,313,959	8,463,919	7,606,522	6,633,477	6,318,080	5,252,252	-	-	-	-
Non-property tax items	36,206,602	36,226,594	35,103,619	35,304,348	35,766,177	39,691,935	38,931,199	35,490,723	34,651,040	31,162,554
Sale of property and compensation for loss	589,724	521,881	263,115	-	-	-	-	-	-	-
Unrestricted use of money and property	74,090	79,860	75,953	112,113	158,195	504,051	1,579,506	1,697,405	1,076,109	498,947
Miscellaneous	48,241	-	-	237,810	272,608	315,280	3,197,737	3,109,057	2,590,714	2,212,926
Transfers	(553,762)	(300,621)	493,235	-	-	-	(2,046,700)	(2,717,623)	(2,428,521)	(2,198,883)
Total governmental activities	<u>99,660,964</u>	<u>94,815,712</u>	<u>91,607,993</u>	<u>90,977,880</u>	<u>89,305,161</u>	<u>87,573,015</u>	<u>89,515,753</u>	<u>82,001,746</u>	<u>76,004,640</u>	<u>69,312,418</u>
Business-type activities:										
General revenues:										
Unrestricted use of money and property	91,838	95,094	95,154	68,968	112,476	-	6,684	7,309	5,922	2,307
Grants and contributions not restricted to specific programs	-	-	-	-	6,192,294	-	-	-	-	-
Miscellaneous	1,064,864	33,933	3,050	31,008	16,093	7,590	5,400	-	-	-
Transfers	553,762	300,621	(493,235)	-	-	-	2,046,700	2,717,623	2,428,521	2,198,883
Total business-type activities	<u>1,710,464</u>	<u>429,648</u>	<u>(395,031)</u>	<u>99,976</u>	<u>6,320,863</u>	<u>7,590</u>	<u>2,058,784</u>	<u>2,724,932</u>	<u>2,434,443</u>	<u>2,201,190</u>
Total primary government general revenues	<u>101,371,428</u>	<u>95,245,360</u>	<u>91,212,962</u>	<u>91,077,856</u>	<u>95,626,024</u>	<u>87,580,605</u>	<u>91,574,537</u>	<u>84,726,678</u>	<u>78,439,083</u>	<u>71,513,608</u>
Change in net position:										
Governmental activities	(3,283,098)	(5,614,691)	(490,476)	579,797	(3,841,452)	211,320	2,011,009	2,656,660	(6,992,665)	(8,606,107)
Business-type activities	(2,364,752)	(1,950,302)	(2,941,549)	(4,905,421)	688,929	(1,987,492)	(1,359,695)	1,059,707	77,550	(228,962)
Total primary government	<u>\$ (5,647,850)</u>	<u>\$ (7,564,993)</u>	<u>\$ (3,432,025)</u>	<u>\$ (4,325,624)</u>	<u>\$ (3,152,523)</u>	<u>\$ (1,776,172)</u>	<u>\$ 651,314</u>	<u>\$ 3,716,367</u>	<u>\$ (6,915,115)</u>	<u>\$ (8,835,069)</u>

(1) The activities of the Sullivan County Tobacco Securitization Corporation that had previously been reported under governmental activities have been reclassified and presented under business-type activities.

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

COUNTY OF SULLIVAN, NEW YORK
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Year Ended December 31, General fund:	2013	2012	2011 (2)	2010	2009	2008 (1)	2007	2006	2005	2004
Nonspendable	\$ 4,865,391	-	-	-	-	-	-	-	-	-
Restricted	773,434	775,058	554,732	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Committed	13,503,770	9,694,504	11,914,377	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Assigned	1,349,150	1,116,190	7,925,968	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unassigned	7,017,360	12,837,110	2,737,515	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	1,164,799	1,983,965	1,066,049	2,264,316	1,656,142	1,208,140	1,085,431
Unreserved	N/A	N/A	N/A	23,297,252	17,870,045	19,802,670	22,114,837	23,743,431	25,937,714	30,808,396
Total general fund	\$ 27,509,105	24,422,862	23,132,592	24,462,051	19,854,010	20,868,719	24,379,153	25,399,573	27,145,854	31,893,827
All other governmental funds:										
Nonspendable	N/A	N/A	675,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Restricted	849,658	926,902	691,527	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Assigned	3,569,924	2,833,070	3,123,551	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unassigned	(4,258,647)	(2,287,518)	(9,282,628)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	976,711	1,160,991	883,358	1,295,563	462,147	265,936	600,136
Unreserved, reported in:										
Special revenue funds	N/A	N/A	N/A	3,741,696	2,406,397	2,683,499	7,794,061	7,207,642	6,109,935	4,363,364
Capital projects funds	N/A	N/A	N/A	(5,805,546)	(6,246,400)	1,314,486	3,051,398	(4,252,474)	(5,300,734)	(8,242,120)
Total all other governmental funds	\$ 160,935	1,472,454	(4,792,550)	(1,087,139)	(2,679,012)	4,881,343	12,141,022	3,417,315	1,075,137	(3,278,620)
Total governmental funds	\$ 27,670,040	25,895,316	18,340,042	23,374,912	17,174,998	25,750,062	36,520,175	28,816,888	28,220,991	28,615,207

(1) The activities of the Sullivan County Tobacco Securitization Corporation that had previously been reported under governmental activities have been reclassified and presented under business-type activities.

(2) Governmental Accounting Standards Board Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions" changed the categories of fund balance effective for the year ended December 31, 2011.

COUNTY OF SULLIVAN, NEW YORK
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Year Ended December 31,	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008(1)</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenue:										
Real property taxes	\$ 53,786,165	51,466,856	47,403,913	49,825,309	42,132,012	39,863,381	41,745,084	39,239,740	34,818,413	33,121,378
Other real property tax items	9,313,959	8,463,919	7,606,522	6,633,477	6,318,080	5,252,252	5,366,993	5,542,254	4,986,308	5,591,009
Non-property tax items	36,206,602	36,226,594	35,103,619	35,304,348	35,766,177	39,691,935	38,934,175	35,795,876	34,938,013	31,367,221
Departmental income	31,608,948	32,633,592	32,498,904	30,944,301	26,319,095	24,753,634	26,880,981	27,309,505	29,497,650	29,092,565
Intergovernmental charges	1,948,855	1,741,864	1,900,270	1,966,413	2,274,525	2,162,156	3,272,524	2,052,047	2,088,739	1,982,438
Use of money and property	180,743	176,224	267,747	347,208	418,700	956,458	2,099,706	2,021,199	1,459,243	841,249
License and permits	25,467	30,541	33,600	25,910	29,860	44,590	32,645	37,795	25,851	17,346
Fines and forfeitures	322,034	497,936	253,020	313,712	336,312	217,220	282,150	306,064	344,904	248,734
Sale of property and compensation for loss	610,247	573,178	49,790	177,224	397,610	1,180,834	1,327,946	2,122,255	1,421,796	1,037,716
Interfund revenues	2,810	13,264	12,801	11,083	1,667,981	1,782,203	1,876,365	1,803,156	1,971,468	2,037,193
State aid	20,360,548	18,631,685	19,532,927	19,793,237	22,501,577	28,109,378	21,753,982	21,853,625	21,489,204	23,353,430
Federal aid	18,420,941	20,569,698	20,841,709	24,573,646	21,700,290	17,981,659	19,120,046	18,830,831	17,481,663	17,563,163
Miscellaneous and local sources	3,505,962	3,405,574	3,360,287	3,301,136	5,722,219	3,288,754	4,379,722	3,925,315	4,055,091	7,906,607
Total revenue	<u>176,293,281</u>	<u>174,430,925</u>	<u>168,865,109</u>	<u>173,217,004</u>	<u>165,584,438</u>	<u>165,284,454</u>	<u>167,072,319</u>	<u>160,839,662</u>	<u>154,578,343</u>	<u>154,160,049</u>
Expenditures:										
Current:										
General government support	23,002,054	23,036,459	23,091,977	23,021,148	22,964,458	23,139,969	22,513,936	21,408,614	22,815,457	21,171,134
Education	5,547,733	5,297,188	5,317,421	5,509,250	5,534,473	5,267,829	5,125,716	4,984,706	4,704,382	4,428,898
Public safety	23,788,104	22,979,002	22,739,389	22,490,855	20,924,956	21,521,334	21,656,492	20,244,415	16,618,702	15,685,723
Health	23,063,706	23,150,414	23,447,003	22,938,752	23,238,111	24,627,930	23,787,895	22,565,624	21,580,429	20,963,947
Transportation	16,132,885	16,992,170	17,221,839	17,717,903	16,913,655	21,254,149	23,687,474	19,166,587	19,482,496	20,431,971
Economic assistance and development	55,052,400	56,711,538	55,167,983	53,135,382	57,380,014	52,378,731	51,207,103	52,402,446	54,279,496	57,023,330
Culture and recreation	3,129,855	3,289,795	3,194,231	3,108,254	3,097,943	3,112,943	2,923,233	3,095,789	2,868,091	2,610,564
Home and community service	8,828,785	8,575,046	8,758,568	8,615,212	7,744,566	6,057,828	6,139,977	6,863,167	6,735,576	7,564,477
Debt service:										
Principal	9,332,285	8,988,877	6,163,806	5,089,763	5,016,457	4,880,524	4,933,700	3,680,155	3,000,940	2,792,066
Interest	2,179,008	2,557,391	3,194,187	2,238,712	2,361,233	2,474,081	3,247,355	3,320,171	2,734,981	2,600,491
Capital outlay	6,297,006	6,651,897	6,096,810	20,831,316	8,983,636	7,756,734	7,189,972	6,802,923	8,345,718	6,077,366
Total expenditures	<u>176,353,821</u>	<u>178,229,777</u>	<u>174,393,214</u>	<u>184,696,547</u>	<u>174,159,502</u>	<u>172,472,052</u>	<u>172,412,853</u>	<u>164,534,597</u>	<u>163,166,268</u>	<u>161,349,967</u>
Excess of revenues over (under) expenditures	<u>(60,540)</u>	<u>(3,798,852)</u>	<u>(5,528,105)</u>	<u>(11,479,543)</u>	<u>(8,575,064)</u>	<u>(7,187,598)</u>	<u>(5,340,534)</u>	<u>(3,694,935)</u>	<u>(8,587,925)</u>	<u>(7,189,918)</u>
Other financing sources (uses):										
Bonds issued	-	9,495,000	-	17,185,000	-	-	15,515,000	5,055,000	9,790,000	-
Issuance premium	2,639,088	113,897	-	494,457	-	-	-	-	-	-
Refunding bonds issued	17,880,000	-	-	-	-	-	6,106,908	-	-	-
Payments to refunded bond escrow agent	(20,330,062)	-	-	-	-	-	(6,303,197)	-	-	-
Transfers in	24,558,828	26,002,934	27,835,452	24,388,607	20,887,654	18,056,305	27,179,038	20,125,302	16,923,776	18,817,965
Transfers out	(25,112,590)	(26,303,555)	(27,342,217)	(24,388,607)	(20,887,654)	(18,056,305)	(27,946,338)	(22,534,864)	(19,352,297)	(21,016,848)
Bond Anticipation Notes redeemed from appropriations	2,200,000	2,045,850	-	-	-	-	612,000	-	-	-
Total other financing sources (uses)	<u>1,835,264</u>	<u>11,354,126</u>	<u>493,235</u>	<u>17,679,457</u>	<u>-</u>	<u>-</u>	<u>15,163,411</u>	<u>2,645,438</u>	<u>7,361,479</u>	<u>(2,198,883)</u>
Net change in fund balances	<u>\$ 1,774,724</u>	<u>7,555,274</u>	<u>(5,034,870)</u>	<u>6,199,914</u>	<u>(8,575,064)</u>	<u>(7,187,598)</u>	<u>9,822,877</u>	<u>(1,049,497)</u>	<u>(1,226,446)</u>	<u>(9,388,801)</u>
Debt service as a percentage of noncapital expenditures	6.8%	6.7%	5.6%	4.5%	4.5%	4.5%	5.0%	4.4%	3.7%	3.5%

(1) The Activities of the Sullivan County Tobacco Securitization Corporation that had previously been reported under governmental activities have been reclassified and presented under Business-type activities.

**County of Sullivan, New York
Tax Revenue by Source, Governmental Funds,
Last Ten Fiscal Years**

Fiscal Year	Real Property	Sales	Room Occupancy	E-911	Off-Track Betting	Mortgage	Total
2004	\$ 33,121,378	30,050,017	344,657	204,667	542,294	225,586	64,488,599
2005	34,818,413	31,718,350	341,287	286,974	829,907	1,761,495	69,756,426
2006	39,239,740	32,317,343	305,244	305,153	981,924	1,886,212	75,035,616
2007	41,745,084	34,955,732	549,668	308,767	761,338	1,827,296	80,147,885
2008	39,863,381	36,412,777	635,613	313,009	697,269	1,102,903	79,024,952
2009	42,132,012	33,133,253	599,376	303,821	518,746	711,371	77,398,579
2010	49,825,309	32,605,248	749,105	282,018	576,753	533,659	84,572,092
2011	47,403,913	32,911,401	558,728	310,179	325,031	476,223	81,985,475
2012	51,466,856	34,034,864	629,009	291,465	323,316	469,369	87,214,880
2013	53,786,165	33,793,427	619,352	286,122	265,550	689,150	89,439,766
Change							
2004 - 2013	62%	34%	61%	39%	-52%	205%	52%

Note: A county mortgage tax of **.5%** was implemented in 2004
 In June of 2007 the county portion of sales tax was raised from 3.5% to 4% and
 room occupancy tax increased from 2% to 5% of taxable room rentals.

County of Sullivan, New York
 Assessed Value and Estimated Actual Value of Taxable Property,
 Last Ten Fiscal Years

Fiscal Year Ended Dec 31,	Residential and Commercial Property	State Property	Special Franchise Property	Utility Property	Railroad Property	Less Exempt Property	Total Taxable Assessed Value	County Tax Rate Per Thousand	Estimated Full Assessed Value	Taxable Assessed Value as a Percentage of Full Value
2004	\$ 4,772,657,155	24,868,720	79,768,574	174,378,140	34,743,322	976,801,980	4,109,613,931	14.99	5,111,011,258	80.41%
2005	5,183,019,867	26,226,610	78,351,069	127,426,290	34,243,322	1,040,751,059	4,408,516,099	16.23	5,614,658,242	78.52%
2006	5,463,541,501	25,889,077	77,490,984	131,202,671	-	1,088,399,418	4,609,724,815	22.26	6,339,748,599	72.71%
2007	5,688,459,405	25,713,850	57,381,750	130,804,208	-	1,131,444,333	4,770,914,880	18.36	7,991,235,969	59.70%
2008	5,910,095,084	25,588,520	53,071,515	126,864,212	-	1,144,119,965	4,971,499,366	18.68	9,318,389,821	53.35%
2009	6,261,297,574	25,681,290	53,082,965	119,912,271	-	1,146,947,631	5,313,026,469	20.02	9,804,980,597	54.19%
2010	6,433,054,934	25,236,574	60,821,640	114,378,957	-	1,308,569,208	5,324,922,897	21.08	11,041,711,351	48.23%
2011	6,617,749,695	25,273,775	66,046,153	115,187,844	-	1,391,241,016	5,433,016,451	21.73	9,087,396,624	59.79%
2012	6,627,350,429	25,382,375	72,095,385	114,300,718	-	1,403,003,715	5,436,125,192	22.34	8,423,392,565	64.54%
2013	6,642,143,138	25,557,665	74,964,935	112,393,145	-	1,419,105,652	5,084,380,624	25.27	8,120,649,757	62.61%

Source: Sullivan County tax rolls for assessed values by type.
 Sullivan County Legislative resolution for estimated actual full value.
 Sullivan County tax abstracts for direct tax rates.

Note: Both direct tax rates and Assessed value percentages are average values. Sullivan County consists of 15 Towns with various equalization rates necessitating an average rate for all.

**County of Sullivan, New York
County Property Tax Rates By Town
(Per \$1,000 of Assessed Valuation)
Last Ten Fiscal Years**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Town of Bethel	11.06	10.48	10.57	11.26	10.72	9.68	8.72	7.72	7.53	6.84
Town of Callicoon	11.15	10.92	10.26	10.09	10.12	9.43	8.81	7.08	6.93	6.72
Town of Cochecton	9.26	8.09	7.51	7.98	7.96	7.40	7.58	7.32	7.02	7.01
Town of Delaware	10.61	9.87	9.72	9.58	9.85	8.99	8.93	8.09	7.53	6.85
Town of Fallsburg	11.15	10.75	10.92	10.36	10.02	9.62	9.11	8.44	8.38	7.28
Town of Forestburgh	71.19	66.14	62.15	59.6	63.55	58.48	52.93	48.37	40.45	37.58
Town of Fremont	9.62	9.29	8.54	7.95	8.07	7.76	7.79	7.34	6.74	6.62
Town of Highland	7.51	6.65	6.57	6.81	4.92	4.73	5.32	5.84	6.51	6.41
Town of Liberty	9.07	8.43	8.16	8.08	7.86	7.65	7.62	7.16	7.28	6.96
Town of Lumberland	6.83	6.06	5.47	5.08	4.94	4.74	5.32	5.87	5.55	5.28
Town of Mamakating	11.26	10.23	10.37	10.95	10.76	10.47	10.41	9.89	9.31	8.83
Town of Neversink	179.4	160.96	148.45	141.64	125.12	117.19	118.7	188.93	109.04	98.39
Town of Rockland	10.77	9.52	9.29	9.29	9.14	8.57	8.01	7.49	7.18	6.75
Town of Thompson	8.58	7.72	7.61	7.81	7.47	6.50	6.59	6.16	6.47	6.74
Town of Tusten	11.66	10.50	10.38	9.67	9.74	9.02	9.57	8.24	7.55	6.58
Average County Tax Rate	10.68	9.79	9.79	9.56	9.06	8.47	6.12	7.44	8.04	8.22

The fifteen towns within the county have varying equalization rates on assessed valuations, ranging from 4.00% to 100%, resulting in differing county tax rates.

Average county tax rates are a weighted average

County of Sullivan, New York
Property Tax Rates - All Direct and Overlapping Governments
(Per \$1,000. of Assessed Valuation)
Last Ten Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>County Tax Rate</u>	\$6.83 - \$179.4	\$ 6.06 - \$ 160.96	\$5.47 - \$148.45	\$5.08 - \$141.64	\$4.92 - \$125.12	\$4.73 - \$117.19	\$5.32-\$118.70	\$5.84-\$188.93	\$5.55-\$109.04	\$5.28 - \$98.39
<u>Town Rates</u>										
Bethel	8.89	8.62	8.35	\$8.08	\$7.92	\$7.70	\$7.52	\$7.18	\$6.46	\$6.21
Callicoon	6.98	6.8	6.81	\$6.33	\$6.11	\$7.99	\$5.78	\$5.61	\$5.05	\$4.36
Cochection	7.22	7.23	7.12	\$7.04	\$7.03	\$6.92	\$6.69	\$6.52	\$6.42	\$6.24
Delaware	9.6	9.5	9.57	\$9.26	\$9.25	\$8.61	\$9.26	\$8.67	\$8.33	\$7.60
Fallsburg	6.94	6.82	6.65	\$6.20	\$5.76	\$12.40	\$5.58	\$5.41	\$4.68	\$4.30
Forestburgh	6.04	5.98	5.83	\$58.91	\$57.25	\$58.05	\$57.14	\$54.63	\$51.30	\$41.47
Fremont	5.18	5.1	5.13	\$5.14	\$5.23	\$4.94	\$4.62	\$4.57	\$4.58	\$4.09
Highland	4.64	4.59	4.66	\$4.59	\$3.32	\$3.39	\$3.81	\$3.91	\$4.43	\$4.42
Liberty	6.98	6.96	6.88	\$6.70	\$6.64	\$9.78	\$6.32	\$6.24	\$5.88	\$5.57
Lumberland	7.34	7.39	7.33	\$6.39	\$5.93	\$6.21	\$6.72	\$6.79	\$6.65	\$5.58
Mamakating	4.45	4.26	4.14	\$4.09	\$4.03	\$5.07	\$3.33	\$2.69	\$2.70	\$2.86
Neversink	114.42	110.65	109.03	\$105.27	\$103.57	\$103.23	\$99.37	\$94.02	\$91.68	\$86.02
Rockland	9.59	9.22	8.78	\$8.15	\$7.90	\$7.29	\$6.04	\$5.50	\$6.18	\$5.85
Thompson	3.24	2.68	1.75	\$1.85	\$1.81	\$2.29	\$2.22	\$2.18	\$2.04	\$2.56
Tusten	11.21	11.07	11.21	\$10.92	\$10.97	\$10.04	\$9.16	\$8.61	\$8.28	\$6.72
<u>Village Rates</u>										
Bloomington	5.99	6.71	6.71	6.93	\$7.88	\$7.04	\$7.88	\$7.69	\$7.69	\$6.32
Jeffersonville	6.14	6.14	5.99	5.99	\$5.82	\$5.39	\$4.65	\$4.40	\$4.20	\$4.00
Liberty	21.55	21.44	21.16	20.99	\$20.50	\$20.10	\$19.63	\$19.08	\$20.46	\$19.53
Monticello	22.08	21.66	21.27	21.27	\$20.64	\$20.35	\$20.35	\$20.63	\$19.64	\$19.99
Woodridge	17.69	17.26	16.91	14.95	\$13.25	\$13.25	\$12.50	\$12.50	\$11.51	\$11.51
Wurtsboro	6.23	6.22	6.22	5.95	\$5.84	\$5.43	\$5.13	\$5.04	\$5.04	\$4.74
<u>School District Rates</u>	\$13.77 - \$743.28	\$ 13.44 - \$ 610.26	\$13.01 - \$661.01	\$13.44-\$610.26	\$12.82 - \$578.94	\$12.39 - \$533.26	\$12.44-\$527.08	\$14.71-\$544.76	\$15.17-\$618.21	\$15.00-\$495.42
<u>Fire District Rates</u>	\$ 30 - \$41.69	\$.19 - \$ 41.63	\$ 31-\$41.95	\$ 32-\$39.35	\$ 29 - \$34.41	\$ 29 - \$33.44	\$ 26-\$53.60	\$ 31-\$54.19	\$ 22-\$35.97	\$.31-\$36.46
<u>Sewer District Rates</u>	\$ 35 - \$1,311.48	\$ 36 - \$ 1,273.04	\$ 12-\$1255.65	\$2.89-\$1635.74	\$2.95 - \$1183.51	\$2.99 - \$1152.36	\$3.84-\$1181.33	\$4.25-\$1047.23	\$4.19-\$914.38	\$4.01-\$833.45
<u>Other Special District Rates</u>	\$ 0.4 - \$267.68	\$.04 - \$ 10.15	\$ 0.03-\$11.56	\$ 0.1-\$12.05	\$ 0.6 - \$12.12	\$ 0.2 - \$10.91	\$ 0.2-\$4.84	\$ 0.6-\$11.01	\$ 0.6-\$11.71	\$ 0.7-\$13.07

Note: Equalization rates vary by town making it necessary to present the county tax rate as a range
Source: Village rates supplied by appropriate village
All other rates available through the Sullivan County Treasurer

County of Sullivan, New York
Principal Property Tax Payers,
Current Year and Ten Years Ago

Taxpayer	2013		2004		Percentage of Total County Taxable Assessed Value	
	Taxable Assessed Value	Rank	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
NYSEG	94,550,587	1	97,978,135	1	1.856%	2.33%
Orange & Rockland	29,212,894	2	55,318,619	3	0.573%	1.32%
State of NY	24,553,835	3	23,785,270	4	0.482%	0.57%
Verizon	23,038,428	4	4,500,000	9	0.452%	0.11%
Catskill Devel	20,449,200	5	18,544,150	5	0.401%	0.44%
City of NY	18,326,350	6	7,025,000	8	0.360%	0.17%
Kutshers's	11,000,000	7	11,200,000	6	0.216%	0.27%
Thompson Station, Inc	10,567,700	8	61,334,539	2	0.207%	1.46%
Wal-Mart Real	10,000,000	9	8,242,524	7	0.196%	0.20%
Eagle Creek	9,526,694	10	2,320,000	10	0.187%	0.06%
Citizens	7,600,268	11			0.149%	
	258,825,956		290,248,237		5.08%	6.93%

Source: Sullivan County Treasurer's Office

County of Sullivan, New York
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collection	Percent of Levy Collected	Cancellations and Adjustments	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes To Levy	Percent of Adjustments To Levy
2004	\$82,144,632	67,848,512	82.60%	807,254	13,288,584	81,137,097	98.77%	200,281	0.24%	0.98%
2005	90,237,917	76,682,085	84.98%	(164,036)	13,536,840	90,218,924	99.98%	183,028	0.20%	-0.18%
2006	96,941,417	82,407,487	85.01%	452,509	13,838,145	96,245,632	99.28%	243,276	0.25%	0.47%
2007	103,343,814	87,265,798	84.44%	404,904	15,390,939	102,656,737	99.34%	282,173	0.27%	0.39%
2008	107,755,568	89,587,757	83.14%	816,133	16,426,414	106,014,172	98.38%	925,263	0.86%	0.76%
2009	116,465,759	96,579,088	82.92%	940,061	16,346,161	112,925,249	96.96%	2,600,449	2.23%	0.81%
2010	127,025,621	103,981,298	81.86%	872,621	15,753,484	119,734,783	94.26%	6,418,217	5.05%	0.69%
2011	128,522,636	105,162,255	81.82%	817,367	10,332,550	115,494,805	89.86%	12,210,464	9.50%	0.64%
2012	131,802,271	108,719,407	82.49%	499,014	11,512,868	120,232,275	91.22%	11,070,983	8.40%	0.38%
2013	138,206,973	114,812,766	83.07%	506,953	11,440,877	126,253,644	91.35%	11,446,376	8.28%	0.37%

Current Tax Collection reflects amount collected before the end of the Town Tax Collector's collecting period.

Cancellations & Adjustments reflects the amount removed in the calendar year regardless of the year the taxes were levied. . .

Adjustments also includes 5% penalty added to original tax upon close of town warrant.

Delinquent and Total Tax Collections reflect collections through December 31 for each year levied.

County of Sullivan, New York
Ratios of Outstanding Net Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Funds				Business-Type Activities										Per - Capita Income	Percentage of Per Capita Income	Population	Per Capita
	Long-Term General Obligation Bonds	Installment Purchase	Bond Anticipation Notes	TAX Anticipation Notes	Long-Term ACC Bonds	Long-Term SCTASC Bonds	ACC Bond Anticipation Notes	Total Primary Government	Less Debt Service Funds	Total Net Primary Government	Per - Capita Income	Percentage of Per Capita Income	Population	Per Capita				
2004	\$38,030,745	811,287	14,015,000		1,779,255	16,185,000		70,821,287	27,501	70,793,786	28,825	0.041%	74,107	955				
2005	45,082,214	734,626	18,825,000		1,442,786	15,915,000		81,999,626	173,641	81,825,985	29,901	0.037%	76,539	1,069				
2006	46,819,195	654,898	16,725,000		1,110,805	15,625,000		80,934,898	415,494	80,519,404	30,412	0.038%	76,588	1,051				
2007	58,406,908	571,982	4,725,000		793,092	15,310,000		79,806,982	421,271	79,385,711	31,490	0.040%	76,588	1,037				
2008	53,612,617	485,758	11,700,000		462,383	14,930,000		81,190,758	112,060	81,078,699	31,490	0.039%	76,189	1,064				
2009	48,685,842	396,076	13,695,000	8,000,000	139,158	14,525,000		85,441,076	100,894	85,340,182	34,613	0.041%	75,828	1,125				
2010	60,874,351	302,796	19,880,000	9,000,000	120,650	14,090,000		104,267,797	27,982	104,239,835	37,416	0.036%	77,547	1,344				
2011	54,807,544	205,796	15,685,000	13,000,000	102,456	13,610,000		97,410,796	20,551	97,390,245	39,038	0.040%	76,900	1,266				
2012	57,460,397	104,915	6,800,000	10,000,000	84,603	13,340,000		87,789,915	13,702	87,776,213	40,258	0.046%	76,818	1,143				
2013	49,333,027	-	8,100,000	9,500,000	66,973	12,945,000	1,130,000	81,075,000	3,580	81,071,420	40,258	0.050%	76,665	1,057				

County of Sullivan, New York
Direct and Overlapping Governmental Debt
As of December 31, 2013

	Total Debt Outstanding	Excludable Debt	Net Debt	Percentage of Total Debt
Town of Bethel	\$ 6,897,557	-	6,897,557	2.60%
Town of Callicoon	734,162	134,431	599,731	0.28%
Town of Cochetcon	-	-	-	0.00%
Town of Delaware	430,200	273,600	156,600	0.16%
Town of Fallsburg	11,891,276	4,071,965	7,819,311	4.48%
Town of Forestburgh	51,875	-	51,875	0.02%
Town of Fremont	-	-	-	0.00%
Town of Highland	47,078	-	47,078	0.02%
Town of Liberty	3,715,046	2,150,046	1,565,000	1.40%
Town of Lumberland	9,200	-	9,200	0.00%
Town of Mamakating	-	-	-	0.00%
Town of Neversink	-	-	-	0.00%
Town of Rockland	860,000	355,000	505,000	0.32%
Town of Thompson	6,952,402	5,852,179	1,100,223	2.62%
Town of Tusten	-	-	-	0.00%
Village of Bloomingburg	221,000	221,000	-	0.08%
Village of Jeffersonville	70,000	70,000	-	0.03%
Village of Liberty	7,840,725	6,601,318	1,239,407	2.95%
Village of Monticello	3,416,248	468,993	2,947,255	1.29%
Village of Woodridge	7,936,198	7,936,198	-	2.99%
Village of Wurtsboro	1,522,000	-	1,522,000	0.57%
Eldred School District	13,189,699	-	13,189,699	4.97%
Fallsburg School District	15,480,645	-	15,480,645	5.83%
Liberty School District	29,980,063	-	29,980,063	11.30%
Livingston Manor School District	972,870	-	972,870	0.37%
Monticello School District	31,110,000	-	31,110,000	11.72%
Roscoe School District	2,868,750	-	2,868,750	1.08%
Sullivan West School District	28,720,000	-	28,720,000	10.82%
Tri-Valley School District	9,351,000	-	9,351,000	3.52%
Total Indirect Debt	184,267,994	28,134,730	156,133,264	69.45%
Sullivan County				
Direct Debt	81,075,000	9,500,000	71,575,000	30.55%
Total All Debt	\$ 265,342,994	37,634,730	227,708,264	100.00%

Note: Debt issued by Sullivan County is direct debt to all property owners within the county. Towns, villages, and school districts are smaller taxing jurisdictions within the county and their debt is the responsibility of the property owners within those entities.

The percentage of total debt is each entities' proportionate share of total outstanding debt.

Source: Debt information is obtained from the towns, villages and school districts within the county. County debt information is provided by the county treasurer's office.

County of Sullivan, New York
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2013

Five Year - Full Valuation	\$ 42,315,661,181												
Average Full Valuation	\$ 8,463,132,236												
Debt Limit - 7% of Average Full Value	\$ 592,419,257												
Total Indebtedness - Serial Bonds and Bond Anticipation Notes	\$ 57,500,000												
Less Exclusions:													
Cash on Hand - Earnings on Investments and Premiums	\$ 3,580												
Indebtedness Subject to Debt Limit	\$ 57,496,420												
Constitutional Debt Margin (Debt Limit less Net Debt)	\$ 534,922,837												
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
Debt Limit	\$	302,192,226	313,140,067	369,480,284	418,676,264	478,441,119	569,605,057	600,291,330	629,359,407	635,250,346	592,419,257		
Total Net Debt Applicable to Limit		53,797,499	65,176,359	64,239,506	63,503,729	65,662,940	62,419,106	80,847,038	70,574,449	64,331,298	57,496,420		
Legal Debt Margin		248,394,727	247,963,708	305,240,778	355,172,535	412,778,179	507,185,951	519,444,292	558,784,957	570,919,048	534,922,837		
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		17.80%	20.81%	17.39%	15.17%	13.72%	10.96%	13.47%	11.21%	10.13%	9.71%		

SOURCE Five Year Full Value taken from Sullivan County Legislative resolution and NYS State Comptroller.

**County of Sullivan, New York
Demographic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income(6) (thousands of dollars)	Per Capita Income (6)	Unemployment Rate (3)
2004	74107 (3)	\$2,170,466	\$28,825	5.30%
2005	76539 (3)	\$2,258,699	\$29,901	4.90%
2006	76588 (3,5)	\$2,308,579	\$30,412	4.90%
2007	76588 (5)	\$2,547,655	\$33,345	5.20%
2008	76189 (5)	\$2,659,432	\$35,007	6.60%
2009	75828 (5)	\$2,687,619	\$34,613	8.80%
2010	77547 (5)	\$2,897,028	\$37,416	9.30%
2011	76900 (5)	\$3,008,994	\$39,038	9.20%
2012	76818 (5)	\$3,091,551	\$40,258	9.60%
2013	76665 (5)	\$3,091,551	\$40,258	8.80%

- (1) SOURCE: 1990 Decennial Census, NYS Department of Commerce
- (2) SOURCE: New York State Department of Commerce
- (3) SOURCE: New York State Department of Labor/ Empire State Development
- (4) SOURCE: 2000 Decennial Census, NYS Department of Labor
- (5) SOURCE: US Census Bureau
- (6) SOURCE: US Bureau of Economic Analysis

Note: Sullivan County Personal Income figures for 2013 are not available as of yet.

County of Sullivan, New York
Principal Employers
Current Year and Eleven Years Ago

<u>Employer</u>	2013			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
SDTC THE CENTER FOR DISCOVERY	1504	1	4.67%	860	3	3.41%
SULLIVAN COUNTY GOVERNMENT	994	2	3.09%	1260	1	5.00%
CATSKILL REGIONAL MEDICAL CTR	827	3	2.57%	820	4	3.25%
MONTICELLO CENTRAL SCHOOL DIST	671	4	2.08%	700	5	2.78%
NEW HOPE COMMUNITY INC	625	5	1.94%			
BETHEL WOODS CENTER FOR ARTS	546	6	1.70%	470	8	1.86%
NYSARC INC/COMMUNITY RSRCE CTR	510	7	1.58%			
IDEAL SNACKS	451	8	1.40%	460	9	1.83%
VILLA ROMA RESORT	436	9	1.35%	435	10	1.73%
SULLIVAN CORRECTIONAL FACILITY	419	10	1.30%			
WOODBOURNE CORRECTIONAL FACILITY	402	11	1.25%	900	2	3.57%
KOHL'S CORP	347	12	1.08%			
ROLLING V BUS CORP	335	13	1.04%			
WALMART	284	14	0.88%	500	7	1.98%
SYDA FOUNDATION				583	6	2.31%
	8,351		25.93%	6,988		27.73%

Source: New York State Department of Labor
Source: Sullivan County Treasurers Office

County of Sullivan, New York
 Full Time County Employees by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government Support	175	177	175	180	187	221	171	174	169	177
Education	0	0	0	0	0	0	0	0	0	0
Public Safety	216	212	212	211	228	222	185	191	191	196
Health/Adult Care Center	279	304	291	296	331	326	280	283	280	292
Transportation	94	94	96	94	113	124	127	126	131	124
Economic Assistance & Opportunity	175	168	169	179	212	212	194	214	194	185
Culture & Recreation	34	31	32	32	35	35	18	19	21	20
Home & Community Service	22	24	23	24	29	46	40	42	41	44
Total	995	1010	998	1016	1135	1186	1015	1049	1027	1038

County of Sullivan, New York
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Function/Program	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Sheriff										
Arrests	1163	1330	1473	1511	1332	1535	1537	1434	2,003	2,068
Traffic Summons	1224	1716	2405	3552	2629	2621	1737	2169	3,193	3,874
DWI Summons	54	49	83	110	102	81	80	80	92	101
Jail										
Inmates	1475	1472	1616	1664	1630	1722	1873	1714	1,768	1,771
Public Works										
Road Paving (miles)	14.7	12.8	14.9	37.2	26.6	19.4	22.9	34.9	14.7	47.3
Road Chip Seal (miles)	0	22.3	29	38.5	0	0	57.4	7.0	52.0	36.5
Bridge Replacement	1	1	2	2	1	2	6	2	5	5
Bridge Rehabilitation	8	1	1	4	6	3	0	1	0	2
Parks & Recreation										
Park & Pavilion Permits	36	58	74	80	89	85	57	59	57	N/A
Lake Superior Attendance	12266	13714	14634	16788	14300	17827	17426	16,647	18,169	13,126
Fort Delaware Attendance	2843	3062	3449	3463	3832	3878	4523	2,977	4,327	3,805
Refuse Collection										
* Refuse Collection (tons per day)	150.00	156.00	153.00	195.00	238.30	209.32	219.29	234.02	257.62	463.18
Recyclables collected (tons per day)	15.00	14.50	13.78	17.95	21.37	16.76	16.86	14.02	13.61	13.04

Refuse Collection

* Refuse Collector *Note: Importation at the Landfill stopped during 2004

Recyclables collected (tons per day)

Source: Sullivan County DPW/Sullivan County Sheriff's Department

*Note: Importation at the Landfill stopped during 2004.

Source: Sullivan County DPW/Sullivan County Sheriff's Department

County of Sullivan, New York
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Sheriff										
Jail	1	1	1	1	1	1	1	1	1	1
Vans (prisoner transport)	3	2	2	2	2	2	2	4	4	4
Sheriff Vehicles										
Cars	27	21	21	27	30	28	32	21	21	21
SUV	6	6	8	7	8	9	10	5	3	3
Pickups	2	2	1	2	2					
Electric Cars	3	3	3	3	3					
ATV	3	3	3	3	3					
Boat	2	2	2	2	2	2	1	1	1	1
Tactical Vehicle	1	1	1							
Humvee	1	1								
Public Works										
Roads (miles)	385.2	385.4	385.4	385.4	385.6	386.8	386.7	386.7	386.7	386.7
Traffic Signals	10	10	9	9	8	8	8	8	8	8
Flashing Beacons	25	25	25	25	26	26	26	26	26	26
Bridges	401	401	398	400	400	400	400	400	400	400
Park & Recreation										
Park Acres	1572	1572	1572	1550	1550	1550	1550	1550	1550	1550
Playgrounds	2	2	2	2	2	2	2	2	1	1
Refuse Collection										
Landfill Acres	45.8	45.8	45.8	45.8	45.8	45.8	45.8	45.8	42.5	42.5
Transfer Stations	6	6	6	6	5	5	5	5	5	5
Haul Trucks	6	6	6	6	6	4	4	4	6	6

*Note: 2007 Sheriff Vehicles includes all vehicles not just patrol as previously reported

Source: Sullivan County DPW/Sullivan County Sheriff's Department