



COUNTY OF SULLIVAN



Jerry Cohen Photography

Sunset on the Lake

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
DECEMBER 31, 2020**

COUNTY OF SULLIVAN, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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

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INTRODUCTORY SECTION

NANCY BUCK
COUNTY TREASURER
Nancy.buck@co.sullivan.ny.us

Tele: 845-807-0200
845-807-0210



KATHLEEN LARA
DEPUTY TREASURER
Kathleen.lara@co.sullivan.ny.us

Fax: 845-807-0220

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

June 30, 2021

To The Legislature of the
County of Sullivan, New York

The Comprehensive Annual Financial Report ("Annual Report") for the County of Sullivan, New York for the fiscal year ended December 31, 2020 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 Annual Report is issued pursuant to that requirement.

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

The County's basic financial statements have been audited by Drescher Malecki, LLP, an accounting firm of licensed certified public accountants specializing in governmental and not for profit entities. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the fiscal year ended December 31, 2020 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, 2020, 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, 2020 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). The letter of transmittal was designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditor.

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

GOVERNMENTAL STRUCTURE

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

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

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

GENERAL INFORMATION

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

The year-round population of the County has remained relatively stable for the last four years. According to the US Census Bureau, between 2011 and 2019 Sullivan County experienced a 2% decrease in population while New York State exhibited a decrease in population of 8%. Although Sullivan County is fairly large in terms of area, approximately 997 square miles, the average population density is 78 persons per square mile. Indeed this number is higher in the County's larger towns and villages, which has implications for added infrastructure, water quality, and attention to long-term capital planning.

It is important to note that the County's population size is more than just year-round residents: second home owners and seasonal populations have implications for County development as well. Sullivan County is home to 75,432 year round residents. Second home owners nearly double the population to 150,000, and an annual influx of seasonal residents from Memorial Day to Labor Day brings the total number to 350,000

ECONOMIC CONDITION AND OUTLOOK

In 2020, the impacts of the Covid-19 pandemic were felt worldwide. Many of Sullivan County's employers, including Resorts World Catskills, The Kartrite Hotel and Indoor Waterpark, Bethel Woods and scores of small businesses suffered mandatory closings and staff furloughs.

However, the County of Sullivan managed to flourish during the difficult year of 2020.

As the Covid-19 pandemic spread through the Country, metropolitan residents who were looking to avoid the congestion of the city and lucky enough to have the opportunity and ease of working from home looked to Sullivan County's open, green spaces to relocate. Further making this migration from the city more successful was that metropolitan residents could have a better quality of life without having to pay astronomical city prices, all within 90 minutes from Manhattan.

As such, a buying frenzy in the real estate markets in some of New York's most pastoral regions has developed. And nowhere was the enthusiasm more obvious than in the Catskills. In Sullivan County, urbanites with the wherewithal to venture beyond the city

are snapping up primary and weekend houses, many in what real estate sales agents noted as a financial sweet spot from \$200,000 to \$450,000. Despite the inconveniences and uncertainties of buying a home during a pandemic (masked, self-directed house tours; cautious lenders; virtual closings); new home sales soared in Sullivan County in 2020. Sullivan County saw an almost 26 percent increase in single-family home sales.

Making the housing market even more desirable was the fact that interest rates fell to eye-popping historic lows, according to the mortgage finance giant Freddie Mac. In mid-July, the average rate on a 30-year fixed mortgage dropped to 2.9 percent – the lowest in nearly 50 years of recordkeeping – down from 3.72 percent at 2020's start. In Sullivan County, mortgage tax receipts increased by 32% between 2019 and 2020, from \$803,000.00 as of December 31, 2019 to \$1,060,928.00 as of December 31, 2020.

Throughout New York State, many counties realized a decrease in sales tax receipts as of December 31, 2020. For example, Orange County realized a 6.6% decrease in sales tax receipts as of December 31, 2020. However, during that same time period, Sullivan County realized an increase in sales tax receipts of 4.8%, providing further proof of Sullivan County's tenacity during the trying times of the Covid-19 pandemic.

This exodus from the metropolitan area makes sense. The County of Sullivan has many of the amenities urbanites are longing for: little to no congestion, public access to open spaces and year-round indoor and outdoor activities for all demographics. Sullivan County tourism has reinvented itself in the form of eco-tourism activities, sightseeing, second homes, and arts and cultural industries. The Catskills were named one of the "50 Best Places to Travel" in 2021 by Travel and Leisure.

Northern Sullivan County rests within the 106 year-old Catskill Park, featuring 286,000 acres of state-owned "forever wild" land that comprises the Catskill Forest Preserve. Catskill Park is an outdoor enthusiast's paradise with 300 miles of marked and maintained trails, and numerous campgrounds, ponds, lakes and mountains to enjoy. Spanning across four counties: Delaware, Greene, Sullivan and Ulster, the Catskill Forest Preserve offers hiking, camping, hunting, fishing, skiing, mountain biking, rock climbing, canoeing and snowmobiling.

With Covid-19 as a constant backdrop, rentals in Sullivan County have been highly sought-after and aggressively marketed, with families and individuals seeking vacations, weekend getaways, and extended "work from anywhere" stays in a new location perceived as being safe due to distance from urban population centers.

In recent years, western Sullivan County has drawn a younger, more bohemian merchant class, with the affordable land encouraging hospitality entrepreneurs to acquire the sort of acreage that allows guests to hike, fish, spread out a picnic, and socially distance without effort. A number of boutique hotels and inns have opened, offering visitors a remote, yet luxurious getaway. Foster Supply Hospitality, a family owned business run by Sims Foster, a native of Sullivan County, and his wife, Kirsten Harlow Foster, has opened

five hotels and several restaurants over the past decade, doing more than any private outfit to put this part of the Catskills back on the travel map.

In addition to fantastic lodging, Sullivan County is home to over 18 breweries, distilleries and wineries:

- Seminary Hill, a family-run cider orchard, tasting room, guest house and wedding venue in Callicoon, opened in 2020. The Orchard at Seminary Hill aims to be one of the Northeast's premier holistic orchard-based cideries and overlooks the Delaware River. Over 1,200 apple and pear trees have been planted at the orchard. The Cidery and Tasting Room is an almost 8,000 square foot facility designed to pass Passive House Institute US (PHIUS) Standards, which provide the most cost-effective path for achieving zero energy and carbon use. The Cidery and Tasting Room is an eco-friendly building with views overlooking the Delaware River.
- Situated on over 100 acres of woods and open meadows, Upward Brewing Co. is located in Livingston Manor. Upward Brewing sources fresh natural spring water straight from their preserve they coined as Beer Mountain®. Visitors can hike up Beer Mountain and take in the fresh air and surrounding sweeping views. The taproom has big windows throughout to let in an enormous amount of light, and give a strong sense of place with views of lush trees, rolling hills and distant mountain tops, ideal for sipping beers and appreciating the scenery as it goes from day to night
- In 2005, Bashakill Vineyards became Sullivan County's first farm winery located along the pristine Bashakill Wetlands in Wurtsboro. Since then, they have remained committed to growing all of their estate grapes organically, using sheep as nature's lawnmowers and composting all of their grape pressings to fertilize the soil. They offer wine tastings and live music every Saturday and Sunday along with a Mexican Taqueria menu featuring local, organic ingredients in addition to craft cheese plates and snack boards.

To add further interest, in 2019, the Sullivan County Visitor's Association sponsored the now-famous "Sullivan Catskills Dove Trail®" which commemorated the 50th anniversary of the 1969 Woodstock festival. The Dove Trail is a collection of 50 dove sculptures perched in villages, towns, and at several tourism businesses throughout the County. Each permanently mounted dove is hand-painted by a professional local artist. Fueled by the wildly successful launch in 2019, the Visitor's Association recently announced the unveiling of an additional ten doves throughout the County, further promoting local businesses and areas within the County.

For the fifth year in a row, the NYS Comptroller's Office has designated Sullivan County free of fiscal stress. In October 2020, the Comptroller released its 2019 Fiscal Stress rankings for municipalities and school districts statewide, based on the annual financial reports submitted to the Office. Sullivan County again scored well, earning the best rank of "No Designation" (meaning there are no indications of the County being susceptible to

fiscal stress at this time). The Comptroller's report showed that the County of Sullivan continues to maintain County government's fiscal stability.

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

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

MAJOR INITIATIVES AND THE FUTURE

Located in the Town of Bethel, the Sullivan County International Airport (SCIA) occupies a 600 acre hilltop, approximately 90 miles northwest of New York City. The Airport was originally developed in the late 1960s to serve the Catskills. The Airport is a Part 139 Certified Airport providing Aircraft Rescue & Firefighting Services. Its 6,300-square-foot-long, 150-foot-wide runway is exceptionally large for a tiny regional airport, able to accommodate major passenger jets such as an Airbus A320 with 180 seats. Airport facilities consist of an 8000 SF Terminal with a restaurant; two 10,000 SF and one 6000 SF conventional hangars and five T-hangars, with the latest being a state-of-the-art, 15 bay T-hangar. The County has made great strides in upgrading this valuable asset of the County. Among the bigger improvements are a \$3.3 million runway rehab project, \$485,100 for new, environmentally friendly fuel storage tanks, \$1 million for a new 9,000-square-foot hangar, plus \$3 million to upgrade taxiways next year. Funding received from the Federal Aviation Administration and NYS Department of Transportation is generally defraying 95% of the costs for these projects and three other projects to modernize the airport, considered a critical emergency landing spot.

Recognizing that the County's finest assets are our parks and waterways, the County invested in the improvement of many of our County-owned parks and attractions:

- The County renewed the long term lease agreement with the Palisades Interstate Park Commission for the operation of Lake Superior State Park. The agreement is for the next 25 years (2020 – 2045).
- The County began extensive repairs to the Fort Delaware Museum of Colonial History cabins and structures.

- Due to the COVID-19 pandemic, although many of the County's park facilities were unable to open for the 2020 season, the County was able to keep our parklands and trails open to the public. Park usage increased significantly during 2020 with patrons' hiking trails and enjoying the outdoors.
- Approximately nine miles of hiking trails were mapped at Lake Superior State Park to submit to the Palisades Interstate Park Commission to seek approval to build the trails. Pending approval, trail construction could begin in 2021.
- Working with the Trust for Public Land, the Sullivan County Legislature authorized the acquisition of parkland in the Town of Delaware, pending DASNY funding. The parkland borders the Delaware River which will provide tremendous opportunities for public access and enjoyment.
- Enhancing several of the County parks, concrete picnic table pads and tables were installed at the Stone Arch Bridge Park, D&H Canal Park, and Minisink Battleground Park. Park information kiosks were also installed at all of the county parks.

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

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

In 2017, Sullivan County achieved certification as a Climate Smart Community by the NYS Department of Environmental Conservation and was officially designated a Clean Energy Community by the NYS Energy Research and Development Authority (NYSERDA). The Office of Sustainable Energy works to advance the County's status as a certified Climate Smart Community and assists our towns and villages as they pursue

efforts to improve energy efficiency, install and promote renewable energy, and prepare their communities for local impacts of climate change.

The Sullivan County Office of Sustainable Energy (OSE) works to develop cost effective projects, policies and practices that make County operations and our surrounding community more sustainable, resilient, healthy, energy efficient and environmentally responsible. In furtherance of achieving these goals, many initiatives have been undertaken by the County, including:

- Sullivan County has assumed ownership of street lights on County campuses and will be converted to LED lighting. Annual cost savings to the County are estimated to be approximately \$12,000 per year and will reduce electric usage by 53,619 kWh.
- The Domestic Hot Water system at the Sullivan County Adult Care Center at Sunset Lake will be upgraded. The existing propane fired boilers will be replaced with low global warming potential (LGWP) heat pump technology. The project is being partially funded through a Clean Energy Communities grant of \$150,000
- Working with SUNY Sullivan, NYPA, and the Sullivan County Department of Public Works, a project has been developed through NYPA's Energy Efficiency Program to address critical facility deficiencies at Sullivan County Community College, which will address boilers, geothermal system upgrades/heat pumps, building controls, building envelop, ventilation, lighting, culinary exhaust, and potential EV Charging Stations

Sullivan County offered three incentive programs in 2020 to assist in community and economic development within the County:

- The Plans & Progress Program assists local municipalities, community groups and not-for-profit organizations throughout Sullivan County with projects related to place-making, tourism, community and economic development, image enhancement, trails development, health improvement, agricultural and farmland protection, and other County goals.
- The Remove Unsafe Structures (RUST) Program aims to clean up unsafe structures primarily in the County's urban centers and community gateways. Properties which show promise for redevelopment and reuse will be prioritized, and \$300,000 has been made available to reimburse tipping fees and disposal costs for municipalities who are demolishing vacant or abandoned buildings.
- The Business-Friendly Zoning & Permitting Program incentivizes changes to local zoning codes and development review procedures in order to increase the efficiency and lower the expense of obtaining permits for new economic development — i.e., activities that will remove barriers to small business development and expansion posed by cumbersome, unclear, and costly regulations and processes. Funding is available to support the costs of

attorneys, planners and other professionals, permit-tracking technology, and related expenses.

The Sullivan County Planning Department performed a study of the former O&W Railroad bed for the potential of expanding the current “rail trails” within Sullivan County. The Sullivan County O&W Rail Trail will become a continuous recreational trail that will attract visitors and link to businesses and amenities in 9 hamlets and 2 villages, maximizing the value of main street economic development, streetscape and community renewal projects in its host towns and villages, and provide health and quality of life benefits to residents and visitors.

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

In summary, Sullivan County remains well prepared for population growth, both anticipated and actual, together with proactive steps to diversify the County’s economic base. Sullivan County is earning a reputation as one of the busiest counties in the state and on an upward trajectory.

FINANCIAL POLICIES

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

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

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

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

Failure to do so results in a default of the agreement, forfeiture of payments made and eventual tax foreclosure.

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

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

AWARDS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019.

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

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

CONCLUSION

The County, in anticipation of future expenditures, has a committed and/or restricted fund balance for various purposes such as capital projects, debt service, grant programs and landfill construction/closure costs in excess of \$5.2 million. The assigned fund balance for various specific uses is approximately \$10.9 million and the unassigned fund balance for 2020 is approximately \$12.7 million.

In the County's 2021 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 Accounting Office to whom I would like to express my deep felt appreciation. My thanks are directed as well to our independent auditors, Drescher Malecki LLP, who assisted and contributed to its preparation. I would also like to thank the County Legislature, the County Manager and the Budget Office staff for their dedication and support in the financial operations of the County.

Respectfully submitted,

Nancy Buck

Nancy Buck
Sullivan County Treasurer

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COUNTY OF SULLIVAN, NEW YORK
List of Elected and Appointed Officials
Year Ended December 31, 2020

Elected Officials:

County Treasurer.....Nancy Buck
County ClerkRussell Reeves
District Attorney.....Meagan Galligan
Sheriff.....Michael A. Schiff
Coroner.....Albee Bockman
Coroner.....Elton Harris
Coroner.....Alan Kesten
Coroner.....Michael J. Speer

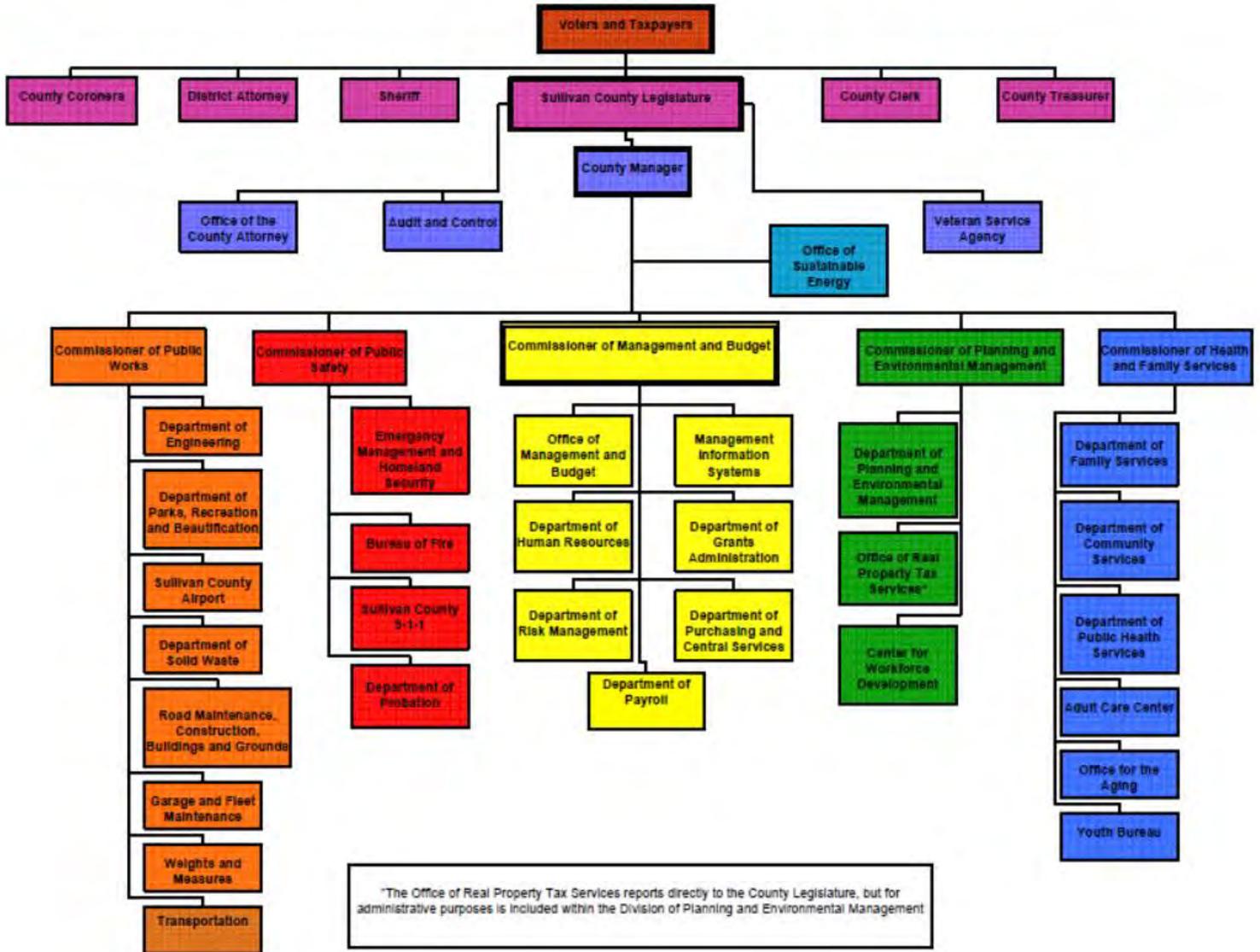
Legislature:

District 1.....Robert Doherty
District 2.....Nadia Rajsz
District 3.....Michael Brooks
District 4Nicholas Salamone Jr.
District 5George Conklin III
District 6.....Luis Alvarez
District 7.....Joseph Perrello
District 8.....Ira Steingart
District 9.....Alan J. Sorensen

Appointed Officials:

County Manager.....Joshua Potosek
Assistant County Manager.....Michelle Huck
Deputy County TreasurerKathleen Lara

SULLIVAN COUNTY GOVERNMENT: ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Sullivan
New York**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable County Legislature of the
County of Sullivan, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Sullivan, New York (the "County"), as of and for the year ended December 31, 2020 (with the Sullivan County Community College for the fiscal year ended August 31, 2020), and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sullivan County Adult Care Center, the Sunset Lake Local Development Corporation, the Sullivan Tobacco Asset Securitization Corporation, the Sullivan County Funding Corporation, or the Sullivan County Infrastructure Local Development Corporation, which represent 4.5 percent, 1.3 percent, 2.3 percent, 0.7 percent and 91.1 percent, respectively, of the assets, and 60.6 percent, 0.1 percent, 5.3 percent, 0.0 percent, and 34.0 percent, respectively, of the revenues of the business-type activities. We did not audit the financial statements of the Sullivan County Community College, Sullivan County Industrial Development Agency, the Emerald Corporate Center Economic Development Corporation, or the Sullivan County Lank Bank Corporation, which represent 56.9 percent, 27.2 percent, 3.0 percent and 3.9 percent, respectively, of the assets, and 83.4 percent, 5.0 percent, 0.2 percent, and 3.6 percent, respectively, of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sullivan County Adult Care Center, the Sunset Lake Local Development Corporation, the Sullivan Tobacco Asset Securitization Corporation, the Sullivan County Funding Corporation, the Sullivan County Infrastructure Local Development Corporation, Sullivan County Community College, Sullivan County Industrial Development Agency, the Emerald Corporate Center Economic Development Corporation, and the Sullivan County Land Bank Corporation, is based solely on the reports of such other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of

America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2020, the County implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Drescher & Malecki LLP

June 30, 2021

COUNTY OF SULLIVAN, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2020

As management of the County of Sullivan, New York (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative. For comparative purposes, certain items from the prior year have been reclassified to conform with the current year presentation.

Financial Highlights

- The liabilities and deferred inflows of resources of the County's primary government exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$193,741,912 (*net position*). Of this amount \$(134,789,322) represents governmental activities net position and \$(58,952,590) represents business-type activities net position.
- The County's primary government total net position decreased \$20,986,970 during the year ended December 31, 2020. Net position decreased \$12,287,269 for governmental activities and decreased \$8,699,701 for business-type activities.
- At the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$28,779,997, an increase of \$2,366,333 in comparison with the prior year's fund balance of \$26,413,664. This increase is primarily due to a reduction in governmental fund expenditures in comparison to the prior year.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$18,690,533, or 10.1 percent of total General Fund expenditures and transfers out. This amount constitutes approximately 71.3 percent of the General Fund's total fund balance of \$26,205,740 at December 31, 2020, and is available for spending per the County's policy on fund balance.
- The County's long-term bonded indebtedness for governmental activities decreased by \$8,810,000 due to scheduled principal payments.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services. The business-type activities of the County include the Sullivan County Adult Care Center, a skilled nursing facility, the Sunset Lake Local Development Corporation ("SLLDC"), the Sullivan County Tobacco Asset Securitization Corporation ("STASC"), the Sullivan County Funding Corporation ("SCFC"), and the Sullivan County Infrastructure Local Development Corporation ("ILDC").

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

The government-wide financial statements can be found on pages 28-29 of this report.

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

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

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

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

The basic governmental fund financial statements can be found on pages 30-33 of this report.

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

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

The proprietary fund financial statements can be found on pages 34-37 of this report.

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

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

The Fiduciary Fund financial statements can be found on pages 38-39 of this report.

Component units—As discussed above, component units are legally separate entities for which the County is financially accountable. The component units addressed above are reported in the aggregate in the government-wide financial statements. The combining statements can be found on pages 40-41 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-98 of this report.

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

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

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

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government’s financial position. In the case of the County’s primary government, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$193,741,912 at the close of the most recent fiscal year, as compared to \$172,754,942, at the close of the fiscal year ended December 31, 2019.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 136,949,760	\$ 110,470,704	\$ 1,032,435	\$ 5,284,663	\$ 137,982,195	\$ 115,755,367
Capital assets	272,465,337	288,974,310	89,581,792	93,171,638	362,047,129	382,145,948
Total assets	409,415,097	399,445,014	90,614,227	98,456,301	500,029,324	497,901,315
Deferred outflows of resources	91,435,783	27,358,060	10,139,454	2,862,454	101,575,237	30,220,514
Current liabilities	78,815,263	56,649,372	1,686,881	1,596,241	80,502,144	58,245,613
Noncurrent liabilities	508,225,187	441,985,020	154,981,528	146,784,718	663,206,715	588,769,738
Total liabilities	587,040,450	485,524,907	156,668,409	158,273,574	743,708,859	647,015,351
Deferred inflows of resources	48,599,752	50,670,735	3,037,822	3,190,685	51,637,574	53,861,420
Net position:						
Net investment in capital assets	129,259,214	140,876,073	(13,912,777)	(11,840,765)	115,346,437	129,035,308
Restricted	2,013,233	2,442,518	203,112	203,704	2,216,345	2,646,222
Unrestricted	(266,061,769)	(265,820,644)	(45,242,925)	(38,615,828)	(311,304,694)	(304,436,472)
Total net position	\$ (134,789,322)	\$ (122,502,053)	\$ (58,952,590)	\$ (50,252,889)	\$ (193,741,912)	\$ (172,754,942)

The largest portion of the County’s primary government net position, \$115,346,437, reflects its net investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$2,216,345, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining component of the County’s net position, \$(311,304,694), represents unrestricted net position. This deficit does not mean that the County does not have resources available to meet its obligations in the ensuing year. Rather it reflects liabilities not related to the County’s capital assets and are not expected to be repaid from current resources. These long-term liabilities, including landfill post-closure costs, compensated absences, retirement incentives, other post-employment benefits (“OPEB”) obligations, claims payable, and net pension liability, are funded annually within the funds.

Table 2, as presented below, shows the changes in net position for the years ended December 31, 2020 and December 31, 2019.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 31,953,771	\$ 34,962,116	\$ 15,640,172	\$ 11,923,829	\$ 47,593,943	\$ 46,885,945
Operating grants and contributions	40,646,663	40,413,261	4,860,162	5,501,316	45,506,825	45,914,577
Capital grants and contributions	7,646,373	7,343,927	-	-	7,646,373	7,343,927
General revenues:						
Property taxes	66,236,154	64,409,687	-	-	66,236,154	64,409,687
Property tax items	11,452,202	9,418,795	-	-	11,452,202	9,418,795
Sales tax	48,943,642	47,193,801	-	-	48,943,642	47,193,801
Other nonproperty tax items	3,616,676	3,950,446	-	-	3,616,676	3,950,446
Use of money and property	377,362	771,543	73,126	199,506	450,488	971,049
Sale of property and compensation for loss	1,220,135	823,383	-	-	1,220,135	823,383
Miscellaneous	1,568,002	1,449,645	1,170,352	854,779	2,738,354	2,304,424
Total revenues	<u>213,660,980</u>	<u>210,736,604</u>	<u>21,743,812</u>	<u>18,479,430</u>	<u>235,404,792</u>	<u>229,216,034</u>
Expenses:						
General government support	39,158,085	28,413,693	-	-	39,158,085	28,413,693
Education	5,703,608	5,878,828	-	-	5,703,608	5,878,828
Public safety	37,762,123	33,757,361	-	-	37,762,123	33,757,361
Health	26,155,263	24,447,844	-	-	26,155,263	24,447,844
Transportation	40,503,345	26,599,958	-	-	40,503,345	26,599,958
Economic assistance and opportunity	62,485,095	65,549,246	-	-	62,485,095	65,549,246
Culture and recreation	3,710,605	3,538,998	-	-	3,710,605	3,538,998
Home and community services	5,788,849	21,452,276	-	-	5,788,849	21,452,276
Interest and other fiscal charges	4,681,276	4,594,955	-	-	4,681,276	4,594,955
Adult Care Center	-	-	20,548,864	18,920,719	20,548,864	18,920,719
SLLDC	-	-	25,349	-	25,349	-
STASC	-	-	657,806	667,283	657,806	667,283
Funding Corporation	-	-	122,244	319,027	122,244	319,027
ILDC	-	-	9,089,250	9,101,036	9,089,250	9,101,036
Total expenses	<u>225,948,249</u>	<u>214,233,159</u>	<u>30,443,513</u>	<u>29,008,065</u>	<u>256,391,762</u>	<u>243,241,224</u>
Change in net position	(12,287,269)	(3,496,555)	(8,699,701)	(10,528,635)	(20,986,970)	(14,025,190)
Net position—beginning	<u>(122,502,053)</u>	<u>(119,005,498)</u>	<u>(50,252,889)</u>	<u>(39,724,254)</u>	<u>(172,754,942)</u>	<u>(158,729,752)</u>
Net position—ending	<u>\$ (134,789,322)</u>	<u>\$ (122,502,053)</u>	<u>\$ (58,952,590)</u>	<u>\$ (50,252,889)</u>	<u>\$ (193,741,912)</u>	<u>\$ (172,754,942)</u>

Governmental activities—Governmental activities decreased the County’s net position by \$12,287,269. The largest funding sources for the County’s governmental activities, as a percent of total revenues, are property taxes which comprised 31.0 percent, sales tax which comprised 22.9 percent, and operating grants and contributions which comprised 19.0 percent.

The largest expense categories as a percent of total expenses for the County’s governmental activities are economic assistance and opportunity which comprised 27.7 percent, transportation which comprised 17.9 percent and general governmental support which comprised 17.3 percent.

Significant changes from 2019 to 2020 in revenues and expenses for the County include the following:

- Total revenues increased \$2,924,376 primarily due to increased property taxes, sales taxes and property tax items.
- Total expenses increased \$11,715,090 from the prior year, primarily attributed to increased allocable employee benefits related to changes in the County’s net pension and OPEB obligation. Additionally, transportation expenses increased by \$13,903,387 primarily due to an increase in the County’s highway and paving expenditures.

Business-type activities—Business-type activities decreased the County’s net position by \$8,699,701. The majority of the change can be attributed to the Adult Care Center, in the amount of \$8,725,041. Expense activity increased within the Adult Care Center for employee benefit expenditures and decreases were experienced within net patient revenue due to COVID-19 impacts. The SCFC and ILDC net position decreased by \$113,039 and \$1,700,155, respectively. Net position of the SLLDC and STASC increased by \$1,342,023 and \$496,511, respectively.

Financial Analysis of Governmental Funds

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

Governmental funds—The focus of the County’s *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the County Legislature.

At December 31, 2020, the County’s governmental funds reported combined ending fund balances of \$28,779,997, an increase of \$2,366,333 in comparison with the prior year. Approximately 44.0 percent of this amount, \$12,655,139, constitutes *unassigned fund balance*, which is available for spending per the County’s fund balance policy. The remainder of fund balance is either *restricted*, *committed*, or *assigned* to indicate that it is: (1) restricted for particular purposes, \$1,419,467 (2) committed for particular purposes, \$3,778,410, or (3) assigned for particular purposes, \$10,926,981.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, *unassigned fund balance* of the General Fund was \$18,690,533, while total fund balance increased to \$26,205,740. As a measure of the General Fund’s liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to the total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 10.1 percent of the total General Fund expenditures and transfers out, while total fund balance represents approximately 14.1 percent of that same amount.

The fund balance in the County Road Fund increased \$1,725,192 from December 31, 2019, primarily due to a decrease in transportation and paving costs. The ending fund balance in the County Road Fund was \$1,634,450.

The fund balance in the Refuse and Garbage Fund increased \$1,066,526 from December 31, 2019, primarily due to savings experienced within home and community services expenditures. The ending fund balance in the Refuse and Garbage Fund was \$4,593,436, of which \$4,588,928 represents amounts assigned for specific use and is available for spending towards this fund's activities.

The fund balance in the Capital Projects Fund decreased \$2,837,937 from December 31, 2019, due to capital outlay expenditures totaling \$11,564,541 exceeding Capital Projects Fund revenue and other financing sources. The County's Capital Projects Fund ending fund balance was in a deficit position of \$(6,035,394), due to certain projects funded with short-term financing. This deficit is expected be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs.

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

Factors concerning the finances of the enterprise funds have already been addressed in the aforementioned discussion of the County's business-type activities.

The Internal Service Fund is used to account for the County's self-insurance programs, including workers' compensation benefits and dental. The total net position at the end of the fiscal year was \$2,014,693. This represents an increase to net position of \$1,136,514, primarily due to charges for services, exceeding employee benefits paid during the year.

General Fund Budgetary Highlights

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

A summary of the General Fund results of operations for the year ended December 31, 2020 is presented in Table 3 below:

Table 3—General Fund Budget

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 194,499,863	\$ 189,753,458	\$ 187,878,779	\$ (1,874,679)
Expenditures and other financing uses	198,015,074	193,494,597	185,362,829	8,131,768
Excess (deficiency) of revenues over expenditures and other financing uses	\$ (3,515,211)	\$ (3,741,139)	\$ 2,515,950	\$ 6,257,089

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

Final budget compared to actual results—The General Fund had transfers out over final budget of \$3,531,617. The General Fund recognized budget savings of \$8,143,797 due to primary positive variances realized in general government support and economic assistance and opportunity expenditures. This was the result of savings realized within family assistance and plant operation expenditures.

Capital Assets and Debt Administration

Capital assets—The County’s investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounts to \$362,047,089 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, infrastructure, and machinery and equipment. All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the County’s capital asset policy.

Capital assets net of depreciation for the governmental activities and business-type activities at December 31, 2020 and December 31, 2019 are presented in Table 4 below:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2020	2019	2020	2019	2020	2019
Land	\$ 8,816,187	\$ 8,816,187	\$ 44,800	\$ 44,800	\$ 8,860,987	\$ 8,860,987
Construction in progress	6,435,148	113,025,874	-	-	6,435,148	113,025,874
Land improvements	5,347,850	3,878,627	-	-	5,347,850	3,878,627
Buildings and improvements	108,944,637	28,747,169	-	1,644,969	108,944,637	30,392,138
Machinery and equipment	15,643,139	11,233,454	1,613,255	325,305	17,256,394	11,558,759
Infrastructure	127,278,376	123,272,999	87,923,697	91,156,564	215,202,073	214,429,563
Total	<u>\$ 272,465,337</u>	<u>\$ 288,974,310</u>	<u>\$ 89,581,752</u>	<u>\$ 93,171,638</u>	<u>\$ 362,047,089</u>	<u>\$ 382,145,948</u>

Significant changes in capital assets from 2019 to 2020 include:

- Construction in progress decreased \$106,590,726 for governmental activities, which primarily represents the jail construction project that was completed during 2020.

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

Long-term debt—At December 31, 2020, The County has approximately \$261.3 million in net bonded debt for functions of the primary government. This includes bonds issued by the STASC and the ILDC.

A summary of the County’s long-term liabilities at December 31, 2020 and December 31, 2019 is presented in Table 8 below:

Table 8—Summary of Long-Term Liabilities

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 134,280,000	\$ 143,090,000	\$ -	\$ -	\$ 134,280,000	\$ 143,090,000
Premium on bonds	2,935,825	3,373,810	-	-	2,935,825	3,373,810
Tobacco settlement bonds	-	-	15,350,000	15,770,000	15,350,000	15,770,000
Premium on bonds - STASC	-	-	1,216,570	1,274,501	1,216,570	1,274,501
Revenue bonds	-	-	108,435,000	110,075,000	108,435,000	110,075,000
Discount on bonds	-	-	(913,842)	(963,416)	(913,842)	(963,416)
Capital leases	1,119,819	660,115	-	-	1,119,819	660,115
Landfill post-closure costs	13,157,289	20,350,073	-	-	13,157,289	20,350,073
Compensated absences	4,027,283	3,864,344	549,678	421,935	4,576,961	4,286,279
Retirement incentives	4,137,172	5,060,305	568,212	696,290	4,705,384	5,756,595
Other postemployment benefits	281,468,630	234,894,069	22,999,843	17,749,576	304,468,473	252,643,645
Claims payable	15,852,990	17,029,661	-	-	15,852,990	17,029,661
Net pension liability	51,246,179	13,662,643	6,776,067	1,760,832	58,022,246	15,423,475
Total	\$ 508,225,187	\$ 441,985,020	\$ 154,981,528	\$ 146,784,718	\$ 663,206,715	\$ 588,769,738

Through sound financial management and manageable debt levels, the County has been successful in maintaining its high-grade rating for its general obligation bonds. The County has enjoyed a favorable Moody’s Investors Service and S&P Global Ratings bond rating of AA.

The New York State Constitution limits the amount of indebtedness, both long-term and short-term which the County may incur. The State Constitution provides that the County may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the County for the most recent five years. Certain indebtedness is excluded in ascertaining the County’s authority to contract indebtedness with the constitutional limits; accordingly, debt of this kind, commonly referred to as “excluded debt”, may be issued without regard to the constitutional limits and without affecting the County’s authority to issue debt subject to the limit. At December 31, 2020, the County of Sullivan had used \$147,612,319 or 26.84% of the constitutional debt limit leaving \$402,369,877 remaining to be used.

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

Economic Factors and Next Year’s Budget

According to the New York State Department of Labor, the unemployment rate for the County of Sullivan was 6.2 percent in December 31, 2020, up from 3.7 percent in 2019. The County’s December 2020 unemployment rate was less than the State-wide rate of 8.2 percent.

Labor Department data also indicates that the number of people employed in the County decreased by 5.3 percent, from an average of 35,200 to 33,329 between 2019 and 2020, respectively.

The County's 2019 per capita income of \$48,753 is 64.5% of the State's \$75,548. The taxable assessed value of real property in the County decreased from \$5,829,767,129 in 2019 to \$5,572,548,557 in 2020, with the median sales price of residential properties increasing from \$140,000 in 2019 to \$175,000 in 2020.

All of these factors were taken into consideration in developing the fiscal 2021 budget.

The County is continuing to face unprecedented financial challenges as a result of the economic disruption caused by the COVID-19 pandemic. During 2020, the County took numerous measures to counteract these financial affects, including a freeze on all discretionary purchases, temporary layoff of non-essential employees and voluntary wage decreases for non-union employees. In addition, the County reorganized many County departments to reduce overall appropriations and increase efficiencies and workflow among County offices. As a result, the 2021 budget was dramatically affected and it is expected that these financial challenges will continue through the 2022 fiscal year

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Nancy Buck, County Treasurer, Sullivan County Government Center, P.O. Box 5012, 100 North Street, Monticello, New York, 12701, telephone (845) 807-0210, or visit the County's web site at www.co.Sullivan.ny.us.

BASIC FINANCIAL STATEMENTS

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COUNTY OF SULLIVAN, NEW YORK
Statement of Net Position
December 31, 2020

	Primary Government			Total Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 33,392,576	\$ 1,807,014	\$ 35,199,590	\$ 8,472,414
Restricted cash and cash equivalents	9,062,476	1,629,821	10,692,297	4,044,094
Resident trust cash	-	194,065	194,065	-
Restricted Investments	-	3,703,803	3,703,803	1,686,423
Receivables (net of allowances):				
Taxes	31,752,032	-	31,752,032	-
Accounts receivable	18,603,678	1,737,572	20,341,250	3,759,885
Tobacco settlement	-	1,019,539	1,019,539	-
Notes receivable	-	323,722	323,722	299,378
Loans receivable	92,599	-	92,599	685,552
Intergovernmental receivables	33,560,471	881,651	34,442,122	444,569
Internal balances	10,385,928	(10,385,928)	-	-
Inventories	-	71,466	71,466	-
Prepaid items	100,000	49,710	149,710	128,194
Net pension asset	-	-	-	-
Capital assets, not being depreciated	15,251,335	44,800	15,296,135	2,135,482
Capital assets, net of accumulated depreciation	<u>257,214,002</u>	<u>89,536,952</u>	<u>346,750,954</u>	<u>17,103,545</u>
Total assets	<u>409,415,097</u>	<u>90,614,187</u>	<u>500,029,284</u>	<u>38,759,536</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	200,008	198,249	398,257	-
Deferred outflows—relating to OPEB	54,866,610	5,132,263	59,998,873	7,899,197
Deferred outflows—relating to pensions	<u>36,369,165</u>	<u>4,808,942</u>	<u>41,178,107</u>	<u>2,897,311</u>
Total deferred outflows of resources	<u>91,435,783</u>	<u>10,139,454</u>	<u>101,575,237</u>	<u>10,796,508</u>
LIABILITIES				
Accounts payable	14,111,257	383,242	14,494,499	6,615,408
Accrued liabilities	7,009,109	1,109,574	8,118,683	565,687
Intergovernmental payables	19,030,290	-	19,030,290	528,955
Due to retirement system	6,784,297	-	6,784,297	44,801
Unearned revenue	158,921	-	158,921	3,540,550
Deposits payable	-	194,065	194,065	1,197,633
Bond anticipation notes payable	12,212,500	-	12,212,500	-
Tax anticipation notes payable	19,500,000	-	19,500,000	-
Other liabilities	8,889	-	8,889	703,162
Noncurrent liabilities:				
Due within one year	13,553,938	2,686,978	16,240,916	625,503
Due in more than one year	<u>494,671,249</u>	<u>152,294,550</u>	<u>646,965,799</u>	<u>64,138,827</u>
Total liabilities	<u>587,040,450</u>	<u>156,668,409</u>	<u>743,708,859</u>	<u>77,960,526</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to tuition	-	-	-	229,466
Deferred inflows—relating to OPEB	46,053,230	2,701,106	48,754,336	6,932,932
Deferred inflows—relating to pensions	<u>2,546,522</u>	<u>336,716</u>	<u>2,883,238</u>	<u>263,029</u>
Total deferred inflows of resources	<u>48,599,752</u>	<u>3,037,822</u>	<u>51,637,574</u>	<u>7,425,427</u>
NET POSITION				
Net investment in capital assets	129,259,214	(13,912,777)	115,346,437	10,847,336
Restricted for:				
Grants and loans	-	203,112	203,112	2,660,798
Law enforcement	416,930	-	416,930	-
Stop DWI	118,299	-	118,299	-
Debt service	22,402	-	22,402	-
Dental benefits	593,766	-	593,766	-
Community development	861,836	-	861,836	-
Unrestricted	<u>(266,061,769)</u>	<u>(45,242,925)</u>	<u>(311,304,694)</u>	<u>(49,338,043)</u>
Total net position	<u>\$ (134,789,322)</u>	<u>\$ (58,952,590)</u>	<u>\$ (193,741,912)</u>	<u>\$ (35,829,909)</u>

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

COUNTY OF SULLIVAN, NEW YORK
Statement of Activities
Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Total Discretely Presented Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government support	\$ 39,158,085	\$ 7,622,169	\$ 1,904,613	\$ -	\$ (29,631,303)	\$ -	\$ (29,631,303)	\$ -
Education	5,703,608	-	-	-	(5,703,608)	-	(5,703,608)	-
Public safety	37,762,123	1,606,395	839,746	37,250	(35,278,732)	-	(35,278,732)	-
Health	26,155,263	3,913,713	11,127,339	-	(11,114,211)	-	(11,114,211)	-
Transportation	40,503,345	3,296,340	-	7,609,123	(29,597,882)	-	(29,597,882)	-
Economic assistance and opportunity	62,485,095	2,533,592	25,255,618	-	(34,695,885)	-	(34,695,885)	-
Culture and recreation	3,710,605	1,188,172	1,307,262	-	(1,215,171)	-	(1,215,171)	-
Home and community services	5,788,849	11,793,390	212,085	-	6,216,626	-	6,216,626	-
Interest and other fiscal charges	4,681,276	-	-	-	(4,681,276)	-	(4,681,276)	-
Total governmental activities	<u>225,948,249</u>	<u>31,953,771</u>	<u>40,646,663</u>	<u>7,646,373</u>	<u>(145,701,442)</u>	<u>-</u>	<u>(145,701,442)</u>	<u>-</u>
Business-type activities:								
Adult Care Center	20,548,864	8,304,766	4,860,162	-	-	(7,383,936)	(7,383,936)	-
Sunset Lake LDC	25,349	-	-	-	-	(25,349)	(25,349)	-
STASC	657,806	-	-	-	-	(657,806)	(657,806)	-
SCFC	122,244	8,415	-	-	-	(113,829)	(113,829)	-
ILDC	9,089,250	7,326,991	-	-	-	(1,762,259)	(1,762,259)	-
Total business-type activities	<u>30,443,513</u>	<u>15,640,172</u>	<u>4,860,162</u>	<u>-</u>	<u>-</u>	<u>(9,943,179)</u>	<u>(9,943,179)</u>	<u>-</u>
Total primary government	<u>\$ 256,391,762</u>	<u>\$ 47,593,943</u>	<u>\$ 45,506,825</u>	<u>\$ 7,646,373</u>	<u>(145,701,442)</u>	<u>(9,943,179)</u>	<u>(155,644,621)</u>	<u>-</u>
Component units:								
Total component units	<u>\$ 26,676,008</u>	<u>\$ 6,238,736</u>	<u>\$ 16,696,872</u>	<u>\$ 101,587</u>				<u>(3,638,813)</u>
General revenues:								
Property taxes					66,236,154	-	66,236,154	-
Property tax items					11,452,202	-	11,452,202	-
Sales tax					48,943,642	-	48,943,642	-
Other nonproperty tax items					3,616,676	-	3,616,676	-
Use of money and property					377,362	73,126	450,488	855,083
Sale of property and compensation for loss					1,220,135	-	1,220,135	-
Miscellaneous					1,568,002	1,170,352	2,738,354	(90,313)
Total general revenues					<u>133,414,173</u>	<u>1,243,478</u>	<u>134,657,651</u>	<u>764,770</u>
Change in net position					(12,287,269)	(8,699,701)	(20,986,970)	(2,874,043)
Net position—beginning, as restated					(122,502,053)	(50,252,889)	(172,754,942)	(32,955,866)
Net position—ending					<u>(134,789,322)</u>	<u>(58,952,590)</u>	<u>(193,741,912)</u>	<u>(35,829,909)</u>

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

COUNTY OF SULLIVAN, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2020

	<u>Special Revenue</u>				Total Nonmajor Funds	Total Governmental Funds
	<u>General</u>	<u>County Road</u>	<u>Refuse and Garbage</u>	<u>Capital Projects</u>		
ASSETS						
Cash and cash equivalents	\$ 32,124,693	\$ -	\$ 1,101,064	\$ -	\$ 44,576	\$ 33,270,333
Restricted cash and cash equivalents	548,054	-	4,508	7,142,013	770,481	8,465,056
Receivables (net of allowances):						
Taxes	31,752,032	-	-	-	-	31,752,032
Accounts receivable	11,621,889	9,989	659,599	29,073	5,732	12,326,282
Loans receivable	-	-	-	-	92,599	92,599
Intergovernmental receivables	32,043,444	682,734	92,022	724,008	18,263	33,560,471
Due from other funds	10,658,722	1,754,100	3,410,112	-	1,745,078	17,568,012
Total assets	<u>\$ 118,748,834</u>	<u>\$ 2,446,823</u>	<u>\$ 5,267,305</u>	<u>\$ 7,895,094</u>	<u>\$ 2,676,729</u>	<u>\$ 137,034,785</u>
LIABILITIES						
Accounts payable	\$ 11,455,112	\$ 454,030	\$ 585,813	\$ 1,412,065	\$ 147,621	\$ 14,054,641
Accrued liabilities	5,246,040	358,343	88,036	-	99,795	5,792,214
Intergovernmental payables	19,030,290	-	-	-	-	19,030,290
Due to retirement system	6,784,297	-	-	-	-	6,784,297
Due to other funds	17,682,684	-	20	305,923	47,548	18,036,175
Unearned revenue	796	-	-	-	-	796
Bond anticipation notes	-	-	-	12,212,500	-	12,212,500
Tax anticipation notes	19,500,000	-	-	-	-	19,500,000
Other liabilities	8,889	-	-	-	-	8,889
Total liabilities	<u>79,708,108</u>	<u>812,373</u>	<u>673,869</u>	<u>13,930,488</u>	<u>294,964</u>	<u>95,419,802</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue—property taxes	12,834,986	-	-	-	-	12,834,986
Total deferred inflows of resources	<u>12,834,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,834,986</u>
FUND BALANCES (DEFICIT)						
Restricted	547,258	5,517	4,508	-	862,184	1,419,467
Committed	3,778,410	-	-	-	-	3,778,410
Assigned	3,189,539	1,628,933	4,588,928	-	1,519,581	10,926,981
Unassigned	18,690,533	-	-	(6,035,394)	-	12,655,139
Total fund balances	<u>26,205,740</u>	<u>1,634,450</u>	<u>4,593,436</u>	<u>(6,035,394)</u>	<u>2,381,765</u>	<u>28,779,997</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 118,748,834</u>	<u>\$ 2,446,823</u>	<u>\$ 5,267,305</u>	<u>\$ 7,895,094</u>	<u>\$ 2,676,729</u>	<u>\$ 137,034,785</u>

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

COUNTY OF SULLIVAN, NEW YORK

**Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position
December 31, 2020**

Amounts reported for governmental activities in the statement of net position (page 28) are different because:

Total fund balances (deficit)—governmental funds (page 30)		\$ 28,779,997	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$519,518,069 and the accumulated depreciation is \$247,052,732.			272,465,337
Real property taxes not collected within 60 days of year end are reported as deferred inflows of resources in the fund statements, but are recognized on the accrual basis for government-wide statements.			12,834,986
Internal service funds are used by the County to charge the costs of workers' compensation and dental benefits to individual funds. Assets in excess of liabilities of the internal service funds are included within governmental activities on the statement of net position.			2,014,693
For refunding bonds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred charge and recognized as a component of interest expense over either the lesser of the life of the debt issuance or the bonds refunded for the government-wide statements.			200,008
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds:			
Deferred outflows related to employer contributions	\$ 5,685,700		
Deferred outflows related to experience, changes in assumptions, investment earnings, and changes in proportion	30,683,465		
Deferred inflows of resources related to pensions	(2,546,522)		
Deferred outflows related to OPEB liability	54,866,610		
Deferred inflows related to OPEB liability	<u>(46,053,230)</u>		42,636,023
Net accrued interest expense for general obligation bonds is not reported in the funds.			(975,522)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:			
General obligation bonds	\$ (134,280,000)		
Premiums on bonds	(2,935,825)		
Capital leases	(1,119,819)		
Landfill post-closure costs	(13,157,289)		
Compensated absences	(4,027,283)		
Retirement incentives	(4,137,172)		
OPEB obligation	(281,468,630)		
Claims payable	(372,647)		
Net pension liability	<u>(51,246,179)</u>		<u>(492,744,844)</u>
Net position of governmental activities			<u>\$ (134,789,322)</u>

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

COUNTY OF SULLIVAN, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)—Governmental Funds
Year Ended December 31, 2020

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>County Road</u>	<u>Refuse and Garbage</u>			
REVENUES						
Real property taxes	\$ 63,936,357	\$ -	\$ -	\$ -	\$ -	\$ 63,936,357
Other property tax items	11,452,202	-	-	-	-	11,452,202
Non property tax items	52,568,003	-	-	-	-	52,568,003
Departmental income	14,394,848	-	11,712,595	-	662,294	26,769,737
Intergovernmental charges	668,752	96,297	-	-	-	765,049
Licenses and permits	1,253,199	4,511	-	-	-	1,257,710
Fines and forfeitures	182,814	-	-	-	-	182,814
Use of money and property	346,780	192	836	614	27,474	375,896
Sale of property and compensation for loss	828,825	732	198,135	-	89,117	1,116,809
Miscellaneous	1,613,485	385	-	1,504	1,385	1,616,759
State aid	20,593,627	3,471,569	84,619	276,764	-	24,426,579
Federal aid	<u>20,027,858</u>	<u>150,740</u>	<u>-</u>	<u>3,590,536</u>	<u>92,648</u>	<u>23,861,782</u>
Total revenues	<u>187,866,750</u>	<u>3,724,426</u>	<u>11,996,185</u>	<u>3,869,418</u>	<u>872,918</u>	<u>208,329,697</u>
EXPENDITURES						
Current:						
General government support	31,495,337	-	-	-	7,248	31,502,585
Education	5,377,185	-	-	-	-	5,377,185
Public safety	29,057,922	699,202	-	-	-	29,757,124
Health	23,961,690	-	-	-	-	23,961,690
Transportation	1,493,710	11,848,531	-	-	4,438,509	17,780,750
Economic assistance and opportunity	58,573,564	-	-	-	-	58,573,564
Culture and recreation	3,107,125	-	-	-	-	3,107,125
Home and community services	1,763,481	-	9,287,690	-	116,431	11,167,602
Debt service:						
Principal	482,982	-	-	-	8,810,000	9,292,982
Interest and other fiscal charges	149,860	129,278	-	-	4,541,764	4,820,902
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,564,541</u>	<u>-</u>	<u>11,564,541</u>
Total expenditures	<u>155,462,856</u>	<u>12,677,011</u>	<u>9,287,690</u>	<u>11,564,541</u>	<u>17,913,952</u>	<u>206,906,050</u>
Excess (deficiency) of revenues over expenditures	32,403,894	(8,952,585)	2,708,495	(7,695,123)	(17,041,034)	1,423,647
OTHER FINANCING SOURCES (USES)						
Issuance of capital leases	-	-	-	942,686	-	942,686
Transfers in	12,029	15,248,376	445,089	3,914,500	17,803,235	37,423,229
Transfers out	<u>(29,899,973)</u>	<u>(4,570,599)</u>	<u>(2,087,058)</u>	<u>-</u>	<u>(865,599)</u>	<u>(37,423,229)</u>
Total other financing sources (uses)	<u>(29,887,944)</u>	<u>10,677,777</u>	<u>(1,641,969)</u>	<u>4,857,186</u>	<u>16,937,636</u>	<u>942,686</u>
Net change in fund balances (deficits)	2,515,950	1,725,192	1,066,526	(2,837,937)	(103,398)	2,366,333
Fund balances (deficits)—beginning	<u>23,689,790</u>	<u>(90,742)</u>	<u>3,526,910</u>	<u>(3,197,457)</u>	<u>2,485,163</u>	<u>26,413,664</u>
Fund balances (deficit)—ending	<u>\$ 26,205,740</u>	<u>\$ 1,634,450</u>	<u>\$ 4,593,436</u>	<u>\$ (6,035,394)</u>	<u>\$ 2,381,765</u>	<u>\$ 28,779,997</u>

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

COUNTY OF SULLIVAN, NEW YORK

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)—
Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2020**

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

Net change in fund balances (deficits)—total governmental funds (page 32) \$ 2,366,333

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital asset additions	\$ 1,077,408	
Depreciation expense	(15,921,209)	
Loss on disposition and adjustments	<u>(1,665,172)</u>	(16,508,973)

Governmental funds recognize real property taxes only if collected within 60 days after the end of the fiscal year; however, the government-wide statements recognize revenue on a full accrual basis. 2,299,797

Internal service funds are used by management to charge the costs of workers' compensation and dental benefits to individual funds. The change in net position of the internal service funds is reported within governmental activities. 1,136,514

For refunding bonds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred charge on the government-wide statements and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. (150,007)

Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. This amount is shown net of current year amortization. 37,993,812

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

Direct pension contributions	\$ 7,389,125	
Cost of benefits earned net of employee contributions	<u>(16,667,760)</u>	(9,278,635)

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. (148,352)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and related items is as follows:

Repayment of general obligation bonds	\$ 8,810,000	
Amortization of bond premiums	437,985	
Issuance of capital leases	(942,686)	
Repayment of capital leases	482,982	
Change in landfill post-closure costs	7,192,784	
Change in compensated absences	(162,939)	
Change in retirement incentives	923,133	
Change in OPEB obligation	(46,574,561)	
Change in claims payable	<u>(164,456)</u>	<u>(29,997,758)</u>

Change in net position of governmental activities \$ (12,287,269)

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

COUNTY OF SULLIVAN, NEW YORK
Statement of Net Position—Proprietary Funds
December 31, 2020

	Business-type Activities					Governmental Activities	
	Adult Care Center	Sunset Lake LDC	STASC	SCFC	ILDC	Total	Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 1,101,603	\$ 24,000	\$ 207,168	\$ 418,953	\$ 55,290	\$ 1,807,014	\$ 122,243
Restricted cash and cash equivalents	203,112	-	1,103,883	-	322,826	1,629,821	597,420
Resident trust cash	194,065	-	-	-	-	194,065	-
Investments	-	-	-	-	3,703,803	3,703,803	-
Accounts receivable, net of allowances	1,724,872	-	-	-	12,700	1,737,572	6,277,396
Tobacco settlement receivable	-	-	1,019,539	-	-	1,019,539	-
Notes receivable	-	-	-	323,722	-	323,722	-
Intergovernmental receivables	881,651	-	-	-	-	881,651	-
Due from other funds	-	-	-	-	-	-	10,798,418
Inventories	71,466	-	-	-	-	71,466	-
Prepaid items	46,353	-	3,357	-	-	49,710	100,000
Total current assets	<u>4,223,122</u>	<u>24,000</u>	<u>2,333,947</u>	<u>742,675</u>	<u>4,094,619</u>	<u>11,418,363</u>	<u>17,895,477</u>
Noncurrent assets:							
Capital assets, not being depreciated	44,800	-	-	-	-	44,800	-
Capital assets, net of accumulated depreciation	294,982	1,318,273	-	-	87,923,697	89,536,952	-
Total noncurrent assets	<u>339,782</u>	<u>1,318,273</u>	<u>-</u>	<u>-</u>	<u>87,923,697</u>	<u>89,581,752</u>	<u>-</u>
Total assets	<u>4,562,904</u>	<u>1,342,273</u>	<u>2,333,947</u>	<u>742,675</u>	<u>92,018,316</u>	<u>101,000,115</u>	<u>17,895,477</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	-	-	198,249	-	-	198,249	-
Deferred outflows—relating to OPEB	5,132,263	-	-	-	-	5,132,263	-
Deferred outflows—relating to pensions	4,808,942	-	-	-	-	4,808,942	-
Total deferred outflows of resources	<u>9,941,205</u>	<u>-</u>	<u>198,249</u>	<u>-</u>	<u>-</u>	<u>10,139,454</u>	<u>-</u>
LIABILITIES							
Current liabilities:							
Accounts payable	363,069	250	-	4,338	15,585	383,242	-
Accrued liabilities	105,233	-	57,654	-	946,687	1,109,574	241,373
Due to other funds	10,385,928	-	-	-	-	10,385,928	943
Unearned revenue	-	-	-	-	-	-	158,125
Deposits payable	194,065	-	-	-	-	194,065	-
Current portion of noncurrent liabilities	681,978	-	280,000	-	1,725,000	2,686,978	1,551,323
Total current liabilities	<u>11,730,273</u>	<u>250</u>	<u>337,654</u>	<u>4,338</u>	<u>2,687,272</u>	<u>14,759,787</u>	<u>1,951,764</u>
Noncurrent liabilities:							
Due in more than one year	30,211,822	-	16,286,570	-	105,796,158	152,294,550	13,929,020
Total noncurrent liabilities	<u>30,211,822</u>	<u>-</u>	<u>16,286,570</u>	<u>-</u>	<u>105,796,158</u>	<u>152,294,550</u>	<u>13,929,020</u>
Total liabilities	<u>41,942,095</u>	<u>250</u>	<u>16,624,224</u>	<u>4,338</u>	<u>108,483,430</u>	<u>167,054,337</u>	<u>15,880,784</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows—relating to OPEB	2,701,106	-	-	-	-	2,701,106	-
Deferred inflows—relating to pensions	336,716	-	-	-	-	336,716	-
Total deferred inflows of resources	<u>3,037,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,037,822</u>	<u>-</u>
NET POSITION							
Net investment in capital assets	339,782	1,318,273	-	-	(15,570,832)	(13,912,777)	-
Restricted for:							
Grants	203,112	-	-	-	-	203,112	-
Dental benefits	-	-	-	-	-	-	593,766
Unrestricted	(31,018,702)	23,750	(14,092,028)	738,337	(894,282)	(45,242,925)	1,420,927
Total net position	<u>\$ (30,475,808)</u>	<u>\$ 1,342,023</u>	<u>\$ (14,092,028)</u>	<u>\$ 738,337</u>	<u>\$ (16,465,114)</u>	<u>\$ (58,952,590)</u>	<u>\$ 2,014,693</u>

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

COUNTY OF SULLIVAN, NEW YORK
Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds
Year Ended December 31, 2020

	Business-type Activities					Governmental Activities	
	Adult Care Center	Sunset Lake LDC	STASC	SCFC	ILDC	Total	Internal Service Funds
Operating revenues:							
Net patient revenue	\$ 8,118,014	\$ -	\$ -	\$ -	\$ -	\$ 8,118,014	\$ -
Charges for services	186,752	-	-	8,415	7,326,991	7,522,158	2,926,694
Tobacco settlement revenues	-	-	1,145,371	-	-	1,145,371	-
Insurance recoveries	-	-	-	-	-	-	103,326
Total operating revenues	<u>8,304,766</u>	<u>-</u>	<u>1,145,371</u>	<u>8,415</u>	<u>7,326,991</u>	<u>16,785,543</u>	<u>3,030,020</u>
Operating expenses:							
Professional care of residents	6,428,347	-	-	-	-	6,428,347	-
Administrative and general services	6,249,657	1,250	34,846	122,244	60,307	6,468,304	-
Employee benefits	7,017,635	-	-	-	-	7,017,635	1,894,972
New York State cash assessment	457,259	-	-	-	-	457,259	-
Depreciation	371,841	24,099	-	-	3,232,867	3,628,807	-
Interest expense	24,125	-	-	-	-	24,125	-
Total operating expenses	<u>20,548,864</u>	<u>25,349</u>	<u>34,846</u>	<u>122,244</u>	<u>3,293,174</u>	<u>24,024,477</u>	<u>1,894,972</u>
Operating (loss) income	(12,244,098)	(25,349)	1,110,525	(113,829)	4,033,817	(7,238,934)	1,135,048
Nonoperating revenues (expenses):							
Intergovernmental transfer revenue	4,111,021	-	-	-	-	4,111,021	-
Other nonoperating revenue	749,141	24,981	-	-	-	774,122	-
Interest income	1,286	-	8,946	790	62,104	73,126	1,466
Interest expense	-	-	(622,960)	-	(5,796,076)	(6,419,036)	-
Total nonoperating revenues (expenses)	<u>4,861,448</u>	<u>24,981</u>	<u>(614,014)</u>	<u>790</u>	<u>(5,733,972)</u>	<u>(1,460,767)</u>	<u>1,466</u>
Transfers (out) in	<u>(1,342,391)</u>	<u>1,342,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(8,725,041)	1,342,023	496,511	(113,039)	(1,700,155)	(8,699,701)	1,136,514
Net position—beginning	(21,750,767)	-	(14,588,539)	851,376	(14,764,959)	(50,252,889)	878,179
Net position—ending	<u>\$ (30,475,808)</u>	<u>\$ 1,342,023</u>	<u>\$ (14,092,028)</u>	<u>\$ 738,337</u>	<u>\$ (16,465,114)</u>	<u>\$ (58,952,590)</u>	<u>\$ 2,014,693</u>

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

COUNTY OF SULLIVAN, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2020

	Business-type Activities					Governmental Activities	
	Adult Care Center	Sunset Lake LDC	STASC	SCFC	ILDC	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from services provided	\$ 8,759,488	\$ -	\$ -	\$ 60,394	\$ 7,326,991	\$ 16,146,873	\$ 3,449,804
Receipts from tobacco settlement revenues	-	-	1,095,609	-	-	1,095,609	-
Receipts from insurance recoveries	-	-	-	-	-	-	103,326
Payments to suppliers of contracted services	(10,560,931)	-	(34,846)	(39,113)	(59,263)	(10,694,153)	-
Payments to employees	(6,832,596)	-	-	-	-	(6,832,596)	-
Payments to insurance carriers and claimants	-	(1,000)	-	-	-	(1,000)	(3,529,536)
Receipts (payments) on behalf of other funds	-	-	-	-	-	-	(2,376,815)
Receipts (payments) from other operating revenue	186,752	-	-	(40,000)	-	146,752	-
Net cash provided by (used for) operating activities	<u>(8,447,287)</u>	<u>(1,000)</u>	<u>1,060,763</u>	<u>(18,719)</u>	<u>7,267,728</u>	<u>(138,515)</u>	<u>(2,353,221)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	-	-	8,946	790	62,104	71,840	1,466
Net cash (used for) provided by investing activities	<u>-</u>	<u>-</u>	<u>8,946</u>	<u>790</u>	<u>62,104</u>	<u>71,840</u>	<u>1,466</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Payments to/from County	2,414,308	25,000	-	-	-	2,439,308	105
Receipts from intergovernmental transfer	4,695,440	-	-	-	-	4,695,440	-
Receipts from Provider Relief Funds - CARES Act	754,166	-	-	-	-	754,166	-
Receipts from interest income	1,286	-	-	-	-	1,286	-
Principal payments on long-term debt	-	-	(420,000)	-	-	(420,000)	-
Interest paid	-	-	(670,251)	-	-	(670,251)	-
Net cash provided by (used for) noncapital financing activities	<u>7,865,200</u>	<u>25,000</u>	<u>(1,090,251)</u>	<u>-</u>	<u>-</u>	<u>6,045,783</u>	<u>105</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital purchases	(43,965)	-	-	-	-	(43,965)	-
Principal payments on short-term and long-term debt	-	-	-	-	(1,640,000)	(1,640,000)	-
Interest paid	-	-	-	-	(5,759,663)	(5,759,663)	-
Net cash used for capital and related financing activities	<u>(43,965)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,399,663)</u>	<u>(7,443,628)</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	(626,052)	24,000	(20,542)	(17,929)	(69,831)	(710,354)	(2,351,650)
Cash and cash equivalents—beginning (includes restricted cash and cash equivalents and investments)	<u>1,930,767</u>	<u>-</u>	<u>1,331,593</u>	<u>436,882</u>	<u>4,151,750</u>	<u>7,850,992</u>	<u>3,071,313</u>
Cash and cash equivalents—ending (includes restricted cash and cash equivalents and investments)	<u>\$ 1,304,715</u>	<u>\$ 24,000</u>	<u>\$ 1,311,051</u>	<u>\$ 418,953</u>	<u>\$ 4,081,919</u>	<u>\$ 7,140,638</u>	<u>\$ 719,663</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2020

	Business-type Activities						Governmental Activities
	Adult Care Center	Sunset Lake LDC	STASC	SCFC	ILDC	Total	Internal Service Funds
Reconciliation of operating (loss) income to net cash provided by (used for) operating activities:							
Operating (loss) income	\$ (12,244,098)	\$ (25,349)	\$ 1,110,525	\$ (113,829)	\$ 4,033,817	\$ (7,238,934)	\$ 1,135,048
Adjustments to reconcile operating (loss) income to net cash provided by (used for) operating activities:							
Depreciation expense	371,841	24,099	-	-	3,232,867	3,628,807	-
Bad debt expense	302,105	-	-	-	-	302,105	-
Decrease in receivables	303,271	-	-	-	-	303,271	543,500
(Increase) in tobacco settlement receivable	-	-	(49,762)	-	-	(49,762)	-
Decrease in notes receivable	-	-	-	91,423	-	91,423	-
(Increase) in due from other funds	-	-	-	-	-	-	(2,376,815)
Decrease in inventories	2,076	-	-	-	-	2,076	-
(Increase) in prepaid items	(15,841)	-	-	-	-	(15,841)	(100,000)
(Increase) in deferred outflows of resources/ deferred inflows of resources, net.	(7,439,303)	-	-	-	-	(7,439,303)	-
(Decrease) increase in accounts payable	(28,603)	250	-	3,687	13,044	(11,622)	(54,541)
(Decrease) in amounts due to component units	-	-	-	-	(12,000)	(12,000)	-
Increase (decrease) in accrued and other liabilities	36,098	-	-	-	-	36,098	(138,896)
(Decrease) in unearned revenue	-	-	-	-	-	-	(20,390)
Increase in compensated absences	127,743	-	-	-	-	127,743	-
(Decrease) in accrued retirement incentives	(128,078)	-	-	-	-	(128,078)	-
Increase in other postemployment benefits	5,250,267	-	-	-	-	5,250,267	-
(Decrease) in claims payable	-	-	-	-	-	-	(1,341,127)
Increase in accrued net pension liability	5,015,235	-	-	-	-	5,015,235	-
Total adjustments	<u>3,796,811</u>	<u>24,349</u>	<u>(49,762)</u>	<u>95,110</u>	<u>3,233,911</u>	<u>7,100,419</u>	<u>(3,488,269)</u>
Net cash provided by (used for) operating activities	<u>\$ (8,447,287)</u>	<u>\$ (1,000)</u>	<u>\$ 1,060,763</u>	<u>\$ (18,719)</u>	<u>\$ 7,267,728</u>	<u>\$ (138,515)</u>	<u>\$ (2,353,221)</u>
Noncash investing activities:							
Increase in tobacco settlement bonds payable from amortization of original issue discount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Decrease in deferred outflows of resources from amortization of loss on refunding bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(concluded)

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

COUNTY OF SULLIVAN, NEW YORK
Statement of Fiduciary Net Position—Custodial Fund
December 31, 2020

	Custodial Fund
ASSETS	
Restricted cash and equivalents	\$ 1,631,051
Total assets	<u>1,631,051</u>
LIABILITIES	
Accounts payable and other liabilities	<u>1,419,705</u>
Total liabilities	<u>1,419,705</u>
NET POSITION	
Restricted for organizations and other governments	<u>\$ 211,346</u>

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

COUNTY OF SULLIVAN, NEW YORK
Statement of Changes in Fiduciary Net Position—Custodial Fund
Year Ended December 31, 2020

	Custodial Fund
ADDITIONS	
Funds received on behalf of others	\$ 57,284
Total additions	<u>57,284</u>
DEDUCTIONS	
Funds distributed to others	<u>11,782</u>
Total deductions	<u>11,782</u>
Change in net position	45,502
Net position—beginning, as restated	<u>165,844</u>
Net position—ending	<u>\$ 211,346</u>

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

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Net Position—Discretely Presented Component Units
December 31, 2020

	Sullivan County Community College (8/31/2020)	Sullivan County Soil and Water Conservation District	Sullivan County Industrial Development Agency	Emerald Corporate Center Economic Development Corporation	Sullivan County Land Bank Corporation	Total Discretely Presented Component Units
ASSETS						
Cash and cash equivalents	\$ 1,820,326	\$ 875,231	\$ 5,517,313	\$ 3,360	\$ 256,184	\$ 8,472,414
Restricted cash and cash equivalents	44,030	2,528,372	1,471,692	-	-	4,044,094
Investments	1,686,423	-	-	-	-	1,686,423
Receivables (net of allowance for uncollectibles):						
Accounts receivable	3,283,399	22,475	53,832	6,551	393,628	3,759,885
Notes receivable	-	-	299,378	-	-	299,378
Loans receivable	685,552	-	-	-	-	685,552
Intergovernmental receivables	403,551	-	-	41,018	-	444,569
Prepaid items	95,690	18,649	2,700	4,762	6,393	128,194
Capital assets, not being depreciated	190,000	-	-	1,093,468	852,014	2,135,482
Capital assets, net of accumulated depreciation	<u>13,833,161</u>	<u>61,381</u>	<u>3,207,541</u>	<u>-</u>	<u>1,462</u>	<u>17,103,545</u>
Total assets	<u>22,042,132</u>	<u>3,506,108</u>	<u>10,552,456</u>	<u>1,149,159</u>	<u>1,509,681</u>	<u>38,759,536</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows—relating to OPEB	7,899,197	-	-	-	-	7,899,197
Deferred outflows—relating to pensions	<u>2,629,263</u>	<u>268,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,897,311</u>
Total deferred outflows of resources	<u>10,528,460</u>	<u>268,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,796,508</u>
LIABILITIES						
Accounts payable	6,007,870	582,043	17,553	3,467	4,475	6,615,408
Accrued liabilities	451,180	13,653	95,702	-	5,152	565,687
Intergovernmental payables	163,563	-	365,392	-	-	528,955
Due to retirement system	-	44,801	-	-	-	44,801
Unearned revenue	931,515	2,528,372	21,000	-	59,663	3,540,550
Deposits payable	1,197,633	-	-	-	-	1,197,633
Other liabilities	258,336	-	444,826	-	-	703,162
Noncurrent liabilities:						
Due within one year	600,610	2,000	22,893	-	-	625,503
Due in more than one year	<u>63,490,788</u>	<u>382,903</u>	<u>265,136</u>	<u>-</u>	<u>-</u>	<u>64,138,827</u>
Total liabilities	<u>73,101,495</u>	<u>3,553,772</u>	<u>1,232,502</u>	<u>3,467</u>	<u>69,290</u>	<u>77,960,526</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows—relating to tuition	229,466	-	-	-	-	229,466
Deferred inflows—relating to OPEB	6,932,932	-	-	-	-	6,932,932
Deferred inflows—relating to pensions	<u>250,226</u>	<u>12,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,029</u>
Total deferred inflows of resources	<u>7,412,624</u>	<u>12,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,425,427</u>
NET POSITION						
Net investment in capital assets	6,772,975	61,381	2,919,512	1,093,468	-	10,847,336
Restricted	1,783,023	-	877,775	-	-	2,660,798
Unrestricted	<u>(56,499,525)</u>	<u>146,200</u>	<u>5,522,667</u>	<u>52,224</u>	<u>1,440,391</u>	<u>(49,338,043)</u>
Total net position	<u>\$ (47,943,527)</u>	<u>\$ 207,581</u>	<u>\$ 9,319,954</u>	<u>\$ 1,145,692</u>	<u>\$ 1,440,391</u>	<u>\$ (35,829,909)</u>

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

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Activities—Discretely Presented Component Units
Year Ended December 31, 2020

	Sullivan County Community College (8/31/2020)	Sullivan County Soil and Water Conservation District	Sullivan County Industrial Development Agency	Emerald Corporate Center Economic Development Corporation	Sullivan County Land Bank Corporation	Total Discretely Presented Component Units
PROGRAM EXPENSES	\$ 23,376,134	\$ 1,985,833	\$ 650,754	\$ 61,802	\$ 487,198	\$ 26,561,721
PROGRAM REVENUES						
Charges for services	5,131,770	26,410	1,080,556	-	-	6,238,736
Operating grants and contributions	13,989,943	1,773,192	-	55,677	878,060	16,696,872
Capital grants and contributions	-	-	101,587	-	-	101,587
Total program revenues	<u>19,121,713</u>	<u>1,799,602</u>	<u>1,182,143</u>	<u>55,677</u>	<u>878,060</u>	<u>23,037,195</u>
Net (expense) program revenues	<u>(4,254,421)</u>	<u>(186,231)</u>	<u>531,389</u>	<u>(6,125)</u>	<u>390,862</u>	<u>(3,524,526)</u>
GENERAL REVENUES (EXPENSES)						
Use of money and property	829,101	5,515	20,467	-	-	855,083
Interest expense	(108,282)	-	(6,005)	-	-	(114,287)
Miscellaneous	196,103	62,455	122	(348,993)	-	(90,313)
Total general revenues (expenses)	<u>916,922</u>	<u>67,970</u>	<u>14,584</u>	<u>(348,993)</u>	<u>-</u>	<u>650,483</u>
Change in net position	(3,337,499)	(118,261)	545,973	(355,118)	390,862	(2,874,043)
Net position—beginning, as restated	<u>(44,606,028)</u>	<u>325,842</u>	<u>8,773,981</u>	<u>1,500,810</u>	<u>1,049,529</u>	<u>(32,955,866)</u>
Net position—ending	<u>\$ (47,943,527)</u>	<u>\$ 207,581</u>	<u>\$ 9,319,954</u>	<u>\$ 1,145,692</u>	<u>\$ 1,440,391</u>	<u>\$ (35,829,909)</u>

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

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COUNTY OF SULLIVAN, NEW YORK
Notes to the Financial Statements
Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of Government-wide Financial Statements

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

Reporting Entity

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

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

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

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

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

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

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

Sullivan County Soil and Water Conservation District—The Sullivan County Soil and Water Conservation District (the "District") was established in 1966 pursuant to Chapter 727 of the Laws of the State of New York. The District is a nonprofit organization formed to coordinate state and federal conservation programs on a local level. The District is managed by a Board of Directors consisting of seven members. Members are appointed by the County Legislature and are subject to removal at the will of the County Legislature. Separately issued financial statements for the District may be obtained by writing the Sullivan County Soil and Water Conservation District, 64 Ferndale-Loomis Road, Liberty, New York 12754.

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

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

Sullivan County Land Bank Corporation—The Sullivan County Land Bank Corporation (the “Land Bank”) was established under Article 16 of the Not-for-Profit Corporation Law of the State of New York pursuant to a resolution adopted by County on June 16, 2016. The land bank was formed to combat community deterioration by facilitating the return of vacant, abandoned, and tax-delinquent properties to productive use in order to eliminate the harms and liabilities caused by such properties, and lessen the burden of government and act in the public interest. The Land Bank’s public objective and mission is to lessen the burdens of the government by undertaking, promoting, and facilitating the return of vacant, abandoned, and tax delinquent properties to productive use in order to eliminate the harms and liabilities caused by such properties and to combat community deterioration in the County, that will include real estate development and management, real estate project finance, and other community-based economic and human services development activities permissible under the Not-for-Profit Corporation Law. The Land Bank is governed by a nine member board of directors. Members are appointed by the County Legislative Chair, confirmed by the County Legislature, and are subject to removal at the will of the County Legislature. Separately issued financial statements for the Land Bank may be obtained by writing the Sullivan County Land Bank Corporation, 100 North Street, PO Box 5012, Monticello, New York 12701.

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

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

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

Sullivan County Infrastructure Local Development Corporation—The Sullivan County Infrastructure Local Development Corporation (the “ILDC”) was established under to section 1411 of the New York Not-For-Profit Corporation Law pursuant to a resolution adopted by the County on January 28, 2016. The ILDC was formed to develop, own, construct, maintain, certain infrastructure and related improvements located on approximately 1,700 acres of land located in the Town of Thompson exercised solely in connection with the Adelaar Resort Project and related properties. The ILDC’s public objective and mission is to lessening of the burdens of government by undertaking and promoting economic development initiatives in the County that will include real estate leasing, acquisition, development and management, real estate project finance, and other community-based economic development activities permissible under the Not-For-Profit Corporation Law. The County is initial Member of the Corporation acting by and through the County Manager on an ex-officio basis. The Corporation is managed by a Board of Directors consisting of nine members. Members are appointed by the County Manager and are subject to removal at the will of the County Manager. The County is the sole corporate member of the ILDC. Separately issued financial statements for the ILDC may be obtained by writing the Sullivan County Infrastructure Local Development Corporation, 1 Cablevision Center, Ferndale, New York 12734.

Sunset Lake Local Development Corporation—The Sunset Lake Local Development Corporation (the “SLLDC”) was formed by the Sullivan County Legislature on September 3, 2020 pursuant to Section 1411 of the New York State Not-for-Profit Corporation Law. Under Section 4.02(b) of IRS Rev. Proc. 95-48, the Corporation is treated as an affiliate of a governmental unit and is subject to the provisions of the New York State Public Authorities Law. The mission of the Corporation is to aid the County in the solicitation of bids and the identification of a private nursing home operator to run the Care Center at Sunset Lake in Liberty, New York on behalf of the County. The Corporation is comprised of four Board Members and one Chairman. Separately issued financial statements for the Corporation may be obtained by writing the Sunset Lake Local Development Corporation, 100 North Street, Monticello, NY 12701.

Basis of Presentation—Government-wide Financial Statements

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

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

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

Basis of Presentation—Fund Financial Statements

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

The County reports the following major governmental funds:

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

The County reports the following nonmajor governmental funds:

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

- *Special Grant Fund*—The Special Grant Fund is used to account for financial assistance from Federal and State agencies.
- *Road Machinery Fund*—The Road Machinery Fund is used to record all revenues and expenditures related to purchase, repair, maintenance, and storage of highway machinery, tools, and equipment in accordance with New York State Laws.
- *Debt Service Fund*—The Debt Service Fund is provided to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and for financial resources that are being accumulated for principal and interest maturing in future years.

The County reports the following major enterprise funds:

- *Sullivan County Adult Care Center (the “Adult Care Center”)*—The Adult Care Center is a nursing facility delivering long-term care and short-term rehabilitation services to the citizens of Sullivan County.
- *Sullivan Tobacco Asset Securitization Corporation (“STASC”)*—STASC is a blended component unit used to account for the receipt and disbursement of resources related to tobacco assets and related obligations.
- *Sullivan County Funding Corporation (“SCFC”)*—SCFC is a blended component unit used to account for the creation, retention and expansion of jobs and economic opportunities within the County.
- *Sullivan County Infrastructure Local Development Corporation (the “ILDC”)*—The ILDC is a blended component unit used to account for the development, ownership, construction, and maintenance of certain infrastructure and related improvements on approximately 1,700 acres within the County, to foster the creation, retention, and expansion of jobs and economic opportunities.
- *Sunset Lake Local Development Corporation (the “SLLDC”)*—The SLLDC is a blended component unit used to aid the County in the solicitation of bids and the identification of a private nursing home operator to run the Care Center on behalf of the County.

Additionally, the County reports the following fund types:

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

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

- *Custodial Fund*—Activities reported in the fiduciary funds included monies from outside entities, held by the County for the benefit of others.

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

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

Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and considers all other revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

and the amount is received during the period or within the availability period for this revenue sources (within 90 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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

Cash, Cash Equivalents and Investments—Cash and cash equivalents include cash on hand, demand deposits, time deposits, and short-term, highly liquid investments which are readily convertible to known amounts of cash and have a maturity date of 90 days or less from the date of acquisition. State statutes and various resolutions of the County Legislature govern the County’s investment policies. Permissible investments include obligations of the U.S. Treasury and U.S. Government agencies, repurchase agreements and obligations of New York State or its localities. Investments are stated at fair value based on quoted market prices. The County’s business-type activities reported investments of \$3,703,803 at December 31, 2020.

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

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

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

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

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

Capital Assets—Capital assets, which include property, buildings, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements, as well as within the individual proprietary funds. Capital assets are defined by the County as assets with an individual cost or fair market value of more than \$25,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

The County depreciates capital assets using a straight-line method over the estimated useful lives as shown on the following page.

	<u>Years</u>
Buildings and building improvements	20-50
Machinery and equipment	5-20
Infrastructure	25

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new highway vehicle included as part of *expenditures—transportation*). The amount reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Unearned Revenues—Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial purposes. At December 31, 2020, the County reported unearned revenues of \$796 and \$158,125 within the General Fund and Internal Service Funds, respectively. The County received funds related to asset seizures and workers’ compensation contributions in advance but have not performed the associated services and therefore recognizes a liability.

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2020, the County has three items that qualify for reporting in this category. The first item is a deferred charge on refunding which the County reports within its governmental and business-type activities. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to OPEB reported in the government-wide and proprietary fund financial statements and represents the effects of the change in the County’s proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The third item is related to pensions reported in the government-wide financial statements, as well as within individual proprietary funds. This represents the effect of the net change in the County’s proportion of the collective net pension liability, the difference during the measurement period between the County’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension system made subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2020, the County has three items that qualify for reporting in this category. The first item, reported within the governmental fund financial statements represents unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The second item represents the effect of the net change in the County’s proportion of the collective net OPEB liability and difference during the measurement period between certain employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The third item represents the effects of the change in the County’s proportion of the collective net pension liability and the difference during the measurement periods between the County’s contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide financial statements.

Net Position Flow Assumption—Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

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

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

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

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

Revenues and Expenditures/Expenses

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses—Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Adult Care Center, SLLDC, STASC, SCFC, ILDC and internal service funds are charges to customers and interfund/intergovernmental entities for sales and services. Operating expenses for enterprise funds and internal service funds include the professional care of residents cost of sales and services, administrative expenses, employee benefits and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

At December 31, 2020, the total real property tax assets relating to the County of \$31,752,032 included an allowance for uncollectible taxes of \$1,194,724. Included in real property tax assets are current year returned school taxes of \$16,777,314, which are offset by liabilities to the school districts. The remaining portion of tax assets is partially offset by deferred inflows of resources—property taxes of \$12,834,986 in the General Fund and represents tax liens which were not collected within the first sixty (60) days of the subsequent year.

Compensated Absences—The County employees are entitled, with certain limitations, to accrue sick leave and vacation time. Estimated sick leave and vacation time is accumulated by governmental fund type employees and reported as a liability and expense in the government-wide financial statements under governmental activities. For proprietary fund type employees, the accumulation is recorded as a noncurrent liability of the proprietary fund type. The compensated absences liability for the County’s governmental and business-type activities at December 31, 2020 totaled \$4,027,283 and \$549,678, respectively, and are reported in the government-wide financial statements and proprietary fund financial statements.

Pension Plans—The County is mandated by New York State law to participate in the New York State Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension (asset)/liability, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 7.

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

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

Other

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

Reclassifications—Certain amounts were reclassified from component unit financial statements to conform to the County’s reporting presentation.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2020, the County implemented GASB Statements No. 83, *Certain Asset Retirement Obligations*; No. 84, *Fiduciary Activities*; No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*. GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (“AROs”). GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. GASB Statement No. 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB Statement No. 97 increases consistency and comparability related to the reporting of fiduciary component units, mitigates costs associated with the reporting of certain defined contribution plans and enhances the relevance, consistency and comparability of the accounting and reporting for internal Revenue Code Section 457 deferred compensation plans. Other than the matter discussed in Note 2, the implementation of GASB Statements No. 83, 84, 88 and 97 did not have a material impact on the County’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The County has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; and No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending December 31, 2021, No. 87, *Leases*; No. 91, *Conduit Debt Obligations*; No. 92, *Omnibus 2020*, effective for the year ending December 31, 2022, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending December 31, 2023. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 87, 89, 91, 92, 93, 94, and 96 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

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

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

Deficit Fund Balance—At December 31, 2020, the County’s Capital Project Fund reported a deficit fund balance of \$6,035,394. This deficit fund balance is caused by the County’s issued bond anticipation notes (“BANs”), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as fund liabilities in the balances sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). When the cash from the BANs is spent, expenditures are reported and fund balance is reduced. Because the BANs are the main source of revenue for the fund, the result is deficit fund balance. The fund balance deficits will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in).

2. RESTATEMENT OF NET POSITION

During the year ended December 31, 2020, the County implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of GASB Statement No. 84 establishes criteria for identifying fiduciary activities of state and local governments. This Statement also provides for the recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

The effect of these restatements to the County’s fiduciary fund is summarized as follows:

	Custodial Fund
	<hr/>
Net position—December 31, 2019, as previously stated	\$ -
GASB Statement No. 84 implementation	165,844
Net position—December 31, 2019, as restated	<hr/> <hr/> \$ 165,844

During the year ended December 31, 2020, the IDA, a discretely presented component unit, restated net position at December 31, 2019, representing a reclassification of grant revenue. The IDA's net position has been restated as follows:

	Industrial Development Agency
Net position—December 31, 2019, as previously stated	\$ 8,640,981
IDA restatements	<u>133,000</u>
Net position—December 31, 2019, as restated	<u>\$ 8,773,981</u>

During the year ended December 31, 2020, the Land Bank, a discretely presented component unit, reevaluated the grant income. As a result, net position at December 31, 2019 was restated. The Land Bank's net position has been restated as follows:

	Land Bank Corporation
Net position—December 31, 2019, as previously stated	\$ 795,565
Land Bank restatements	<u>253,964</u>
Net position—December 31, 2019, as restated	<u>\$ 1,049,529</u>

The impacts from the restatements above is \$386,964, and therefore, total discretely presented component units net position has been restated from \$(33,342,830) to \$(32,955,866) at December 31, 2019.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The County's investment policies are governed by State statutes. In addition, the County has its own written investment policy. County monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash and cash equivalents at December 31, 2020 consisted of:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Petty cash (uncollateralized)	\$ 14,275	\$ 2,700	\$ -	\$ 16,975
Deposits	<u>42,440,777</u>	<u>3,628,200</u>	<u>1,631,051</u>	<u>47,700,028</u>
Total	<u>\$ 42,455,052</u>	<u>\$ 3,630,900</u>	<u>\$ 1,631,051</u>	<u>\$ 47,717,003</u>

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at December 31, 2020 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 2,076,819	\$ 2,076,819
Uninsured:		
Collateral held by pledging bank's agent in the County's name	<u>46,094,216</u>	<u>45,623,209</u>
Total	<u>\$ 48,171,035</u>	<u>\$ 47,700,028</u>

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

Restricted Cash and Cash Equivalents—At December 31, 2020, governmental funds reported restricted cash of \$8,465,056, of which \$796 is restricted for General Fund unearned revenue, \$7,142,013 is restricted for unspent debt proceeds in the Capital Projects Fund, and \$547,258, \$4,508, and \$770,481 is restricted to support restricted fund balances within the General Fund, Refuse and Garbage Fund, and nonmajor funds, respectively. The internal service fund reports restricted cash of \$597,420. Total business-type activities reported restricted cash of \$1,629,821 at December 31, 2020, of which \$203,112 is restricted for capital projects within the Adult Care Center Fund, \$1,103,883 is restricted for debt service requirements within the STASC fund, and \$322,826 is restricted for the ILDC.

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

Restricted Investments—Restricted investments are reported at fair value. The County’s governmental activities reports no investments as of December 31, 2020. The County’s business-type activities reported investments totaling \$3,703,803 as of December 31, 2020.

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

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

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

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

- Level 2 Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;

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

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

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

Investments, which are securities held by the counter-party or by its trust department or agent, but not in the Corporation's name are reported at contract value, which represents Level 2 fair value input and consisted of \$3,703,803 at December 31, 2020.

Sullivan County Community College

Cash and Cash Equivalents—Cash and cash equivalents for the College totaled \$1,820,326 at August 31, 2020. As of August 31, 2020, none of the College's bank balance of \$1,944,106 was exposed to custodial credit risk as they were either insured or collateralized.

Restricted Cash and Cash Equivalents—At December 31, 2020, restricted cash and cash equivalents at the College totaled \$44,030.

Investments—Investments for the College totaled \$1,686,423 at August 31, 2020, as reported by the Association, the Foundation, and Dormitory Corporation, component units of the College. The fair value investments of the Association, at August 31, 2020 totaled \$470,078. Fair value hierarchy information for investments reported by the Foundation, at August 31, 2020 was as follows:

	Level 1
Equities:	
Common stock	\$ 412,242
Mutual funds	143
Invested cash	57,693
Total	\$ 470,078

Sullivan County Soil and Water Conservation District

Cash and Cash Equivalents—Deposits for the District totaled \$3,403,603 and were fully collateralized or insured at December 31, 2020.

Sullivan County Industrial Development Agency

Cash and Cash Equivalents—Cash and cash equivalents at the IDA totaled \$5,517,313 at December 31, 2020. At December 31, 2020, the Agency's cash balances were fully collateralized with securities held by the Agency's third party custodian and not subject to custodial credit risk.

Restricted Cash and Cash Equivalents—At December 31, 2020, restricted cash and cash equivalents at the IDA totaled \$1,471,692, of which \$1,183,663 represents cash balances held in escrow accounts and \$288,029 represents cash balances associated with revolving loan accounts.

Emerald Corporate Center Economic Development Corporation

Cash and Cash Equivalents—Cash and cash equivalents at the ECCEDC totaled \$3,360 at December 31, 2020. The balance was within FDIC insurance limits at December 31, 2020.

Sullivan County Land Bank Corporation

Cash and Cash Equivalents—Cash and cash equivalents at the Land Bank totaled \$256,184 at December 31, 2020. At December 31, 2020, an amount of \$13,421 was uninsured.

4. RECEIVABLES

Taxes Receivable—Represents amounts due from County taxpayers that remain unpaid. At December 31, 2020 the County recorded \$31,752,032 related to taxes receivable. These amounts are reported net of an allowance for uncollectible taxes provision of \$1,194,724.

Accounts Receivable—Represents amounts due from various sources. The County’s accounts receivable and related allowances for estimated uncollectible amounts at December 31, 2020 are presented below:

	<u>Gross Receivable</u>	<u>Allowances for Uncollectables</u>	<u>Net Receivable</u>
Governmental funds:			
General Fund	\$ 11,621,889	\$ -	\$ 11,621,889
County Road Fund	9,989	-	9,989
Refuse and Garbage Fund	1,070,485	(410,886)	659,599
Capital Projects Fund	29,073	-	29,073
Nonmajor governmental funds	<u>5,732</u>	<u>-</u>	<u>5,732</u>
Total governmental funds	<u>\$ 12,737,168</u>	<u>\$ (410,886)</u>	<u>\$ 12,326,282</u>
Proprietary funds:			
Adult Care Center	\$ 2,060,661	\$ (335,789)	\$ 1,724,872
ILDC	12,700	-	12,700
Internal Service Funds	<u>6,277,396</u>	<u>-</u>	<u>6,277,396</u>
Total proprietary funds	<u>\$ 8,350,757</u>	<u>\$ (335,789)</u>	<u>\$ 8,014,968</u>

Notes Receivable—The SCFC reports notes receivable at December 31, 2020. These represent amounts due from various business entities within the County. The purpose of these notes is to help local businesses expand and develop. Interest earned on the notes is reported as operating revenue in the year it is received. Notes receivable for the SCFC at December 31, 2020 amounted to \$323,722.

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

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

At December 31, 2020 the County reported loans receivable of \$333,766, an allowance for uncollectable amounts of \$241,167, and restricted cash of \$770,133 related to the home repair program.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State or other local governments. Intergovernmental receivables at December 31, 2020 are shown below:

Governmental funds:	
General Fund	\$ 32,043,444
County Road Fund	682,734
Refuse and Garbage Fund	92,022
Capital Projects Fund	724,008
Nonmajor governmental funds	<u>18,263</u>
Total	<u>\$ 33,560,471</u>
Proprietary funds:	
Adult Care Center	<u>\$ 881,651</u>

Sullivan County Community College

Accounts Receivable—Accounts receivable at the College are shown net of allowance for doubtful accounts and consist of the following at August 31, 2020:

	Gross Receivable	Allowances for Uncollectables	Net Receivable
Primary institution	\$ 3,684,525	\$ (794,901)	\$ 2,889,624
Association	258,222	-	258,222
Dormitory Corporation	<u>135,553</u>	<u>-</u>	<u>135,553</u>
Total	<u>\$ 4,078,300</u>	<u>\$ (794,901)</u>	<u>\$ 3,283,399</u>

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

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

Sullivan County Soil and Water Conservation District

Accounts Receivable—Accounts receivable for the District at December 31, 2020 amounted to \$22,475.

Sullivan County Industrial Development Agency

Accounts Receivable—Accounts receivable for the IDA at December 31, 2020 amounted to \$53,832.

Notes Receivable—Notes receivable consists of amounts due from various business entities within Sullivan County. The purpose of these notes is to help local businesses expand and develop. Notes receivable for IDA at December 31, 2020 amounted to \$299,378.

Emerald Corporate Center Economic Development Corporation

Accounts Receivable—Accounts receivable for the ECCEDC at December 31, 2020 amounted to \$6,551.

5. CAPITAL ASSETS

Governmental activities—Capital asset activity for the primary government’s governmental activities for the year ended December 31, 2020 was as follows:

	Balance 1/1/2020	Increases and adjustments	Decreases and adjustments	Balance 12/31/2020
Capital assets, not being depreciated:				
Land	\$ 8,816,187	\$ -	\$ -	\$ 8,816,187
Construction in progress	113,025,874	2,302,595	108,893,321	6,435,148
Total capital assets, not being depreciated	<u>121,842,061</u>	<u>2,302,595</u>	<u>108,893,321</u>	<u>15,251,335</u>
Capital assets, being depreciated:				
Land improvements	20,310,700	2,013,696	-	22,324,396
Buildings and building improvements	51,346,982	82,169,184	-	133,516,166
Machinery and equipment	35,585,091	6,919,683	513,679	41,991,095
Infrastructure	291,510,643	14,924,434	-	306,435,077
Total capital assets, being depreciated	<u>398,753,416</u>	<u>106,026,997</u>	<u>513,679</u>	<u>504,266,734</u>
Less accumulated depreciation for:				
Land improvements	16,432,073	544,473	-	16,976,546
Buildings and building improvements	22,599,813	1,971,716	-	24,571,529
Machinery and equipment	24,351,637	2,485,963	489,644	26,347,956
Infrastructure	168,237,644	10,919,057	-	179,156,701
Total accumulated depreciation	<u>231,621,167</u>	<u>15,921,209</u>	<u>489,644</u>	<u>247,052,732</u>
Total capital assets, being depreciated, net	<u>167,132,249</u>	<u>90,105,788</u>	<u>24,035</u>	<u>257,214,002</u>
Governmental activities capital assets, net	<u>\$ 288,974,310</u>	<u>\$ 92,408,383</u>	<u>\$ 108,917,356</u>	<u>\$ 272,465,337</u>

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

General government support	\$ 2,333,549
Education	326,423
Public safety	440,788
Public health	77,819
Transportation	11,245,558
Economic assistance and opportunity	24,841
Culture and recreation	96,844
Home and community services	1,375,387
Total governmental activities	<u>\$ 15,921,209</u>

At December 31, 2020, the County transferred construction in progress for the County Jail Complex to buildings and building improvements. Certain adjustments were made and recorded to depreciable assets during 2020.

Business-type activities—Capital asset activity for the primary government’s business-type activities for the year ended December 31, 2020, was as follows:

	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Capital assets, not being depreciated:				
Land	\$ 44,800	\$ -	\$ -	\$ 44,800
Total capital assets, not being depreciated	<u>44,800</u>	<u>-</u>	<u>-</u>	<u>44,800</u>
Capital assets, being depreciated:				
Buildings and improvements	12,674,959	12,249,367	12,674,959	12,249,367
Land improvements	87,600	938,786	513,193	513,193
Machinery and equipment	977,613	38,940	-	1,016,553
Infrastructure	<u>96,986,018</u>	<u>-</u>	<u>-</u>	<u>96,986,018</u>
Total capital assets, being depreciated	<u>110,726,190</u>	<u>13,227,093</u>	<u>13,188,152</u>	<u>110,765,131</u>
Less accumulated depreciation for:				
Buildings and improvements	11,029,990	11,692,518	11,278,221	11,444,287
Land improvements	87,600	54,347	141,947	-
Machinery and equipment	652,308	69,263	-	721,571
Infrastructure	<u>5,829,454</u>	<u>3,232,867</u>	<u>-</u>	<u>9,062,321</u>
Total accumulated depreciation	<u>17,599,352</u>	<u>15,048,995</u>	<u>11,420,168</u>	<u>21,228,179</u>
Total capital assets, being depreciated, net	<u>93,126,838</u>	<u>(1,821,902)</u>	<u>1,767,984</u>	<u>89,536,952</u>
Business-type activities capital assets, net	<u>\$ 93,171,638</u>	<u>\$ (1,821,902)</u>	<u>\$ 1,767,984</u>	<u>\$ 89,581,752</u>

On December 5, 2020 the Center’s building and land improvements (net of accumulated depreciation) in the amount of \$1,342,391 were transferred to the LDC and a lease agreement was entered into between the LDC and the County.

Sullivan County Community College

Capital asset activity for the College, for the year ended August 31, 2020, is shown below:

	Balance 9/1/2019	Increases	Decreases	Balance 8/31/2020
Capital assets, not being depreciated:				
Land	\$ 190,000	\$ -	\$ -	\$ 190,000
Total capital assets, not being depreciated	<u>190,000</u>	<u>-</u>	<u>-</u>	<u>190,000</u>
Capital assets, being depreciated:				
Building and improvements	46,592,257	-	-	46,592,257
Furniture and equipment	<u>4,832,152</u>	<u>7,389</u>	<u>-</u>	<u>4,839,541</u>
Total capital assets, being depreciated	<u>51,424,409</u>	<u>7,389</u>	<u>-</u>	<u>51,431,798</u>
Less accumulated depreciation for:				
Building and improvements	32,543,307	1,111,438	-	33,654,745
Furniture and equipment	<u>3,916,843</u>	<u>27,049</u>	<u>-</u>	<u>3,943,892</u>
Total accumulated depreciation	<u>36,460,150</u>	<u>1,138,487</u>	<u>-</u>	<u>37,598,637</u>
Total capital assets, being depreciated, net	<u>14,964,259</u>	<u>(1,131,098)</u>	<u>-</u>	<u>13,833,161</u>
Total capital assets, net	<u>\$ 15,154,259</u>	<u>\$ (1,131,098)</u>	<u>\$ -</u>	<u>\$ 14,023,161</u>

Sullivan County Soil and Water Conservation District

Capital asset activity for the District, for the year ended December 31, 2020, was as follows:

	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Capital assets, being depreciated:				
Buildings	\$ 55,197	\$ -	\$ -	\$ 55,197
Machinery and equipment	217,044	28,768	-	245,812
Total capital assets, being depreciated	<u>272,241</u>	<u>28,768</u>	<u>-</u>	<u>301,009</u>
Less accumulated depreciation for:				
Buildings	42,780	1,380	-	44,160
Machinery and equipment	176,790	18,678	-	195,468
Total accumulated depreciation	<u>219,570</u>	<u>20,058</u>	<u>-</u>	<u>239,628</u>
Total capital assets, net	<u>\$ 52,671</u>	<u>\$ 8,710</u>	<u>\$ -</u>	<u>\$ 61,381</u>

Sullivan County Industrial Development Agency

Capital asset activity for the IDA, for the year ended December 31, 2020, was as follows:

	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,603,585	\$ -	\$ -	\$ 1,603,585
Equipment	1,994,642	112,770	-	2,107,412
Less: accumulated depreciation	<u>(320,708)</u>	<u>(182,748)</u>	<u>-</u>	<u>(503,456)</u>
Total capital assets, net	<u>\$ 3,277,519</u>	<u>\$ (69,978)</u>	<u>\$ -</u>	<u>\$ 3,207,541</u>

Emerald Corporate Center Economic Development Corporation

Capital asset activity for the ECCEDC, for the year ended December 31, 2020, was as follows:

	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Capital assets, not being depreciated:				
Deferred building costs	<u>\$ 1,442,461</u>	<u>\$ -</u>	<u>\$ 348,993</u>	<u>\$ 1,093,468</u>

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

6. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at December 31, 2020, were as follows:

	General Fund	County Road Fund	Refuse and Garbage Fund	Nonmajor Funds	Total Governmental Funds
Salaries and employee benefits	\$ 5,246,040	\$ 358,343	\$ 88,036	\$ 99,795	\$ 5,792,214

7. PENSION OBLIGATIONS

Plan Descriptions and Benefits Provided

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

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions—At December 31, 2020, the County reported the following liabilities for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2020. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2019, with update procedures used to roll forward the total net pension liabilities to the measurement date. The County’s proportion of the net pension liabilities were based on projections of the County’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the County.

	ERS	
	Governmental	Business-type
	Activities	Activities
Measurement date	March 31, 2020	
Net pension liability	\$ 51,246,179	\$ 6,776,067
County's portion of the Plan's total net pension liability	0.1935236%	0.0255888%

For the year ended December 31, 2020, the County recognized pension expense of \$19,004,133 (\$16,784,755 and \$2,219,378 for governmental activities and business-type activities, respectively). At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below:

	ERS			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experiences	\$ 3,016,044	\$ 398,799	\$ -	\$ -
Changes of assumptions	1,031,855	136,438	890,989	117,812
Net difference between projected and actual earnings on pension plan investments	26,271,283	3,473,741	-	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	364,283	48,168	1,655,533	218,904
County contributions subsequent to the measurement date	<u>5,685,700</u>	<u>751,796</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 36,369,165</u>	<u>\$ 4,808,942</u>	<u>\$ 2,546,522</u>	<u>\$ 336,716</u>

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as shown below:

Year Ending December 31,	ERS	
	Governmental Activities	Business-type Activities
2021	\$ 4,381,053	\$ 579,289
2022	6,994,744	924,886
2023	9,264,824	1,225,049
2024	7,496,322	991,206

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

	<u>ERS</u>
Measurement date	March 31, 2020
Actuarial valuation date	April 1, 2019
Interest rate	6.80%
Salary scale	4.20%
Decrement tables	April 1, 2010 - March 31, 2015
Inflation rate	2.50%
Cost-of-living adjustment	1.30%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2014. The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

	<u>ERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Measurement date	<u>March 31, 2020</u>	
Asset class:		
Domestic equities	36.0 %	4.1 %
International equities	14.0	6.2
Private equity	10.0	6.8
Real estate	10.0	4.9
Absolute return strategies	2.0	3.3
Opportunistic portfolio	3.0	4.7
Real assets	3.0	9.0
Bonds and mortgages	17.0	0.8
Cash	1.0	0.0
Inflation-indexed bonds	<u>4.0</u>	0.5
Total	<u><u>100.0 %</u></u>	

Discount Rate—The discount rate used to calculate the total pension liabilities was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption—The chart below presents the County’s proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the County’s proportionate share of the net pension liability would be if they were calculated using a discount rate that is one percentage-point lower (5.8%) or one percentage-point higher (7.8%) than the current assumption.

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Governmental activities:			
Employer's proportionate share of the net pension liability	\$ 94,051,202	\$ 51,246,179	\$ 11,822,566
Business-type activities:			
Employer's proportionate share of the net pension liability	\$ 12,436,002	\$ 6,776,067	\$ 1,563,249

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

	(Dollars in Thousands)
	ERS
Valuation date	April 1, 2019
Employers' total pension liability	\$ 194,596,261
Plan fiduciary net position	<u>168,115,682</u>
Employers' net pension liability	<u>\$ 26,480,579</u>
System fiduciary net position as a percentage of total pension liability	86.4%

Sullivan County Community College

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

Plan Description and Benefits Provided

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

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

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions—At August 31, 2020, the College reported the following liabilities for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of June 30, 2020 for TRS and March 31, 2020 for ERS. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2019 for TRS and April 1, 2019 for ERS. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by TRS and ERS in reports provided to the College.

	TRS	ERS
Measurement date	June 30, 2020	March 31, 2020
Net pension liability	\$ 176,038	\$ 3,096,521
College's portion of the Plan's total net pension liability	0.0063700%	0.0116936%

For the year ended August 31, 2020, the College recognized pension expense of \$237,274 for the TRS and \$887,763 for ERS. At August 31, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources presented on the following page.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experiences	\$ 154,244	\$ 182,243	\$ 9,022	\$ -
Changes of assumptions	222,647	62,349	79,362	53,838
Net difference between projected and actual earnings on pension plan investments	114,968	1,587,427	-	-
Changes in proportion and differences between the College's contributions and proportionate share of contributions	81,831	22,012	7,970	100,034
College contributions subsequent to the measurement date	15,967	185,575	-	-
Total	<u>\$ 589,657</u>	<u>\$ 2,039,606</u>	<u>\$ 96,354</u>	<u>\$ 153,872</u>

The College's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2021. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending August 31,	TRS	ERS
2021	\$ 84,592	\$ 264,723
2022	154,448	422,653
2023	132,252	559,822
2024	80,205	452,961
2025	10,181	-
Thereafter	15,658	-

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

	TRS	ERS
Measurement date	June 30, 2020	March 31, 2020
Actuarial valuation date	June 30, 2019	April 1, 2019
Interest rate	7.10%	6.80%
Salary scale	1.90%-4.72%	4.20%
Decrement tables	July 1, 2009 - June 30, 2014	April 1, 2010 - March 31, 2015
Inflation rate	2.20%	2.5%
Cost-of-living adjustment	1.30%	1.30%

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

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2019, applied on a generational basis. The actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standards of Practice (“ASOP”) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below.

Measurement date Asset class:	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
			June 30, 2020	March 31, 2020
Domestic equities	33.0 %	36.0 %	7.1 %	4.1 %
International equities	16.0	14.0	7.7	6.2
Global equities	4.0	0.0	7.4	0.0
Private equity	8.0	10.0	10.4	6.8
Real estate	11.0	10.0	6.8	5.0
Absolute return strategies	0.0	2.0	0.0	3.3
Domestic fixed income securities	16.0	0.0	1.8	0.0
Global fixed income securities	2.0	0.0	1.0	0.0
High-yield fixed income securities	1.0	0.0	0.0	0.0
Opportunistic portfolio	0.0	3.0	0.0	4.7
Private debt	1.0	0.0	5.2	0.0
Real assets	0.0	3.0	3.9	6.0
Bonds and mortgages	7.0	17.0	3.6	0.8
Cash	1.0	1.0	0.7	0.0
Inflation-indexed bonds	0.0	4.0	0.0	0.5
Total	<u>100.0 %</u>	<u>100.0 %</u>		

Discount Rate—The discount rate used to calculate the total pension liabilities was 7.1% for TRS and 6.8% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart on the following page presents the College’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.1% for TRS and 6.8% for ERS, as well as what the College’s proportionate share of the net pension liability/(asset) would be if they were calculated

using a discount rate that is one percentage-point lower (6.1% for TRS and 5.8% for ERS) or one percentage-point higher (8.1% for TRS and 7.8% for ERS) than the current assumption.

	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
TRS			
Employer's proportionate share of the net pension liability/(asset)	\$ 1,111,970	\$ 176,038	\$ (609,446)
	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
ERS			
Employer's proportionate share of the net pension liability	\$ 5,682,991	\$ 3,096,521	\$ 714,372

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

	(Dollars in Thousands)		
	TRS	ERS	Total
Valuation date	June 30, 2019	April 1, 2019	
Employers' total pension liability	\$ 123,242,776	\$ 194,596,261	\$ 317,839,037
Plan fiduciary net position	120,479,505	168,115,682	288,595,187
Employers' net pension liability	<u>\$ 2,763,271</u>	<u>\$ 26,480,579</u>	<u>\$ 29,243,850</u>
System fiduciary net position as a percentage of total pension liability	97.8%	86.4%	90.8%

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

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

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

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

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

For the year ended August 31, 2020, employee contributions totaled approximately \$35,000 and the College recognized pension expense of \$305,057. At August 31, 2020, the College reported payables to the defined contribution pension plan of \$0 for legally required employer contributions and \$25,966 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA-CREF.

Sullivan County Soil and Water Conservation District

Plan Descriptions and Benefits Provided

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2020, the District reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to the measurement date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the District.

	<u>ERS</u>
Measurement date	March 31, 2020
Net pension liability	\$ 365,119
District's portion of the Plan's total	
Net pension liability	0.0013788%

For the year ended December 31, 2020, the District recognized pension expense of \$122,883. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Differences between expected and actual experiences	\$ 21,489	\$ -
Changes of assumptions	7,352	6,348
Net difference between projected and actual earnings on pension plan investments	187,178	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	7,228	6,455
District contributions subsequent to the measurement date	<u>44,801</u>	<u>-</u>
Total	<u>\$ 268,048</u>	<u>\$ 12,803</u>

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>ERS</u>
2021	\$ 36,326
2022	53,969
2023	66,821
2024	53,328

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

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

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below presents the District’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.8%, as well as what the District’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.8%) or one percentage-point higher (7.8%) than the current assumption.

ERS	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Employer's proportionate share of the net pension liability	\$ 670,097	\$ 365,119	\$ 84,234

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

8. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

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

Employees Covered by Benefit Terms—At December 31, 2020, the following employees were covered by the benefit terms:

Active employees	811
Retired employees	510
Total	1,321

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

Total OPEB Liability

The County’s total OPEB liability for governmental and business-type activities of \$281,468,630 and \$22,999,843, respectively, was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2020.

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

In the January 1, 2020 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate is 1.93% effective December 31, 2020. The salary scale was assumed to increase at 3.00% per year. The RP 2006 mortality table with MP-2019 projections were used for the mortality rates. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 8.0%, while the ultimate healthcare cost trend rate is 5.0% for years after 2023. An inflation rate of 3.00% was assumed for developing the rate of increase in healthcare costs.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2020 through December 31, 2020.

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

	Total OPEB Liability	
	Governmental Activities	Business-type Activities
Balances at December 31, 2019:	\$ 234,894,069	\$ 17,749,576
Changes for the year:		
Service cost	5,740,016	955,824
Interest	7,560,063	572,437
Changes of assumptions	49,008,851	4,869,543
Differences between expected and actual experience	(9,753,783)	(767,215)
Contributions—employer	(5,980,586)	(380,322)
Net changes	46,574,561	5,250,267
Balances at December 31, 2020	<u>\$ 281,468,630</u>	<u>\$ 22,999,843</u>

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

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Governmental activities:			
Total OPEB liability	\$ 318,316,980	\$ 281,468,630	\$ 244,620,278
Business-type activities:			
Total OPEB liability	\$ 26,661,189	\$ 22,999,843	\$ 19,338,499

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

	1% Decrease (7.0% / 4.0%)	Healthcare Cost Trend Rates (8.0% / 5.0%)	1% Increase (9.0% / 6.0%)
Governmental activities:			
Total OPEB liability	\$ 229,715,041	\$ 281,468,630	\$ 344,127,566
Business-type activities:			
Total OPEB liability	\$ 17,811,665	\$ 22,999,843	\$ 29,513,647

Funding Policy—Contributions by the primary government may vary according to length of service. The cost of providing post-employment health care benefits is shared between the County and the retired employee. Substantially all employees may become eligible for those benefits if they reach normal retirement age and length of service requirement while working for these entities. The cost of retiree health care benefits is recognized as an expenditure as premiums are paid within the governmental funds. For the year ended December 31, 2020, the County recognized OPEB expense of \$16,513,725 (\$14,561,335 and \$1,952,390 for governmental and business-type activities, respectively).

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The County reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources shown below.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experience	\$ 2,946,568	\$ -	\$ 33,840,522	\$ 1,909,015
Changes of assumptions	51,920,042	5,132,263	12,212,708	792,091
Total	<u>\$ 54,866,610</u>	<u>\$ 5,132,263</u>	<u>\$ 46,053,230</u>	<u>\$ 2,701,106</u>

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

Year Ending December 31,	Governmental Activities	Business-type Activities
2021	\$ 1,261,256	\$ 424,129
2022	1,261,256	424,129
2023	1,261,256	424,129
2024	1,261,256	424,129
2025	1,261,256	424,129
Thereafter	2,507,100	310,512

Sullivan County Community College

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

Employees Covered by Benefit Terms—At August 31, 2020, the following employees were covered by the benefit terms:

Active employees	99
Retired employees	<u>113</u>
Total	<u><u>212</u></u>

Total OPEB Liability

The College's total OPEB liability of \$52,000,689 was measured as of August 31, 2020, and was determined by an actuarial valuation as of the same date.

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

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

In the August 31, 2020 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate is 2.33% effective August 31, 2020. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 8.0%, while the ultimate healthcare cost trend rate is 4.5% for years after 2028.

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

	Total OPEB Liability
Balance at August 31, 2019	\$ 47,125,321
Changes for the year:	
Service cost	1,714,435
Interest	1,722,528
Changes of assumptions	8,466,455
Differences between expected and actual experience	(5,566,269)
Contributions—employer	(1,461,781)
Net changes	4,875,368
Balance at August 31, 2020	\$ 52,000,689

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

	1% Decrease (1.33%)	Current Discount Rate (2.33%)	1% Increase (3.33%)
Total OPEB liability	\$ 61,286,692	\$ 52,000,689	\$ 44,642,773

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1% change in the initial (8.0%) and ultimate (4.5%) healthcare cost trend rates.

	1% Decrease <u>(7.0% / 3.5%)</u>	Healthcare Cost Trend Rates <u>(8.0% / 4.5%)</u>	1% Increase <u>(9.0% / 5.5%)</u>
Total OPEB liability	\$ 44,081,357	\$ 52,000,689	\$ 62,093,767

Funding Policy—Authority to establish and amend the benefit terms and financing requirements rests with the College Board of Trustees through negotiations with its employee groups. Contributions by the College may vary according to length of services. The cost of providing post-employment health care benefits is shared between the College and the retired employee. Substantially all of the College’s employees may become eligible for those benefits if they reach normal retirement age while working for the College. For the year ended August 31, 2020, the College recognized OPEB expense of \$3,343,793.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The College reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability. At August 31, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources shown below.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,137	\$ 428,699
Changes of assumptions	<u>7,898,060</u>	<u>6,504,233</u>
Total	<u>\$ 7,899,197</u>	<u>\$ 6,932,932</u>

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

<u>Year Ending August 31,</u>	
2021	\$ (93,170)
2022	334,390
2023	725,045

9. RISK MANAGEMENT

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

Governmental fund type estimated current contingent liabilities (i.e., those to be liquidated with available financial resources in the ensuing year) for property damage and personal injury liabilities are recorded in

the General Fund. The long-term portion (i.e., liabilities to be paid from future resources) is recorded within long-term debt in the government-wide financial statements.

The County is exposed to various risks of loss related to property damage and destruction of assets, vehicle liability, injuries to employees, and unemployment insurance. The County purchases commercial insurance to cover such potential risks. The County holds various insurance policies including package, excess property, excess liability, boiler and machinery, excess employers, accidental death and dismemberment (“AD&A”) volunteers, and AD&D workforce development. In addition, the County held builders risk and pollution liability policies related to the County’s jail project. The County’s package policy provides coverage for property, general liability, automobile liability, employee benefits liability, public officials liability, and law enforcement liability. Liability coverage under the package policy contains a \$75,000 self-insured retention and property coverage under the package policy contains a \$100,000 self-insured retention. The excess property policy provides flood, earthquake, business income, vehicle, and mobile equipment coverage ranging from \$1,000,000 to \$2,500,000 with blanket coverage of \$133,340,581 per occurrence. The general liability policy provides coverage up to \$9,000,000 per claim and in the aggregate. The County has not incurred claims over the respective coverage limits in any of the last three fiscal years.

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

The County reports workers' compensation and dental benefits liabilities within the Internal Service Fund and governmental activities. Additionally, the County reports general liability and assessment claim liabilities within the General Fund and governmental activities. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. As actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience. The changes in reported workers' compensation, dental benefits, and general liability claims since January 1, 2019 are presented below and on the following page.

	Balance <u>1/1/2020</u>	Claims and <u>Adjustments</u>	Claim <u>Payments</u>	Balance <u>12/31/2020</u>	Due Within <u>One Year</u>
Workers' compensation	\$ 16,817,690	\$ 444,226	\$ 1,785,227	\$ 15,476,689	\$ 1,462,130
Dental benefits	3,780	-	-	3,780	3,780
General liability	<u>208,191</u>	<u>212,065</u>	<u>47,735</u>	<u>372,521</u>	<u>85,413</u>
Total	<u>\$ 17,029,661</u>	<u>\$ 656,291</u>	<u>\$ 1,832,962</u>	<u>\$ 15,852,990</u>	<u>\$ 1,551,323</u>

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

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

The College is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets and natural disasters. These risks are covered by commercial insurance purchased by Sullivan County that extends coverage to the College. The self-insured retention under these policies is \$1,000,000 per claim and \$2,000,000 in the aggregate. The College also purchases an umbrella policy with coverage up to \$10,000,000.

10. LEASES

Capital Leases—The County entered into long-term capital leases related to buildings and equipment. The present value of the amended leases at December 31, 2020 is \$1,119,819. A \$1,119,819 long-term liability has been recorded within the County's governmental activities. The assets acquired through the capital lease are as follows:

	Governmental Activities
Assets:	
Buildings and equipment	\$ 2,436,087
Less: Accumulated depreciation	<u>(650,005)</u>
Total	<u>\$ 1,786,082</u>

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

Year Ending December 31,	Capital Leases
2021	\$ 383,587
2022	333,999
2023	247,589
2024	205,375
2025	<u>52,121</u>
Total minimum lease payments	1,222,671
Less: Amount representing imputed interest costs	<u>(102,852)</u>
Present value of minimum lease payments	<u>\$ 1,119,819</u>

Operating Leases—The County leases buildings, vehicles and equipment. Leased property, not having elements of ownership, are classified as operating leases. Operating lease payments are recorded as expenditures when payable in the fund financial statements. Total expenditures on operating leases for the fiscal year ended December 31, 2020 were approximately \$881,794. Future minimum lease payments at December 31, 2020 are as follows:

Year Ending December 31,	Operating Leases
2021	\$ 531,780
2022	374,485
2023 and beyond	<u>107,441</u>
Future minimum payments	<u>\$ 1,013,706</u>

In December 2020, the SLLDC entered into a lease agreement to lease the real property known as the Care Center at Sunset Lake in Liberty, New York (the “Adult Care Center”) to the County of Sullivan which owns the license to operate the Adult Care Center. The term of the lease is to end at the earlier of two years or at such time that the SLLDC is able to identify and qualify a third-party operator to assume control of the operations of the Adult Care Center. There are no rental payments due under this lease agreement.

Sullivan County Community College

Capital Leases—The College has entered into a capital lease to finance the construction of energy saving improvements and equipment. The lease financed \$3,662,030 for these improvements during 2010. On June 26, 2014, the College paid off its \$3,413,000 lease with BNY Mellon at a negotiated, discounted payment of \$2,153,342, representing payment in full and has refinanced with Sterling National Bank in the amount of \$2,200,000. The interest rate on the new lease is 5.49%. The College is required to maintain \$500,000 in non-interest bearing business checking accounts with Sterling Bank as part of its loan agreement with the bank. During the 2016 year, the College negotiated with Sterling Bank and Sullivan County replacing a \$500,000 restricted bank account that the College had maintained with Sterling Bank with a \$500,000 bank account by the County with Sterling Bank in the College’s place. Future minimum lease payments for the College as of August 31, 2020 follow:

Year Ending August 31,	Principal	Interest
2021	\$ 239,855	\$ 49,412
2022	253,552	35,715
2023	268,031	21,236
2024	<u>237,870</u>	<u>6,059</u>
Totals	<u>\$ 999,308</u>	<u>\$ 112,422</u>

11. SHORT-TERM DEBT

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

The following is a summary of the County’s short-term capital debt for the year ended December 31, 2020:

	Original Issue	Maturity Date	Interest Rate	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020
Governmental activities:							
2019 Road Reconstruction and Highway Equipment	2019	4/9/2020	2.5-3.0%	\$ 8,680,000	\$ -	\$ 8,680,000	\$ -
2020 Road Reconstruction and Highway Equipment	2020	4/8/2021	1.8-3.0%	-	12,212,500	-	12,212,500
Total governmental activities				<u>\$ 8,680,000</u>	<u>\$ 12,212,500</u>	<u>\$ 8,680,000</u>	<u>\$ 12,212,500</u>

Tax Anticipation Notes—Tax anticipation notes (“TANs”) are short term non-capital borrowings issued in anticipation of the collection of future real property taxes and assessments. On April 8, 2020 and August 13, 2020, the County issued TANs in the amount of \$10,000,000 and \$9,500,000, respectively, to provide monies to meet cash flow deficits expected to occur during the period that the TANs are outstanding. The TANs were issued in anticipation of the collection of real property taxes levied for County purposes for the fiscal year of the County which commenced January 1, 2020. The TANs bear interest rates at 2.96% and 2.00%, and mature on April 8, 2021 and May 28, 2021, respectively.

The following is a summary of the County’s short-term non-capital debt for the year ended December 31, 2020:

	Original Issue	Maturity Date	Interest Rate	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020
Governmental activities:							
Tax Anticipation Note	2019	5/14/2020	2.00%	\$ 8,000,000	\$ -	\$ 8,000,000	\$ -
Tax Anticipation Note	2020	4/8/2021	2.96%	-	10,000,000	-	10,000,000
Tax Anticipation Note	2020	5/28/2021	2.00%	-	9,500,000	-	9,500,000
Total governmental activities				<u>\$ 8,000,000</u>	<u>\$ 19,500,000</u>	<u>\$ 8,000,000</u>	<u>\$ 19,500,000</u>

12. LONG-TERM DEBT

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

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriations and expenditure of governmental fund financial resources.

The County’s outstanding long-term liabilities include bonds payable, capital leases, landfill post-closure costs, compensated absences, retirement incentives, OPEB obligation, claims payable, and net pension liability. A summary of changes in the County’s long-term liabilities for the year ended December 31, 2020 is presented on the following page.

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 143,090,000	\$ -	\$ 8,810,000	\$ 134,280,000	\$ 9,070,000
Premiums on bonds	3,373,810	-	437,985	2,935,825	437,985
Net bonds payable	146,463,810	-	9,247,985	137,215,825	9,507,985
Capital leases	660,115	942,686	482,982	1,119,819	342,700
Landfill post-closure costs	20,350,073	-	7,192,784	13,157,289	795,825
Compensated absences	3,864,344	312,939	150,000	4,027,283	402,728
Retirement incentives	5,060,305	-	923,133	4,137,172	953,377
OPEB obligation	234,894,069	62,308,930	15,734,369	281,468,630	-
Claims payable	17,029,661	656,291	1,832,962	15,852,990	1,551,323
Net pension liability*	13,662,643	37,583,536	-	51,246,179	-
Total governmental activities	<u>\$ 441,985,020</u>	<u>\$ 101,804,382</u>	<u>\$ 35,564,215</u>	<u>\$ 508,225,187</u>	<u>\$ 13,553,938</u>
Business-type activities:					
Bonds payable:					
Tobacco settlement bonds	\$ 15,770,000	\$ -	\$ 420,000	\$ 15,350,000	\$ 280,000
Premiums on bonds	1,274,501	-	57,931	1,216,570	-
Revenue bonds	110,075,000	-	1,640,000	108,435,000	1,725,000
Discount on revenue bonds	(963,416)	-	(49,574)	(913,842)	-
Total bonds payable	126,156,085	-	2,068,357	124,087,728	2,005,000
Compensated absences*	421,935	127,743	-	549,678	549,678
Retirement incentives	696,290	-	128,078	568,212	132,300
OPEB obligation	17,749,576	6,397,804	1,147,537	22,999,843	-
Net pension liability*	1,760,832	5,015,235	-	6,776,067	-
Total business-type activities	<u>\$ 146,784,718</u>	<u>\$ 11,540,782</u>	<u>\$ 3,343,972</u>	<u>\$ 154,981,528</u>	<u>\$ 2,686,978</u>

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

A default will have occurred if the payment of principal or interest are not paid when due and payable. Upon default in payment in full of the principal or interest on the bonds, a holder of such defaulted bond has a contractual right to sue the County of the amount due thereon. The County does not have any lines of credit.

A summary of additions and payments of general obligation bonds for the year ended December 31, 2020 is shown below:

Description	Original Issue	Year of Issue/ Maturity	Interest Rate (%)	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Governmental activities:							
Local ARRA (tax-exempt)	\$ 8,775,000	2010/2021	3.11-5.11	\$ 1,385,000	\$ -	\$ -	\$ 1,385,000
Build America Bonds	7,600,000	2010/2024	4.93-5.93	5,060,000	-	1,335,000	3,725,000
Recovery zone	810,000	2010/2024	5.93	810,000	-	-	810,000
Public improvements	9,495,000	2012/2026	2.00-3.00	4,855,000	-	640,000	4,215,000
Refunding	17,880,000	2013/2022	4.00-5.00	3,755,000	-	1,185,000	2,570,000
Public improvements	11,315,000	2014/2024	2.00-2.25	6,070,000	-	1,155,000	4,915,000
Public improvements	23,822,000	2016/2030	2.00-5.00	19,540,000	-	1,585,000	17,955,000
Public improvements	85,000,000	2016/2046	3.00-3.25	81,035,000	-	2,065,000	78,970,000
Jail construction	10,000,000	2018/2038	3.00-3.50	9,630,000	-	370,000	9,260,000
Public improvements	4,000,000	2018/2038	2.00-5.00	3,855,000	-	145,000	3,710,000
Public improvements	1,140,000	2018/2038	3.00-3.25	1,095,000	-	45,000	1,050,000
Public improvements	6,000,000	2019/2036	3.00	6,000,000	-	285,000	5,715,000
Total governmental activities				<u>\$ 143,090,000</u>	<u>\$ -</u>	<u>\$ 8,810,000</u>	<u>\$ 134,280,000</u>

Revenue Bonds—The ILDC has been authorized to issue \$110,075,000 in revenue bonds to finance public infrastructure improvements, to fund a debt service reserve fund, to fund the payment of interest on the bonds prior to and during construction, and to pay costs of issuing the bonds. The Town of Thompson, New York, on behalf of the ILDC, will impose and collect special assessments in an amount sufficient to pay the annual Service Fee. The bonds are special limited obligations of the ILDC payable solely from and secured by a pledge of the Service Fee and certain funds held by the Trustee. As of December 31, 2020, the ILDC has issued the \$110,075,000 total authorized. The bonds were issued at a discount totaling \$1,115,750, which is being amortized using the effective interest method over the life of the bonds.

A summary of additions and payments of revenue bonds for the year ended December 31, 2020 is shown below:

Description	Original Issue	Year of Issue/ Maturity	Interest Rate (%)	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Series 2016A	\$ 64,170,000	2016/2049	4.85-5.35	\$ 64,170,000	\$ -	\$ 955,000	\$ 63,215,000
Series 2016B	9,170,000	2016/2049	4.85-5.35	9,170,000	-	135,000	9,035,000
Series 2016C	9,035,000	2017/2049	4.85-5.35	9,035,000	-	135,000	8,900,000
Series 2016D	5,935,000	2017/2049	4.85-5.35	5,935,000	-	90,000	5,845,000
Series 2016E	21,765,000	2017/2049	4.85-5.35	21,765,000	-	325,000	21,440,000
Total				<u>\$ 110,075,000</u>	<u>\$ -</u>	<u>\$ 1,640,000</u>	<u>\$ 108,435,000</u>

Amortization of Bond Premiums—In past years, the County issued public improvement serial bonds and received bond premiums. There premiums are being amortized on a straight-line annual basis over the life of the respective bonds. Total unamortized bond premiums at December 31, 2020 are \$2,935,825 and \$1,216,570 for governmental and business-type activities, respectively.

Amortization of Bond Discounts—As noted above, the ILDC issued revenue bonds totaling \$110,075,000 and received a bond discount of \$1,115,750. The discount is being amortized using the effective interest method over the life of the bonds, which mature in 2049.

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

On September 22, 2016, STASC issued \$16,685,000 of Tobacco Settlement Asset Backed Refunding Bonds, Series 2016, pursuant to an indenture dated as of September 1, 2016. The \$16,685,000 bond issuance was comprised of \$8,100,000 Tobacco Settlement Pass-Through Bonds, Series 2016B Term Bonds and \$8,585,000 Tobacco Settlement Pass-Through Bonds, Series 2016C Turbo Term Bonds. The proceeds of the Series 2016 Bonds and the release of certain reserve funds were used to defease \$10,810,000 of the outstanding Series 2001 Bonds, make a payment to the County, fund the Series 2016B and Series 2016C Liquidity Reserve Accounts, fund the Operating Expense Reserve Account, pay a portion Series 2016B and Series 2016C interest due June 1, 2016, and pay the costs of issuance. The tobacco settlement bonds were issued at a premium of \$1,448,294 with interest rates ranging from 2.45%-5.00%. The County’s liability balance for tobacco settlement bonds amounts to \$15,350,000 at December 31, 2020 for business-type activities.

A summary of tobacco settlement bonds additions and payments for the year ended December 31, 2020 is shown below:

Description	Original Issue	Year of Issue/ Maturity	Interest Rate (%)	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Business-type activities:							
Tobacco settlement bonds:							
Series 2016B	\$ 8,100,000	2016/2041	5.00	\$ 7,745,000	\$ -	\$ 265,000	\$ 7,480,000
Series 2016C	8,585,000	2016/2051	2.45-4.00	<u>8,025,000</u>	<u>-</u>	<u>155,000</u>	<u>7,870,000</u>
Total				<u>\$ 15,770,000</u>	<u>\$ -</u>	<u>\$ 420,000</u>	<u>\$ 15,350,000</u>

Capital Leases—As explained in Note 10, the County has entered into lease agreements as lessee for financing options. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. At December 31, 2020, the County’s governmental activities report leases payable totaling \$1,119,819, of which \$342,700 is considered due within one year.

Landfill Post-Closure—State and federal laws and regulations require the County to place a final cover on a section of the landfill site when it reaches final elevation and to perform certain maintenance and monitoring functions at the site for a minimum of thirty years after closure. The \$13,157,289 landfill post-closure liability reported at December 31, 2020 represents the estimated cost of post-closure based on the use of 100 percent of the landfill capacity, less closure expenditures of \$31,947,451. These expenditures have been charged to the Capital Projects Fund, which had a total project budget of \$32,061,004. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Compensated Absences—As explained in Note 1, the County records the value of governmental fund type compensated absences in the government-wide and proprietary fund financial statements. The payment of compensated absences is dependent on many factors and, therefore, cannot be reasonably estimated as to future timing of payment. Under the terms of existing collective bargaining agreements, County employees are granted vacation and sick leave in varying amounts. Upon retirement or separation of service, employees may be compensated for unused vacation time to a maximum of 30 days at the current daily rate of pay. Employees represented by the Brotherhood of Teamsters can accumulate up to 200 days of sick leave. Upon retirement, those employees who have accumulated more than 165 sick leave days shall receive a sum equal to 25% of the employees' daily rate of pay for sick leave accumulations in excess of 165 days up to a maximum of 200 days. The other collective bargaining agreements provide that employees can accumulate up to 200 days of sick leave. Upon retirement, those employees can apply 50% for each unused sick leave day in excess of 120 days to their share of retiree medical premiums. The compensated absences liability for the County’s governmental and business-type activities at December 31, 2020 totaled \$4,027,283 and \$549,678, respectively, and are reported in the government-wide and proprietary fund financial statements. The County estimates \$402,728 of governmental activities and \$549,678 of business-type activities will be due within one year which comprises accrued vacation, sick and compensatory time.

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

	Original Amount <u>Amortized</u>	Balance <u>1/1/2020</u>	Increases/ <u>Adjustments</u>	Decreases/ <u>Adjustments</u>	Balance <u>12/31/2020</u>	Due Within <u>One Year</u>
Governmental activities:						
2013 ERS	\$ 3,037,888	\$ 1,323,782	\$ -	\$ 316,420	\$ 1,007,362	\$ 325,912
2014 ERS	2,991,890	1,630,376	-	303,004	1,327,372	314,124
2015 ERS	1,973,605	1,256,716	-	193,555	1,063,161	199,652
2016 ERS	<u>1,159,759</u>	<u>849,431</u>	<u>-</u>	<u>110,154</u>	<u>739,277</u>	<u>113,689</u>
Total	<u>\$ 9,163,142</u>	<u>\$ 5,060,305</u>	<u>\$ -</u>	<u>\$ 923,133</u>	<u>\$ 4,137,172</u>	<u>\$ 953,377</u>
Business-type activities:						
2013 ERS	\$ 424,568	\$ 185,008	\$ -	\$ 44,222	\$ 140,786	\$ 45,549
2014 ERS	463,238	252,433	-	46,914	205,519	48,636
2015 ERS	217,739	138,647	-	21,354	117,293	22,027
2016 ERS	<u>164,116</u>	<u>120,202</u>	<u>-</u>	<u>15,588</u>	<u>104,614</u>	<u>16,088</u>
Total	<u>\$ 1,269,661</u>	<u>\$ 696,290</u>	<u>\$ -</u>	<u>\$ 128,078</u>	<u>\$ 568,212</u>	<u>\$ 132,300</u>

OPEB Obligation—As explained in Note 8, the County provides medical, dental, and life insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The County’s annual OPEB cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position. The County’s long-term OPEB obligation is estimated to be \$281,468,630 and \$22,999,843 at December 31, 2020, for governmental and business-type activities, respectively.

Claims Payable—As discussed in Note 9, the County reports workers' compensation and dental benefits liabilities within the Internal Service Fund and governmental activities. Additionally, the County reports general liability claims liabilities within the General Fund and governmental activities. The total claims payable liability for workers’ compensation, dental benefits, general liabilities, and assessments at December 31, 2020 is \$15,852,990, of this amount, the County estimates \$1,551,323 is due within a year.

Net Pension Liability—The County reports a liability for its proportionate share of the net pension liability for the Employees’ Retirement System. The net pension liability is estimated to be \$51,246,179 and \$6,776,067 in the governmental and business-type activities, respectively. Refer to Note 7 for additional information related to the County’s net pension liability.

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

Year Ending December 31,	Governmental Activities				
	Serial Bonds	Premiums on Serial Bonds	Capital Leases	Landfill Post-Closure	Compensated Absences
2021	\$ 9,070,000	\$ 437,985	\$ 342,700	\$ 795,825	\$ 402,728
2022	9,360,000	295,287	297,107	626,537	-
2023	8,310,000	152,588	234,422	626,537	-
2024	8,525,000	129,098	193,470	626,537	-
2025	5,995,000	113,856	52,120	626,537	-
2026-2030	28,960,000	548,963	-	3,132,685	-
2031-2035	20,865,000	447,355	-	3,132,685	-
2036-2040	19,760,000	375,150	-	3,132,685	-
2041-2045	19,260,000	370,670	-	457,261	-
2046 - thereafter	4,175,000	64,873	-	-	3,624,555
Total	<u>\$ 134,280,000</u>	<u>\$ 2,935,825</u>	<u>\$ 1,119,819</u>	<u>\$ 13,157,289</u>	<u>\$ 4,027,283</u>

(continued)

Year Ending December 31,	Governmental Activities				
	Retirement Incentives	OPEB Obligation	Claims Payable	Net Pension Liability	Total
2021	\$ 953,377	\$ -	\$ 1,551,323	\$ -	\$ 13,553,938
2022	984,622	-	-	-	11,563,553
2023	1,016,896	-	-	-	10,340,443
2024	694,105	-	-	-	10,168,210
2025	355,026	-	-	-	7,142,539
2026-2030	133,146	-	-	-	32,774,794
2031-2035	-	-	-	-	24,445,040
2036-2040	-	-	-	-	23,267,835
2041-2045	-	-	-	-	20,087,931
2046 - thereafter	-	281,468,630	14,301,667	51,246,179	354,880,904
Total	<u>\$ 4,137,172</u>	<u>\$ 281,468,630</u>	<u>\$ 15,852,990</u>	<u>\$ 51,246,179</u>	<u>\$ 508,225,187</u>

(concluded)

Year Ending December 31,	Business-type Activities								Total
	Tobacco Settlement Bonds	Premiums on Bonds	Revenue Bonds	Discount on Revenue Bonds	Compensated Absences	Retirement Incentives	OPEB Obligation	Net Pension Liability	
2021	\$ 280,000	\$ -	\$ 1,725,000	\$ -	\$ 549,678	\$ 132,300	\$ -	\$ -	\$ 2,686,978
2022	295,000	-	1,805,000	-	-	136,661	-	-	2,236,661
2023	310,000	-	1,890,000	-	-	141,167	-	-	2,341,167
2024	325,000	-	1,975,000	-	-	96,051	-	-	2,396,051
2025	340,000	-	2,080,000	-	-	43,191	-	-	2,463,191
2026-2030	-	-	11,995,000	-	-	18,842	-	-	12,013,842
2031-2035	-	-	15,325,000	-	-	-	-	-	15,325,000
2036-2040	-	-	19,855,000	-	-	-	-	-	19,855,000
2041-2045	-	-	25,755,000	-	-	-	-	-	25,755,000
2046 and thereafter	<u>13,800,000</u>	<u>1,216,570</u>	<u>26,030,000</u>	<u>(913,842)</u>	<u>-</u>	<u>-</u>	<u>22,999,843</u>	<u>6,776,067</u>	<u>69,908,638</u>
Total	<u>\$ 15,350,000</u>	<u>\$ 1,216,570</u>	<u>\$ 108,435,000</u>	<u>\$ (913,842)</u>	<u>\$ 549,678</u>	<u>\$ 568,212</u>	<u>\$ 22,999,843</u>	<u>\$ 6,776,067</u>	<u>\$ 154,981,528</u>

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

Year Ending December 31,	Governmental Activities	Business-type Activities
2021	\$ 4,233,896	\$ 6,324,048
2022	3,881,346	6,208,415
2023	3,488,781	6,092,968
2024	3,182,485	5,970,522
2025	2,922,637	5,842,453
2026-2030	12,144,743	28,372,016
2031-2035	8,653,729	21,694,093
2036-2040	5,478,663	17,148,890
2041-2045	2,576,495	11,239,548
2046 and thereafter	<u>135,688</u>	<u>3,571,660</u>
Total	<u>\$ 46,698,463</u>	<u>\$ 112,464,613</u>

Sullivan County Community College

Changes in the College's long-term liabilities for the year ended August 31, 2020 were as follows:

	Balance 9/1/2019	Additions	Reductions	Balance 8/31/2020	Due Within One Year
Capital leases	\$ 1,226,042	\$ -	\$ 226,734	\$ 999,308	\$ 239,855
Perkins loan fund liability	713,848	-	580	713,268	-
Mortgage payable	6,410,641	-	159,763	6,250,878	303,000
Compensated absences*	564,397	34,555	-	598,952	-
Retirement incentives	311,668	-	55,924	255,744	57,755
OPEB obligation	47,125,321	11,903,418	7,028,050	52,000,689	-
Net pension liability*	<u>845,482</u>	<u>2,427,077</u>	<u>-</u>	<u>3,272,559</u>	<u>-</u>
Total	<u>\$ 57,197,399</u>	<u>\$ 14,365,050</u>	<u>\$ 7,471,051</u>	<u>\$ 64,091,398</u>	<u>\$ 600,610</u>

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

Capital Leases—The College entered into a long-term capital lease to finance the construction of energy saving improvements and equipment. The outstanding balance at August 31, 2020 was \$999,308. Refer to Note 10 for additional information related to the College’s capital lease.

Perkins Loans Fund Liability—Funds provided by the U.S. Department of Education under the Federal Perkins Loan Program are loaned to qualified students and may be reloaned after collection. These funds are ultimately refundable to the U.S. Department of Education and are therefore reported as liabilities. At December 31, 2020, the College reported \$713,268 as a liability related to Perkin Loans.

Mortgage Payable—Mortgage payable consists of the issuance of \$7,442,000 Sullivan County Community College Dormitory Corporation Project Series 2014A Tax-Exempt Revenue Bonds with interest at 4.30% payable in 300 monthly installments of \$40,791 with the final maturity on July 1, 2039 and \$558,000 Sullivan County Community College Dormitory Corporation Project Series 2014B Taxable Revenue Bonds with interest at 5.34% payable in 120 monthly installments of \$6,033 with the final maturity on July 1, 2024. The balances on these mortgages are \$6,362,000 and \$270,000 at August 31, 2020. The Corporation has granted a first priority mortgage lien on and security interest in the Mortgaged Property consisting of the two buildings of dormitory housing to Sterling National Bank, as agent of the Issuer, Sullivan County Funding Corporation.

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

Year Ending August 31,	Principal
2021	\$ 303,000
2022	291,000
2023	312,000
2024	311,000
2025	262,000
Thereafter	<u>5,153,000</u>
Total	<u>\$ 6,632,000</u>

Interest expense related to the College’s mortgage payable amounting to \$281,451 was included in student housing for the year ended August 31, 2020.

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

Retirement Incentives—The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period,

although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The County and the College have elected to amortize the maximum allowable ERS contribution in each of the fiscal years as outlined in the table below:

	Original Amount <u>Amortized</u>	Balance <u>9/1/2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>8/31/2020</u>	Due Within <u>One Year</u>
2015-2016 ERS	\$ 78,532	\$ 57,518	\$ -	\$ 7,459	\$ 50,059	\$ 7,698
2014-2015 ERS	132,321	85,531	-	13,173	72,358	13,588
2013-2014 ERS	172,976	94,260	-	17,518	76,742	18,161
2012-2013 ERS	170,644	74,359	-	17,774	56,585	18,307
Total	<u>\$ 554,473</u>	<u>\$ 311,668</u>	<u>\$ -</u>	<u>\$ 55,924</u>	<u>\$ 255,744</u>	<u>\$ 57,754</u>

OPEB Obligation—As explained in Note 8, the College provides medical, dental, and life insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The College’s annual OPEB cost is calculated based on the annual required contributions of the employer, an amount actuarially determined in accordance with GASB. The College’s long-term OPEB obligation is estimated to be \$52,000,689 at August 31, 2020.

Net Pension Liability—The College reports a liability for its proportionate share of the net pension liability for the Employees’ Retirement System. The net pension liability is estimated to be \$3,272,559 at August 31, 2020. Refer to Note 7 for additional information related to the College’s net pension liability.

Sullivan County Soil and Water Conservation District

A summary of the District’s long-term debt at December 31, 2020 follows:

	Balance <u>1/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2020</u>	Due Within <u>One Year</u>
Compensated absences	\$ 45,828	\$ 23,522	\$ 49,566	\$ 19,784	\$ 2,000
Net pension liability*	103,514	261,605	-	365,119	-
Total	<u>\$ 149,342</u>	<u>\$ 285,127</u>	<u>\$ 49,566</u>	<u>\$ 384,903</u>	<u>\$ 2,000</u>

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

Compensated Absences—At December 31, 2020 the liability for the District’s compensated absences is \$19,784, of which \$2,000 is estimated to be due within one year.

Net Pension Liability—The District reports a liability for its proportionate share of the net pension liability for the Employees’ Retirement System. The net pension liability is estimated to be \$365,119 at December 31, 2020. Refer to Note 7 for additional information related to the District’s net pension liability.

Sullivan County Industrial Development Agency

A summary of the IDA’s long-term debt at December 31, 2020 follows:

	<u>Balance</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Due Within</u> <u>One Year</u>
RMAP note payable	\$ 310,469	\$ -	\$ 22,440	\$ 288,029	\$ 22,893

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

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

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 22,893	\$ 5,551
2022	23,356	5,089
2023	23,827	4,617
2024	24,308	4,137
2025	24,798	3,646
2026-2030	131,706	10,519
Thereafter	<u>37,141</u>	<u>525</u>
Total	<u>\$ 288,029</u>	<u>\$ 34,084</u>

13. NET POSITION AND FUND BALANCE

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

- **Net Investment in Capital Assets**—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. A reconciliation of the County’s governmental and business-type activities net investment in capital assets is presented on the following page.

Governmental activities:	
Capital assets, net of accumulated depreciation	\$ 272,465,337
Less related debt:	
General obligation bonds	\$ (134,280,000)
Unamortized bond premiums	(2,935,825)
Deferred charge on refunding	200,008
Capital leases	(1,119,819)
Bond anticipation notes	(12,212,500)
Unspent debt proceeds	7,142,013
	<u>(143,206,123)</u>
Net investment in capital assets	<u>\$ 129,259,214</u>
Business-type activities:	
Capital assets, net of accumulated depreciation	\$ 89,581,752
Less related debt:	
Revenue bonds	\$ (108,435,000)
Unamortized bond discount	913,842
Unspent debt proceeds	4,026,629
	<u>(103,494,529)</u>
Net investment in capital assets	<u>\$ (13,912,777)</u>

- Restricted Net Position**—This category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The total restricted component of net position for governmental activities was \$2,013,233 at December 31, 2020, of which \$416,930 is restricted for law enforcement, \$118,299 for Stop DWI, \$22,402 for debt service, \$593,766 for dental benefits, and \$861,836 for community development. The total restricted component of net position for business-type activities was \$203,112 at December 31, 2020, which is restricted for capital improvement grants.
- Unrestricted Net Position**—This category represents net position of the County not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. As of December 31, 2020, the County did not report any nonspendable fund balance.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grants, contributors, or laws and regulations of other governments) through constitutional provisions or enabling legislation. As of December 31, 2020, the County reported restricted fund balances as shown on the following page.

	General Fund	County Road Fund	Refuse and Garbage Fund	Total Nonmajor Funds	Total Total
Law enforcement	\$ 416,930	\$ -	\$ -	\$ -	\$ 416,930
Stop DWI	118,299	-	-	-	118,299
Debt service	12,029	5,517	4,508	348	22,402
Community development	-	-	-	861,836	861,836
Total	<u>\$ 547,258</u>	<u>\$ 5,517</u>	<u>\$ 4,508</u>	<u>\$ 862,184</u>	<u>\$ 1,419,467</u>

- **Restricted for Law Enforcement**—Represents the proceeds of seized funds which are restricted by New York State Law for use in law enforcement activities.
- **Restricted Stop DWI**—Represents State revenues that must be used in accordance with the parameters of the Driving While Intoxicated Program.
- **Restricted for Debt Service**—Represents reserves which will be used for the reduction of future debt service requirements.
- **Restricted for Community Development**—Represents representing amounts related to the rehabilitation loan program with constraints placed on their use by the United States Department of Housing and Urban Development.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the County’s highest level of decision-making authority. As of December 31, 2020, the County Legislature had committed \$3,778,410, of which \$3,751,425 is related to landfill construction and \$26,985 to the Fort Delaware project.

In the fund financial statements, assignments are not legally required segregations, but are subject to a purpose constraint that represents an intended use established by the County’s Legislature, or by its designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

As of December 31, 2020, the County reported the following fund balances assignments:

	General Fund	County Road Fund	Refuse and Garbage Fund	Total Nonmajor Funds	Total Total
Encumbrances	\$ 716,549	\$ 179,091	\$ 25,858	\$ 76,528	\$ 998,026
Health insurance contributions	2,000,000	-	-	-	2,000,000
Subsequent year's expenditures	116,905	331,591	971,538	419,950	1,839,984
Other purposes	356,085	-	-	-	356,085
Specific use	-	1,118,251	3,591,532	1,023,103	5,732,886
Total	<u>\$ 3,189,539</u>	<u>\$ 1,628,933</u>	<u>\$ 4,588,928</u>	<u>\$ 1,519,581</u>	<u>\$ 10,926,981</u>

- *Assigned to Encumbrances*—Represents commitments related to unperformed contracts or purchase orders for goods or services.
- *Assigned to Health Insurance Contributions*—Represents funds set aside relating to health insurance contributions.
- *Assigned to Subsequent Year’s Expenditures*—Represents available fund balance being appropriated to meet expenditure requirements in the 2021 fiscal year.
- *Assigned to Other Purposes*—Represents funds set aside for a Planning Department program (\$223,430), economic development (\$60,000), and soil and water (\$72,655).
- *Assigned to Specific Use*—Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignments’ purpose relates to each fund’s operations and represent the remaining amounts within funds that are not restricted or committed.

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

14. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. All interfund balances are expected to be collected/paid within the subsequent year. Interfund transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification. The composition of interfund balances as of December 31, 2020 is shown below:

Fund	Interfund	
	Receivable	Payable
Governmental funds:		
General Fund	\$ 10,658,722	\$ 17,682,684
County Road Fund	1,754,100	-
Refuse and Garbage Fund	3,410,112	20
Capital Projects Fund	-	305,923
Nonmajor governmental funds	1,745,078	47,548
Proprietary funds:		
Sullivan County Adult Care Center	-	10,329,312
Internal service funds:		
Workers' Compensation Benefits Fund	10,798,418	943
Total	<u>\$ 28,366,430</u>	<u>\$ 28,366,430</u>

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

The County made the following transfers during the year ended December 31, 2020:

Transfers out:	Transfers in:					Total
	Governmental funds					
	General Fund	County Road Fund	Refuse and Garbage Fund	Capital Projects Fund	Total Nonmajor Funds	
Governmental funds:						
General Fund	\$ -	\$ 15,248,376	\$ 445,089	\$ 3,914,500	\$ 10,292,008	\$ 29,899,973
County Road Fund	-	-	-	-	4,570,599	4,570,599
Refuse and Garbage Fund	-	-	-	-	2,087,058	2,087,058
Nonmajor funds	12,029	-	-	-	853,570	865,599
Total	<u>\$ 12,029</u>	<u>\$ 15,248,376</u>	<u>\$ 445,089</u>	<u>\$ 3,914,500</u>	<u>\$ 17,803,235</u>	<u>\$ 37,423,229</u>

15. LABOR CONTRACTS

The County's employees operate under six collective bargaining units: the DPW Supervisory Unit Teamsters Local 445, International Brotherhood of Teamsters contract; and the CSEA Sheriff Corrections contract have expired as of December 31, 2019, and are currently in negotiations. The Teamsters Local 445, International Brotherhood of Teamsters contract; the DPW Laborers' Internal Union of North America, Local No 17 contract; the New York State Nurses Association contract; and the Sullivan County Patrolmen's Benevolent Association contract; which are all settled through December 31, 2020.

16. TAX ABATEMENTS

The County is subject to tax abatements granted by the Sullivan County Industrial Development Agency ("SCIDA"). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the SCIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the County, the abatements have resulted in reductions of property taxes, which the County administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by SCIDA, the County collected \$1,793,571 during 2020 in payments in lieu of taxes ("PILOT"), these collections were made in lieu of \$4,432,792 in property taxes.

17. COMMITMENTS AND CONTINGENCIES

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Open encumbrances are reported as an assignment of fund balance since such commitments will be honored through budget appropriations in the subsequent year.

The County considers encumbrances to be significant for amounts that are encumbered in excess of \$100,000 for all funds. As of December 31, 2020, the County had the following significant encumbrances:

Fund	Description	Amount
General	Multi-purpose vehicle	\$ 132,898

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

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

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

Adult Care Center—The Center participates in a premium based general and professional liability insurance plan. The plan assumes liability for most risks included, but not limited to, personal injury, malpractice, vehicle, and general liability. At December 31, 2020, no claims or outstanding premiums exist that meet the liability criteria.

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

The Center’s operations have been affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. Many countries around the world, including the United States, have significant governmental measures being implemented to control the spread of COVID-19, including temporary closures of businesses, severe restrictions on travel and the movement of people and other material limitation on the conduct of business. As a result of the COVID-19 pandemic, the Center is experiencing a reduction in patient census that is having a direct negative effect on the Center’s operations. The rise in demand for health care supplies and potential staffing shortages will likely increase costs incurred by the Center as well. The full duration and extent of the COVID-19 pandemic, related business and travel restrictions and changes to behavior intended to reduce its spread are uncertain as of the date these financial statements were available for issuance, as the pandemic continues to evolve globally. Therefore, the full extent of any adverse impact on the results of operations, financial position and cash flows in 2021 cannot be reasonably estimated at this time.

Sunset Lake Local Development Corporation—Effective May 1, 2021, the SLLDC entered into a temporary contract with Infinite Care, Inc. to manage the operations of the Center. A final management contract is being negotiated as of the date of these financial statements.

Sullivan County Tobacco Asset Securitization Corporation—The enforceability of the rights and remedies of the State (and thus the bondholders) and of the obligations of a participating manufacturer under the MSA are subject to the Bankruptcy Code and the other applicable insolvency, moratorium or similar laws relating to or affecting the enforcement of creditors' rights. Some of the risks include risks of delay in or reduction of amounts of payment or of non-payment under the MSA and the risk that the State (and thus the County and/or STASC) may be stayed for an extended time from enforcing any rights under the MSA and the Consent Decree or with respect to the payments owed by the bankrupt participating manufacturer or from commencing legal proceedings against the bankrupt participating manufacturer. As a result, if a participating manufacturer becomes a debtor in a bankruptcy case and defaults in making payment, funds available to STASC to pay bondholders may be reduced or eliminated. The bonds are payable only from the assets of STASC. The bonds are neither legal nor moral obligations of the County or the State of New York, and no recourse may be had thereto for payment of amounts owing on the bonds. STASC's only source of funds for payments on the bonds is the collections and amounts on deposit in pledged accounts pursuant to the indenture. STASC has no taxing power and no significant assets other than the rights to receive tobacco settlement revenues.

Sullivan County Community College

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

State and Federal Grant Programs and State Aid—The College participates in various State and Federal grant programs. These programs are subject to program compliance audits by the grantors or their representative. The audits of these programs are an ongoing process and many have not yet been conducted or completed. Accordingly, the College's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the College anticipates such amounts, if any, will not be material. The College's Federal compliance audit under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance Requirements, as applicable, is performed in conjunction with the audit of the College and is included in the College's report. The College is subject to audits of State aid by New York State. The amount of aid previously paid to the College which may be disallowed cannot be determined at this time, although the College anticipates such amounts, if any, to be immaterial.

Sullivan County Soil and Water Conservation District

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

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

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2021, and have determined that other than as described in Note 17, there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF SULLIVAN, NEW YORK
Schedule of the Local Government's Proportionate Share of the
Net Pension Liability/(Asset)—Teachers' Retirement System
Last Six Fiscal Years*

	Year Ended August 31,					
	2020	2019	2018	2017	2016	2015
Sullivan County Community College:						
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
College's proportion of the net pension liability/(asset)	0.006370%	0.0072050%	0.0072170%	0.0074050%	0.0084310%	0.0080760%
College's proportionate share of the net pension liability/(asset)	<u>\$ 176,038</u>	<u>\$ (187,192)</u>	<u>\$ (130,550)</u>	<u>\$ (56,285)</u>	<u>\$ 90,296</u>	<u>\$ (838,829)</u>
College's covered payroll	\$ 1,117,336	\$ 1,202,674	\$ 1,175,550	\$ 1,222,471	\$ 1,300,935	\$ 1,213,110
College's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	15.8%	(15.6)%	(11.1)%	(4.6)%	6.9%	(69.2)%
Plan fiduciary net position as a percentage of the total pension liability	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%

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

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

	Year Ended August 31,					
	2020	2019	2018	2017	2016	2015
Sullivan County Community College:						
Contractually required contributions	\$ 95,803	\$ 127,724	\$ 115,204	\$ 137,528	\$ 172,504	\$ 212,658
Contributions in relation to the contractually required contribution	<u>(95,803)</u>	<u>(127,724)</u>	<u>(115,204)</u>	<u>(137,528)</u>	<u>(172,504)</u>	<u>(212,658)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 1,118,830	\$ 1,202,674	\$ 1,175,550	\$ 1,222,471	\$ 1,300,935	\$ 1,213,110
Contributions as a percentage of covered payroll	8.6%	10.6%	9.8%	11.3%	13.3%	17.5%

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

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

	Year Ended December 31,					
	2020	2019	2018	2017	2016	2015
Measurement date	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Plan fiduciary net position as a percentage of the total pension liability	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
Governmental activities:						
County's proportion of the net pension liability	0.1935236%	0.1928306%	0.1828922%	0.1851387%	0.1899655%	0.1857220%
County's proportionate share of the net pension liability	<u>\$ 51,246,179</u>	<u>\$ 13,662,643</u>	<u>\$ 5,902,738</u>	<u>\$ 17,396,061</u>	<u>\$ 30,490,042</u>	<u>\$ 6,274,132</u>
County's covered payroll	\$ 62,852,518	\$ 48,460,129	\$ 46,409,406	\$ 44,100,576	\$ 52,288,877	\$ 51,515,316
County's proportionate share of the net pension liability as a percentage of its covered payroll	81.5%	28.2%	12.7%	39.4%	58.3%	12.2%
Business-type activities:						
County's proportion of the net pension liability	0.0255888%	0.0248519%	0.0240865%	0.0257297%	0.0261291%	0.0262174%
County's proportionate share of the net pension liability	<u>\$ 6,776,067</u>	<u>\$ 1,760,832</u>	<u>\$ 777,379</u>	<u>\$ 2,417,622</u>	<u>\$ 4,193,799</u>	<u>\$ 885,687</u>
County's covered payroll	\$ 9,363,057	\$ 7,052,583	\$ 6,872,926	\$ 6,676,520	\$ 8,063,774	\$ 7,844,031
County's proportionate share of the net pension liability as a percentage of its covered payroll	72.4%	25.0%	11.3%	36.2%	52.0%	11.3%
Primary Government:						
County's proportion of the net pension liability	0.2191124%	0.2176825%	0.2069787%	0.2108684%	0.2160946%	0.2119394%
County's proportionate share of the net pension liability	<u>\$ 58,022,246</u>	<u>\$ 15,423,475</u>	<u>\$ 6,680,117</u>	<u>\$ 19,813,683</u>	<u>\$ 34,683,841</u>	<u>\$ 7,159,819</u>
County's covered payroll	\$ 72,215,575	\$ 55,512,712	\$ 53,282,332	\$ 50,777,096	\$ 60,352,651	\$ 59,359,347
County's proportionate share of the net pension liability as a percentage of its covered payroll	80.3%	27.8%	12.5%	39.0%	57.5%	12.1%
Soil and Water Conservation District:						
District's proportion of the net pension liability	0.0013788%	0.0014610%	0.0013698%	0.0011771%	0.0011839%	0.0013466%
District's proportionate share of the net pension liability	<u>\$ 365,119</u>	<u>\$ 103,514</u>	<u>\$ 44,208</u>	<u>\$ 110,602</u>	<u>\$ 190,018</u>	<u>\$ 45,492</u>
District's covered payroll	\$ 445,184	\$ 381,403	\$ 392,135	\$ 372,042	\$ 373,268	\$ 317,882
District's proportionate share of the net pension liability as a percentage of its covered payroll	82.0%	27.1%	11.3%	29.7%	50.9%	14.3%
	Year Ended August 31,					
	2020	2019	2018	2017	2016	2015
Measurement date	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Plan fiduciary net position as a percentage of the total pension liability	86.4%	96.2%	98.2%	94.7%	90.7%	97.9%
Sullivan County Community College:						
College's proportion of the net pension liability	0.0116936%	0.0119330%	0.0111630%	0.0113090%	0.0124080%	0.0120940%
College's proportionate share of the net pension liability	<u>\$ 3,096,521</u>	<u>\$ 845,482</u>	<u>\$ 360,287</u>	<u>\$ 1,062,603</u>	<u>\$ 1,991,469</u>	<u>\$ 408,579</u>
College's covered payroll	\$ 3,403,276	\$ 3,067,362	\$ 2,866,780	\$ 2,673,112	\$ 2,763,108	\$ 3,027,884
College's proportionate share of the net pension liability as a percentage of its covered payroll	91.0%	27.6%	12.6%	39.8%	72.1%	13.5%

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

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

	Year Ended December 31,					
	2020	2019	2018	2017	2016	2015
Governmental activities:						
Contractually required contributions	\$ 7,389,125	\$ 6,764,327	\$ 6,593,679	\$ 6,569,798	\$ 7,341,500	\$ 7,837,849
Contributions in relation to the contractually required contribution	(7,389,125)	(6,764,327)	(6,593,679)	(6,569,798)	(7,341,500)	(7,837,849)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 50,026,454	\$ 53,622,816	\$ 48,231,045	\$ 46,070,276	\$ 43,988,174	\$ 44,018,400
Contributions as a percentage of covered payroll	14.8%	12.6%	13.7%	14.3%	16.7%	17.8%
Business-type activities:						
Contractually required contributions	\$ 971,332	\$ 876,444	\$ 880,248	\$ 910,645	\$ 1,009,798	\$ 1,106,428
Contributions in relation to the contractually required contribution	(971,332)	(876,444)	(880,248)	(910,645)	(1,009,798)	(1,106,428)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 7,071,004	\$ 7,981,865	\$ 7,062,896	\$ 6,829,079	\$ 6,683,257	\$ 6,772,279
Contributions as a percentage of covered payroll	13.7%	11.0%	12.5%	13.3%	15.1%	16.3%
Soil and Water Conservation District:						
Contractually required contributions	\$ 58,200	\$ 53,664	\$ 53,692	\$ 51,260	\$ 44,656	\$ 65,969
Contributions in relation to the contractually required contribution	(58,200)	(53,664)	(53,692)	(51,260)	(44,656)	(65,969)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 433,543	\$ 418,513	\$ 385,726	\$ 388,023	\$ 346,261	\$ 311,684
Contributions as a percentage of covered payroll	13.4%	12.8%	13.9%	13.2%	12.9%	21.2%
Year Ended August 31,						
	2020	2019	2018	2017	2016	2015
Sullivan County Community College:						
Contractually required contributions	\$ 411,109	\$ 410,304	\$ 392,290	\$ 381,778	\$ 479,513	\$ 510,410
Contributions in relation to the contractually required contribution	(411,109)	(410,304)	(392,290)	(381,778)	(479,513)	(510,410)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 2,969,398	\$ 3,067,362	\$ 2,866,780	\$ 2,673,112	\$ 2,763,108	\$ 3,027,884
Contributions as a percentage of covered payroll	13.8%	13.4%	13.7%	14.3%	17.4%	16.9%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental activities:				
Total OPEB Liability				
Service cost	\$ 5,740,016	\$ 4,108,250	\$ 5,023,750	\$ 4,993,306
Interest	7,560,063	8,516,890	8,111,525	7,906,838
Changes in assumptions	49,008,851	(22,598,294)	(18,319,064)	-
Differences between expected and actual experience	(9,753,783)	13,877,437	(14,007,747)	4,419,853
Benefit payments	<u>(5,980,586)</u>	<u>(5,981,394)</u>	<u>(5,949,623)</u>	<u>(5,424,068)</u>
Net changes in total OPEB liability	46,574,561	(2,077,111)	(25,141,159)	11,895,929
Total OPEB liability—beginning	<u>234,894,069</u>	<u>236,971,180</u>	<u>262,112,339</u>	<u>250,216,410</u>
Total OPEB liability—ending	<u>\$ 281,468,630</u>	<u>\$ 234,894,069</u>	<u>\$ 236,971,180</u>	<u>\$ 262,112,339</u>
Covered-employee payroll	\$ 50,465,779	\$ 53,787,933	\$ 51,819,981	\$ 46,092,209
County's net OPEB liability as a percentage of covered-employee payroll	557.7%	436.7%	457.3%	568.7%
Business-type activities:				
Total OPEB Liability				
Service cost	\$ 955,824	\$ 724,986	\$ 945,949	\$ 940,216
Interest	572,437	576,534	526,096	512,821
Changes in assumptions	4,869,543	1,341,716	(1,188,136)	-
Differences between expected and actual experience	(767,215)	(546,415)	(908,512)	(383,147)
Benefit payments	<u>(380,322)</u>	<u>(372,214)</u>	<u>(350,478)</u>	<u>(298,346)</u>
Net changes in total OPEB liability	5,250,267	1,724,607	(975,081)	771,544
Total OPEB liability—beginning	<u>17,749,576</u>	<u>16,024,969</u>	<u>17,000,050</u>	<u>16,228,506</u>
Total OPEB liability—ending	<u>\$ 22,999,843</u>	<u>\$ 17,749,576</u>	<u>\$ 16,024,969</u>	<u>\$ 17,000,050</u>
Covered-employee payroll	\$ 4,123,745	\$ 4,064,441	\$ 3,504,281	\$ 6,829,079
County's net OPEB liability as a percentage of covered-employee payroll	557.7%	436.7%	457.3%	248.9%
Primary Government:				
Total OPEB Liability				
Service cost	\$ 6,695,840	\$ 4,833,236	\$ 5,969,699	\$ 5,933,522
Interest	8,132,500	9,093,424	8,637,621	8,419,659
Changes in assumptions	53,878,394	(21,256,578)	(19,507,200)	-
Differences between expected and actual experience	(10,520,998)	13,331,022	(14,916,259)	4,036,706
Benefit payments	<u>(6,360,908)</u>	<u>(6,353,608)</u>	<u>(6,300,101)</u>	<u>(5,722,414)</u>
Net changes in total OPEB liability	51,824,828	(352,504)	(26,116,240)	12,667,473
Total OPEB liability—beginning	<u>252,643,645</u>	<u>252,996,149</u>	<u>279,112,389</u>	<u>266,444,916</u>
Total OPEB liability—ending	<u>\$ 304,468,473</u>	<u>\$ 252,643,645</u>	<u>\$ 252,996,149</u>	<u>\$ 279,112,389</u>
Covered-employee payroll	\$ 54,589,524	\$ 57,852,374	\$ 55,324,262	\$ 52,921,288
County's net OPEB liability as a percentage of covered-employee payroll	557.7%	436.7%	457.3%	527.4%
Sullivan County Community College:				
Total OPEB Liability				
Service cost	\$ 1,714,435	\$ 1,982,185	\$ 1,825,162	
Interest	1,722,528	2,185,731	1,937,827	
Changes in benefit terms	-	(8,133,017)		
Changes in assumptions	8,466,455	3,096,439	(1,714,796)	
Differences between expected and actual experience	(5,566,269)	(4,659,061)	4,548	
Benefit payments	<u>(1,461,781)</u>	<u>(1,664,296)</u>	<u>(1,598,483)</u>	
Net changes in total OPEB liability	4,875,368	(7,192,019)	454,258	
Total OPEB liability—beginning	<u>47,125,321</u>	<u>54,317,340</u>	<u>53,863,082</u>	
Total OPEB liability—ending	<u>\$ 52,000,689</u>	<u>\$ 47,125,321</u>	<u>\$ 54,317,340</u>	n/a
Covered-employee payroll	\$ 6,312,494	\$ 8,130,479	\$ 6,613,824	n/a
College's net OPEB liability as a percentage of covered-employee payroll	823.8%	579.6%	821.3%	n/a

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

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

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 65,615,677	\$ 65,615,677	\$ 63,936,357	\$ (1,679,320)
Other property tax items	8,015,243	8,015,243	11,452,202	3,436,959
Non property tax items	52,432,000	49,368,361	52,568,003	3,199,642
Departmental income	17,015,014	16,312,821	14,394,848	(1,917,973)
Intergovernmental charges	645,339	645,339	668,752	23,413
Licenses and permits	2,701,500	1,201,500	1,253,199	51,699
Fines and forfeitures	211,100	211,100	182,814	(28,286)
Use of money and property	244,940	244,940	346,780	101,840
Sale of property and compensation for loss	456,670	456,670	828,825	372,155
Miscellaneous	3,433,884	3,433,884	1,613,485	(1,820,399)
State aid	23,318,330	24,276,624	20,593,627	(3,682,997)
Federal aid	20,410,166	19,971,299	20,027,858	56,559
Total revenues	<u>194,499,863</u>	<u>189,753,458</u>	<u>187,866,750</u>	<u>(1,886,708)</u>
EXPENDITURES				
Current:				
General government support	35,646,801	34,515,489	31,495,412	3,020,077
Education	5,675,000	5,675,000	5,377,185	297,815
Public safety	29,949,442	30,483,400	29,057,922	1,425,478
Health	25,072,985	24,634,488	23,961,690	672,798
Transportation	2,534,346	2,182,147	1,493,710	688,437
Economic assistance and opportunity	64,734,970	62,963,114	58,573,564	4,389,550
Culture and recreation	3,889,234	3,881,233	3,107,125	774,108
Home and community services	2,477,940	2,088,669	1,763,406	325,263
Debt service:				
Principal	482,982	482,982	482,982	-
Interest and other fiscal charges	219,719	219,719	149,860	69,859
Total expenditures	<u>170,683,419</u>	<u>167,126,241</u>	<u>155,462,856</u>	<u>11,663,385</u>
Excess (deficiency) of revenues over expenditures	23,816,444	22,627,217	32,403,894	9,776,677
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	12,029	12,029
Transfers out	<u>(27,331,655)</u>	<u>(26,368,356)</u>	<u>(29,899,973)</u>	<u>(3,531,617)</u>
Total other financing sources (uses)	<u>(27,331,655)</u>	<u>(26,368,356)</u>	<u>(29,887,944)</u>	<u>(3,519,588)</u>
Net change in fund balance*	(3,515,211)	(3,741,139)	2,515,950	6,257,089
Fund balances—beginning	<u>23,689,790</u>	<u>23,689,790</u>	<u>23,689,790</u>	-
Fund balances—ending	<u>\$ 20,174,579</u>	<u>\$ 19,948,651</u>	<u>\$ 26,205,740</u>	<u>\$ 6,257,089</u>

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

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

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—
Budget and Actual—County Road Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental charges	\$ 195,000	\$ 195,000	\$ 96,297	\$ (98,703)
Licenses and permits	5,000	5,000	4,511	(489)
Use of money and property	-	-	192	192
Sale of property and compensation for loss	100	100	732	632
Miscellaneous	5,000	5,000	385	(4,615)
State aid	2,600,000	3,486,120	3,471,569	(14,551)
Federal aid	-	-	150,740	150,740
Total revenues	<u>2,805,100</u>	<u>3,691,220</u>	<u>3,724,426</u>	<u>33,206</u>
EXPENDITURES				
Current:				
Public safety	935,559	865,943	699,202	166,741
Transportation	12,866,761	13,723,133	11,848,531	1,874,602
Debt service:				
Principal	799,999	-	-	800,000
Interest	129,278	129,278	129,278	-
Total expenditures	<u>14,731,597</u>	<u>14,718,354</u>	<u>12,677,011</u>	<u>2,841,343</u>
Excess (deficiency) of revenues over expenditures	(11,926,497)	(11,027,134)	(8,952,585)	2,874,549
OTHER FINANCING SOURCES (USES)				
Transfers in	15,667,758	15,242,859	15,248,376	5,517
Transfers out	<u>(3,806,961)</u>	<u>(4,606,961)</u>	<u>(4,570,599)</u>	<u>36,362</u>
Total other financing sources (uses)	<u>11,860,797</u>	<u>10,635,898</u>	<u>10,677,777</u>	<u>41,879</u>
Net change in fund balance*	(65,700)	(391,236)	1,725,192	2,116,428
Fund balances (deficit)—beginning	<u>(90,742)</u>	<u>(90,742)</u>	<u>(90,742)</u>	<u>-</u>
Fund balances (deficit)—ending	<u>\$ (156,442)</u>	<u>\$ (481,978)</u>	<u>\$ 1,634,450</u>	<u>\$ 2,116,428</u>

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

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

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Refuse and Garbage Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Departmental income	\$ 11,475,000	\$ 11,475,000	\$ 11,712,595	\$ 237,595
Use of money and property	-	-	836	836
Sale of property and compensation for loss	35,000	35,000	198,135	163,135
State aid	49,000	49,000	84,619	35,619
Total revenues	<u>11,559,000</u>	<u>11,559,000</u>	<u>11,996,185</u>	<u>437,185</u>
EXPENDITURES				
Current:				
Home and community services	<u>11,430,804</u>	<u>10,996,803</u>	<u>9,287,690</u>	<u>1,709,113</u>
Total expenditures	<u>11,430,804</u>	<u>10,996,803</u>	<u>9,287,690</u>	<u>1,709,113</u>
Excess (deficiency) of revenues over expenditures	128,196	562,197	2,708,495	2,146,298
OTHER FINANCING SOURCES (USES)				
Transfers in	445,000	535,000	445,089	(89,911)
Transfers out	<u>(2,090,867)</u>	<u>(2,090,867)</u>	<u>(2,087,058)</u>	<u>3,809</u>
Total other financing sources (uses)	<u>(1,645,867)</u>	<u>(1,555,867)</u>	<u>(1,641,969)</u>	<u>(86,102)</u>
Net change in fund balance*	(1,517,671)	(993,670)	1,066,526	2,060,196
Fund balances—beginning	<u>3,526,910</u>	<u>3,526,910</u>	<u>3,526,910</u>	-
Fund balances—ending	<u>\$ 2,009,239</u>	<u>\$ 2,533,240</u>	<u>\$ 4,593,436</u>	<u>\$ 2,060,196</u>

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

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

COUNTY OF SULLIVAN, NEW YORK
Notes to the Required Supplementary Information
Year Ended December 31, 2020

1. OPEB LIABILITY

Changes of Assumptions—The rate used to discount future plan cash flows was updated from 3.26% to 1.93% as of December 31, 2020 based on a review of the S&P Municipal Bond 20-Year High Grade Municipal Bond Index. The change in discount rate resulted in an increase in liabilities.

Sullivan County Community College:

Changes of Assumptions—The rate used to discount future plan cash flows was updated from 3.58% to 2.33% as of August 31, 2020 based on a review of the Bond Buyer 20-Year Bond GO Index. The change in discount rate resulted in an increase in liabilities.

2. BUDGETARY INFORMATION

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

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

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

Actual results of operations presented in accordance with GAAP and the County's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods and services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed, or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements. The General Fund, County Road Fund, and Refuse and Garbage Fund original budgets for the year ended December 31, 2020 include encumbrances from the prior year of \$1,505,804, \$336,774, and \$382,518, respectively.

Excess of Expenditures over Appropriations—The County's General Fund expenditures for the year ended December 31, 2020 exceed the final budgeted appropriations as follows:

- *Transfers Out*—The \$3,531,617 variance is due to unanticipated costs associated with the Jail Improvement capital project.

SUPPLEMENTARY INFORMATION—
INDIVIDUAL SCHEDULES AND
COMBINING STATEMENTS

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

COUNTY ROAD FUND

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

REFUSE AND GARBAGE FUND

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

CAPITAL PROJECTS FUND

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

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 65,615,677	\$ 65,615,677	\$ 63,936,357	\$ (1,679,320)
Other property tax items:				
Gain from sale of tax acquired property	1,500,000	1,500,000	4,289,930	2,789,930
Other payments in lieu of taxes	1,515,243	1,515,243	1,793,571	278,328
Interest and penalties on real property taxes	5,000,000	5,000,000	5,368,701	368,701
Total other property tax items	<u>8,015,243</u>	<u>8,015,243</u>	<u>11,452,202</u>	<u>3,436,959</u>
Non property tax items:				
Sales and use tax	49,000,000	45,936,361	48,943,642	3,007,281
Tax on hotel room occupancy	1,800,000	1,800,000	1,668,857	(131,143)
Automobile use tax	500,000	500,000	498,523	(1,477)
Emergency telephone system surcharge	305,000	305,000	352,702	47,702
OTB surtax	75,000	75,000	32,398	(42,602)
Other non property tax	752,000	752,000	1,071,881	319,881
Total non property tax items	<u>52,432,000</u>	<u>49,368,361</u>	<u>52,568,003</u>	<u>3,199,642</u>
Departmental income:				
General government support:				
Treasurer's fees	1,600	1,600	670	(930)
Tax collector's fees	356,500	741,210	775,615	34,405
Charges for tax advertising and redemption	500,000	500,000	517,268	17,268
Assessor's fees	2,700	2,700	3,295	595
Clerk's fees	1,559,100	1,559,100	1,582,189	23,089
Personnel fees	28,500	28,500	13,811	(14,689)
Attorney's fees	37,006	37,006	37,006	-
Other general governmental income	2,563,344	1,853,334	1,397,652	(455,682)
Public safety:				
Sheriff's fees	1,760,431	1,760,431	1,230,123	(530,308)
Alternative to incarceration fees	96,100	96,100	86,823	(9,277)
Restitution surcharge	3,500	3,500	5,404	1,904
Other public safety departmental income	13,000	13,000	5,352	(7,648)
Health:				
Nursing home care	2,447,928	2,234,950	1,980,035	(254,915)
Mental health fees	1,446,816	1,446,816	1,006,319	(440,497)
Early intervention fees for services	699,820	699,820	408,435	(291,385)
Alcoholism clinic fees	230,002	230,002	121,252	(108,750)
Other health department income	6,000	7,835	1,932	(5,903)

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Departmental income (continued):				
Transportation:				
Public works charges	2,012,773	2,012,773	2,161,948	149,175
Airport fees and rentals	110,600	110,600	103,877	(6,723)
Other transportation income	344,175	344,175	331,836	(12,339)
Economic assistance and opportunity:				
Repayment of medical assistance	325,000	325,000	186,167	(138,833)
Repayment of family assistance	525,000	525,000	585,925	60,925
Repayment of child care	725,000	725,000	961,862	236,862
Repayment of juvenile delinquent care	15,000	15,000	8,170	(6,830)
Repayment of safety net assistance	271,000	271,000	320,939	49,939
Repayment of home energy assistance (HEAP)	150,000	150,000	91,472	(58,528)
Repayment of emergency care for adults	35,000	35,000	42,255	7,255
Repayment of day care	2,500	2,500	1,226	(1,274)
Social services recovery charges	10,500	10,500	6,098	(4,402)
Social services charges	145,800	145,800	110,756	(35,044)
Charges, program for the aging	39,500	39,500	2,643	(36,857)
Other economic assistance and opportunity income	458,669	292,919	290,121	(2,798)
Culture and recreation:				
Parks and recreation charges	59,900	59,900	-	(59,900)
Recreation concessions	12,250	12,250	-	(12,250)
Museum admissions	15,000	15,000	-	(15,000)
Home and community services:				
Other home and community services income	5,000	5,000	16,372	11,372
Total departmental income	<u>17,015,014</u>	<u>16,312,821</u>	<u>14,394,848</u>	<u>(1,917,973)</u>
Intergovernmental charges:				
General government support:				
General services, other governments	481,839	481,839	391,132	(90,707)
Election service charges	1,500	1,500	26	(1,474)
Education:				
Jail facilities, other governments	3,000	3,000	1,442	(1,558)
Health:				
Health services, other governments	159,000	159,000	276,152	117,152
Total intergovernmental charges	<u>645,339</u>	<u>645,339</u>	<u>668,752</u>	<u>23,413</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Licenses and permits:				
Business and occupational license	50,000	50,000	67,670	17,670
Games of chance	2,650,000	1,150,000	1,185,529	35,529
Permits, other	1,500	1,500	-	(1,500)
Total licenses and permits	<u>2,701,500</u>	<u>1,201,500</u>	<u>1,253,199</u>	<u>51,699</u>
Fines and forfeitures:				
Fines and forfeited bail	3,000	3,000	2,943	(57)
Stop DWI fines	198,100	198,100	98,478	(99,622)
Forfeiture of deposits	10,000	10,000	81,393	71,393
Total fines and forfeitures	<u>211,100</u>	<u>211,100</u>	<u>182,814</u>	<u>(28,286)</u>
Use of money and property:				
Interest and earnings	100,270	100,270	133,023	32,753
Rental of real property	47,970	47,970	97,090	49,120
Commissions	96,700	96,700	116,667	19,967
Total use of money and property	<u>244,940</u>	<u>244,940</u>	<u>346,780</u>	<u>101,840</u>
Sale of property and compensation for loss:				
Sales, other	6,670	6,670	380,557	373,887
Insurance recoveries	100,000	100,000	205,730	105,730
Fuel sales	350,000	350,000	242,538	(107,462)
Total sale of property and compensation for loss	<u>456,670</u>	<u>456,670</u>	<u>828,825</u>	<u>372,155</u>
Miscellaneous:				
Gifts and donations	69,350	69,350	28,760	(40,590)
VLT/Tribal compact moneys	308,570	308,570	293,142	(15,428)
Other unclassified revenues	3,055,964	3,055,964	1,291,583	(1,764,381)
Total miscellaneous	<u>3,433,884</u>	<u>3,433,884</u>	<u>1,613,485</u>	<u>(1,820,399)</u>
State aid:				
General government support:				
State revenue sharing	-	-	51,207	51,207
Court facilities	220,847	220,847	226,999	6,152
Indigent legal services fund	1,462,585	1,462,585	1,228,170	(234,415)
District attorney salary	76,176	76,176	76,176	-
Meidcal examiner	3,000	3,000	2,491	(509)
Other	45,580	227,063	22,682	(204,381)

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
State aid (continued):				
Education:				
Education of handicapped children	3,363,809	3,295,559	2,244,392	(1,051,167)
Public safety:				
Probation services	373,183	373,183	228,133	(145,050)
Navigation law enforcement	4,000	4,000	8,232	4,232
Other public safety	165,000	1,059,547	335,946	(723,601)
Health:				
Public health	1,213,782	1,217,444	1,118,238	(99,206)
Veterans services	52,000	52,000	25,800	(26,200)
Early intervention	157,593	157,593	156,912	(681)
Public health, other	23,300	23,300	4,324	(18,976)
Narcotics addiction control	308,536	308,536	362,546	54,010
Other health	2,072,037	2,072,037	2,196,136	124,099
Mental health	3,575,553	3,575,553	3,212,053	(363,500)
Transportation:				
Buses and other mass transportation projects	155,000	155,000	11,003	(143,997)
Economic assistance and opportunity:				
Medical assistance	(90,000)	(90,000)	(60,387)	29,613
Family assistance	1,000,000	1,000,000	869,793	(130,207)
Social services administration	4,314,436	4,121,214	3,904,979	(216,235)
Child care	2,400,000	2,400,000	2,400,000	-
Juvenile delinquent	25,000	180,574	362,807	182,233
Safety net	810,000	810,000	873,426	63,426
Emergency assistance for adults	10,000	10,000	12,203	2,203
Day care	275,000	275,000	32,616	(242,384)
Services for recipients	200,000	184,500	7,644	(176,856)
Program for aging	625,931	625,931	492,110	(133,821)
Other economic assistance and opportunity	3,000	3,000	-	(3,000)
Culture and recreation:				
Youth programs	72,982	72,982	46,121	(26,861)
Home and community services:				
Home and community assistance	400,000	400,000	140,875	(259,125)
Total state aid	<u>23,318,330</u>	<u>24,276,624</u>	<u>20,593,627</u>	<u>(3,682,997)</u>
Federal aid:				
Public safety:				
Crime control	284,231	284,231	109,646	(174,585)
Other public safety	-	298,187	194,773	(103,414)

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Federal aid (continued):				
Health:				
Public health	582,205	646,546	646,546	-
WIC program	612,379	612,379	529,051	(83,328)
Other health	292,000	292,000	721,995	429,995
Economic assistance and opportunity:				
Medicaid assistance	50,000	42,000	(27,715)	(69,715)
Family assistance	6,387,230	6,379,695	6,327,565	(52,130)
Social services administration	6,563,751	5,957,338	6,502,532	545,194
Flexible funding for family services (FFFS)	3,468,605	3,271,855	3,236,181	(35,674)
Safety net	60,000	60,000	6,466	(53,534)
Home energy assistance	(60,000)	(60,000)	18,815	78,815
Programs for the aging	711,476	711,476	769,031	57,555
Other economic assistance and opportunity	602,452	602,452	445,792	(156,660)
Workforce investment act	605,837	605,837	532,843	(72,994)
Home and community services:				
Other home and community services	250,000	267,303	14,337	(252,966)
Total federal aid	<u>20,410,166</u>	<u>19,971,299</u>	<u>20,027,858</u>	<u>56,559</u>
 Total revenues	 <u>\$ 194,499,863</u>	 <u>\$ 189,753,458</u>	 <u>\$ 187,866,750</u>	 <u>\$ (1,886,708)</u>
 OTHER FINANCING SOURCES				
Transfers in:				
Transfer from Debt Service Fund	\$ -	\$ -	\$ 12,029	\$ 12,029
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,029</u>	<u>\$ 12,029</u>
 Total revenues and other financing sources	 <u>\$ 194,499,863</u>	 <u>\$ 189,753,458</u>	 <u>\$ 187,878,779</u>	 <u>\$ (1,874,679)</u>

(concluded)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
General government support:				
Legislative board	\$ 716,902	\$ 713,057	\$ 605,469	\$ 107,588
Municipal court	5,500	5,500	2,960	2,540
District attorney	2,394,163	2,375,499	2,022,029	353,470
Public defender	2,838,396	2,838,464	2,673,266	165,198
Medical examiner and coroner	449,483	449,480	513,719	(64,239)
Municipal executive	917,796	812,092	728,197	83,895
Auditor	781,716	779,296	767,376	11,920
Treasurer	608,566	608,266	580,473	27,793
Tax collector	1,080,872	1,465,537	1,388,701	76,836
Budget	2,129,078	1,857,568	1,592,503	265,065
Purchasing	438,519	639,818	667,413	(27,595)
Assessment	628,994	625,234	467,836	157,398
Clerk	2,286,737	2,006,271	2,008,473	(2,202)
Law	1,111,410	1,111,409	1,063,464	47,945
Personnel	1,059,021	935,854	616,454	319,400
Elections	848,641	956,448	927,211	29,237
Records management	139,493	139,493	85,122	54,371
Public works administration	1,188,089	1,160,594	1,096,696	63,898
Central services administration	251,227	250,771	224,316	26,455
Operation of plant	7,232,865	7,282,777	5,969,002	1,313,775
Central data processing	5,951,538	5,408,783	5,153,747	255,036
Unallocated insurance	1,001,284	1,001,284	1,100,098	(98,814)
Municipal association dues	33,446	33,446	15,696	17,750
Judgments and claims	200,000	202,250	201,360	890
Other general government support	1,353,065	856,298	1,023,831	(167,533)
Total general government support	<u>35,646,801</u>	<u>34,515,489</u>	<u>31,495,412</u>	<u>3,020,077</u>
Education:				
Community college tuition	1,375,000	1,375,000	1,077,185	297,815
Contribution to community college	4,300,000	4,300,000	4,300,000	-
Total education	<u>5,675,000</u>	<u>5,675,000</u>	<u>5,377,185</u>	<u>297,815</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Public safety administration	286,597	578,559	408,585	169,974
Public safety communication system (911)	2,017,941	2,836,118	2,253,250	582,868
Sheriff	10,619,754	10,213,380	9,950,547	262,833
Probation	2,747,030	2,635,204	2,391,973	243,231
Jail	12,853,374	12,798,374	12,782,441	15,933
Stop DWI	226,775	226,100	169,567	56,533
Fire protection	116,156	113,850	86,196	27,654
Other animal controls	57,500	57,500	60,000	(2,500)
Safety inspection	8,000	8,000	5,211	2,789
Other public safety	1,016,315	1,016,315	950,152	66,163
Total public safety	<u>29,949,442</u>	<u>30,483,400</u>	<u>29,057,922</u>	<u>1,425,478</u>
Health:				
Public health	5,950,652	5,961,943	5,728,277	233,666
Physically handicapped	675	675	-	675
Public health, other	1,124,345	1,194,628	1,143,633	50,995
Early intervention program	6,846,420	6,727,605	5,270,794	1,456,811
WIC program	669,882	669,759	515,874	153,885
Narcotics addiction control	350,574	348,824	310,054	38,770
Narcotics addiction control services	2,072,037	2,072,037	2,175,055	(103,018)
Alcohol addiction control	19,569	17,569	6,153	11,416
Mental health administration	1,785,150	1,674,231	1,412,729	261,502
Mental health programs	3,395,771	3,144,307	3,658,665	(514,358)
Contracted mental health services	2,333,337	2,333,337	3,259,541	(926,204)
Other health	524,573	489,573	480,915	8,658
Total health	<u>25,072,985</u>	<u>24,634,488</u>	<u>23,961,690</u>	<u>672,798</u>
Transportation:				
Airport	794,776	742,577	677,346	65,231
Other transportation	1,643,392	1,343,392	727,737	615,655
Other transportation	96,178	96,178	88,627	7,551
Total transportation	<u>2,534,346</u>	<u>2,182,147</u>	<u>1,493,710</u>	<u>688,437</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Economic assistance and opportunity:				
Social services administration	17,945,220	16,534,343	14,818,146	1,716,197
Day care	1,583,350	1,583,350	698,340	885,010
Services for recipients	1,018,350	943,350	986,500	(43,150)
Medicaid	21,728,864	21,688,864	19,945,880	1,742,984
Family assistance	5,268,009	5,124,084	3,055,936	2,068,148
Child care	8,384,930	8,384,930	10,346,883	(1,961,953)
Juvenile delinquent	105,000	260,574	358,465	(97,891)
State training school	125,000	125,000	302,544	(177,544)
Safety net (formerly home relief)	2,800,000	2,693,925	2,966,347	(272,422)
Home energy assistance	75,000	75,000	31,439	43,561
Emergency aid for adults	60,000	60,000	23,383	36,617
Workforce investment act	1,814,726	1,814,726	1,203,853	610,873
Publicity	1,595,000	1,595,000	1,855,338	(260,338)
Veterans service	680,683	569,147	585,702	(16,555)
Consumer affairs	87,597	87,580	64,494	23,086
Other economic development	1,463,241	1,423,241	1,330,314	92,927
Total economic assistance and opportunity	<u>64,734,970</u>	<u>62,963,114</u>	<u>58,573,564</u>	<u>4,389,550</u>
Culture and recreation:				
Parks	535,059	534,190	280,939	253,251
Youth programs	331,914	329,014	248,026	80,988
Museum	53,034	52,720	11,456	41,264
Historical property	121,740	119,859	20,519	99,340
Program for the aging	2,698,435	2,696,398	2,399,940	296,458
Other culture and recreation	149,052	149,052	146,245	2,807
Total culture and recreation	<u>3,889,234</u>	<u>3,881,233</u>	<u>3,107,125</u>	<u>774,108</u>
Home and community services:				
Planning	979,451	900,800	827,927	72,873
Human rights commission	52,624	52,624	2,145	50,479
Fish and game	546,458	246,458	158,487	87,971
Flood and erosion control	340,000	340,000	268,542	71,458
Cemeteries	15,175	4,555	2,566	1,989
Other home and community services	544,232	544,232	503,739	40,493
Total home and community services	<u>2,477,940</u>	<u>2,088,669</u>	<u>1,763,406</u>	<u>325,263</u>

(continued)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—Budget and Actual—General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Debt service:				
Principal	482,982	482,982	482,982	-
Interest	219,719	219,719	149,860	69,859
Total debt service	<u>702,701</u>	<u>702,701</u>	<u>632,842</u>	<u>69,859</u>
Total expenditures	<u>\$ 170,683,419</u>	<u>\$ 167,126,241</u>	<u>\$ 155,462,856</u>	<u>\$ 11,663,385</u>
OTHER FINANCING USES				
Transfers out:				
Transfer to Capital Projects Fund	\$ -	\$ 26,600	\$ 2,947,000	\$ (2,920,400)
Transfer to County Road Fund	15,667,758	15,242,859	15,242,859	-
Transfer to Road Machinery Fund	4,467,641	3,812,641	4,517,601	(704,960)
Transfer to Debt Service Fund	6,751,256	6,751,256	6,747,513	3,743
Transfer to Refuse and Garbage Fund	445,000	535,000	445,000	90,000
Total other financing uses	<u>\$ 27,331,655</u>	<u>\$ 26,368,356</u>	<u>\$ 29,899,973</u>	<u>\$ (3,531,617)</u>
Total expenditures and other financing uses	<u>\$ 198,015,074</u>	<u>\$ 193,494,597</u>	<u>\$ 185,362,829</u>	<u>\$ 8,131,768</u>

(concluded)

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—Budget and Actual—County Road Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental charges:				
Transportation:				
Transportation services, other governments	\$ 20,000	\$ 20,000	\$ 6,429	\$ (13,571)
Snow removal, other governments	175,000	175,000	108,748	(66,252)
Road/bridge services, other governments	-	-	(18,880)	(18,880)
Total intergovernmental charges	<u>195,000</u>	<u>195,000</u>	<u>96,297</u>	<u>(98,703)</u>
Licenses and permits:				
Permits, other	5,000	5,000	4,511	(489)
Total licenses and permits	<u>5,000</u>	<u>5,000</u>	<u>4,511</u>	<u>(489)</u>
Use of money and property:				
Interest and earnings	-	-	192	192
Total use of money and property	<u>-</u>	<u>-</u>	<u>192</u>	<u>192</u>
Sale of property and compensation for loss:				
Sales, other	100	100	26	(74)
Insurance recoveries	-	-	706	706
Total sale of property and compensation for loss	<u>100</u>	<u>100</u>	<u>732</u>	<u>632</u>
Miscellaneous:				
Other unclassified revenues	5,000	5,000	385	(4,615)
Total miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>385</u>	<u>(4,615)</u>
State aid:				
Transportation:				
Consolidated highway improvement program ("CHIPS")	2,600,000	3,066,120	3,066,119	(1)
Other transportation	-	420,000	405,450	(14,550)
Total state aid	<u>2,600,000</u>	<u>3,486,120</u>	<u>3,471,569</u>	<u>(14,551)</u>
Federal aid:				
Transportation:				
Other transportation	-	-	150,740	150,740
Total federal aid	<u>-</u>	<u>-</u>	<u>150,740</u>	<u>150,740</u>
Total revenues	<u>\$ 2,805,100</u>	<u>\$ 3,691,220</u>	<u>\$ 3,724,426</u>	<u>\$ 33,206</u>
OTHER FINANCING SOURCES				
Transfers in:				
Transfer from Debt Service Fund	\$ -	\$ -	\$ 5,517	\$ 5,517
Transfer from General Fund	15,667,758	15,242,859	15,242,859	-
Total other financing sources	<u>\$ 15,667,758</u>	<u>\$ 15,242,859</u>	<u>\$ 15,248,376</u>	<u>\$ 5,517</u>
Total revenues and other financing sources	<u>\$ 18,472,858</u>	<u>\$ 18,934,079</u>	<u>\$ 18,972,802</u>	<u>\$ 38,723</u>

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditure and Other Financing Uses—Budget and Actual—County Road Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Public safety:				
Traffic control	\$ 784,522	\$ 714,906	\$ 556,385	\$ 158,521
Other public safety	151,037	151,037	142,817	8,220
Total public safety	<u>935,559</u>	<u>865,943</u>	<u>699,202</u>	<u>166,741</u>
Transportation:				
Engineering	841,516	1,121,400	970,952	150,448
Maintenance of roads	8,609,295	9,118,347	8,191,806	926,541
Snow removal	2,561,410	2,628,846	1,890,996	737,850
Other transportation	854,540	854,540	794,777	59,763
Total transportation	<u>12,866,761</u>	<u>13,723,133</u>	<u>11,848,531</u>	<u>1,874,602</u>
Debt service:				
Principal	799,999	-	-	800,000
Interest	129,278	129,278	129,278	-
Total debt service	<u>929,277</u>	<u>129,278</u>	<u>129,278</u>	<u>800,000</u>
Total expenditures	<u>\$ 14,731,597</u>	<u>\$ 14,718,354</u>	<u>\$ 12,677,011</u>	<u>\$ 2,841,343</u>
OTHER FINANCING USES				
Transfers out:				
Transfer to Capital Projects Fund	\$ -	\$ 800,000	\$ 800,000	\$ -
Transfer to Debt Service Fund	3,806,961	3,806,961	3,770,599	36,362
Total other financing uses	<u>\$ 3,806,961</u>	<u>\$ 4,606,961</u>	<u>\$ 4,570,599</u>	<u>\$ 36,362</u>
Total expenditures and other financing uses	<u>\$ 18,538,558</u>	<u>\$ 19,325,315</u>	<u>\$ 17,247,610</u>	<u>\$ 2,877,705</u>

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Revenues and Other Financing Sources—
Budget and Actual—Refuse and Garbage Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Departmental income:				
Home and community services:				
Refuse and garbage charges	\$ 11,475,000	\$ 11,475,000	\$ 11,712,595	\$ 237,595
Total departmental income	<u>11,475,000</u>	<u>11,475,000</u>	<u>11,712,595</u>	<u>237,595</u>
Use of money and property:				
Interest and earnings	-	-	836	836
Total use of money and property	<u>-</u>	<u>-</u>	<u>836</u>	<u>836</u>
Sale of property and compensation for loss:				
Sales of refuse for recycling	35,000	35,000	198,135	163,135
Total sale of property and compensation for loss	<u>35,000</u>	<u>35,000</u>	<u>198,135</u>	<u>163,135</u>
State aid:				
Home and community services:				
Other home and community service	49,000	49,000	84,619	35,619
Total state aid	<u>49,000</u>	<u>49,000</u>	<u>84,619</u>	<u>35,619</u>
Total revenues	<u>\$ 11,559,000</u>	<u>\$ 11,559,000</u>	<u>\$ 11,996,185</u>	<u>\$ 437,185</u>
OTHER FINANCING SOURCES				
Transfers in:				
Transfer from Debt Service Fund	\$ -	\$ -	\$ 89	\$ 89
Transfer from General Fund	445,000	535,000	445,000	(90,000)
Total other financing sources	<u>\$ 445,000</u>	<u>\$ 535,000</u>	<u>\$ 445,089</u>	<u>\$ (89,911)</u>
Total revenues and other financing sources	<u>\$ 12,004,000</u>	<u>\$ 12,094,000</u>	<u>\$ 12,441,274</u>	<u>\$ 347,274</u>

COUNTY OF SULLIVAN, NEW YORK
Detail Schedule of Expenditures and Other Financing Uses—
Budget and Actual—Refuse and Garbage Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Home and community services:				
Refuse and garbage	\$ 11,329,376	\$ 10,895,375	\$ 9,199,435	\$ 1,695,940
Other home and community services	<u>101,428</u>	<u>101,428</u>	<u>88,255</u>	<u>13,173</u>
Total home and community services	<u>11,430,804</u>	<u>10,996,803</u>	<u>9,287,690</u>	<u>1,709,113</u>
 Total expenditures	 <u>\$ 11,430,804</u>	 <u>\$ 10,996,803</u>	 <u>\$ 9,287,690</u>	 <u>\$ 1,709,113</u>
OTHER FINANCING USES				
Transfers out:				
Transfer to Debt Service Fund	<u>\$ 2,090,867</u>	<u>\$ 2,090,867</u>	<u>\$ 2,087,058</u>	<u>\$ 3,809</u>
Total other financing uses	<u>\$ 2,090,867</u>	<u>\$ 2,090,867</u>	<u>\$ 2,087,058</u>	<u>\$ 3,809</u>
 Total expenditures and other financing uses	 <u>\$ 13,521,671</u>	 <u>\$ 13,087,670</u>	 <u>\$ 11,374,748</u>	 <u>\$ 1,712,922</u>

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NONMAJOR GOVERNMENTAL FUNDS

ROAD MACHINEY FUND

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

SPECIAL GRANT FUND

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

DEBT SERVICE FUND

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

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COUNTY OF SULLIVAN, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2020

	<u>Special Grant</u>	<u>Road Machinery</u>	<u>Debt Service</u>	<u>Total Nonmajor Funds</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 44,576	\$ -	\$ 44,576
Restricted cash and cash equivalents	770,133	348	-	770,481
Receivables (net of allowances):				
Accounts receivable	5,385	347	-	5,732
Loans receivable	92,599	-	-	92,599
Intergovernmental receivables	18,263	-	-	18,263
Due from other funds	25,024	1,720,054	-	1,745,078
Total assets	<u>\$ 911,404</u>	<u>\$ 1,765,325</u>	<u>\$ -</u>	<u>\$ 2,676,729</u>
LIABILITIES				
Accounts payable	\$ 2,020	\$ 145,601	\$ -	\$ 147,621
Accrued liabilities	-	99,795	-	99,795
Due to other funds	47,548	-	-	47,548
Total liabilities	<u>49,568</u>	<u>245,396</u>	<u>-</u>	<u>294,964</u>
FUND BALANCES				
Restricted	861,836	348	-	862,184
Assigned	-	1,519,581	-	1,519,581
Total fund balances	<u>861,836</u>	<u>1,519,929</u>	<u>-</u>	<u>2,381,765</u>
 Total liabilities and fund balances	 <u>\$ 911,404</u>	 <u>\$ 1,765,325</u>	 <u>\$ -</u>	 <u>\$ 2,676,729</u>

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—
Nonmajor Governmental Funds
Year Ended December 31, 2020

	<u>Special Grant</u>	<u>Road Machinery</u>	<u>Debt Service</u>	<u>Total Nonmajor Funds</u>
REVENUES				
Departmental income	\$ 64,423	\$ 597,871	\$ -	\$ 662,294
Use of money and property	9,438	54	17,982	27,474
Sale of property and compensation for loss	-	89,117	-	89,117
Miscellaneous	-	1,385	-	1,385
Federal aid	35,580	-	57,068	92,648
Total revenues	<u>109,441</u>	<u>688,427</u>	<u>75,050</u>	<u>872,918</u>
EXPENDITURES				
Current:				
General government support	-	-	7,248	7,248
Transportation	-	4,438,509	-	4,438,509
Home and community services	116,431	-	-	116,431
Debt service:				
Principal	-	-	8,810,000	8,810,000
Interest and other fiscal charges	-	16,657	4,525,107	4,541,764
Total expenditures	<u>116,431</u>	<u>4,455,166</u>	<u>13,342,355</u>	<u>17,913,952</u>
Excess (deficiency) of revenues over expenditures	(6,990)	(3,766,739)	(13,267,305)	(17,041,034)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	4,517,948	13,285,287	17,803,235
Transfers out	-	(847,617)	(17,982)	(865,599)
Total other financing sources (uses)	<u>-</u>	<u>3,670,331</u>	<u>13,267,305</u>	<u>16,937,636</u>
Net change in fund balances	(6,990)	(96,408)	-	(103,398)
Fund balances—beginning	868,826	1,616,337	-	2,485,163
Fund balances—ending	<u>\$ 861,836</u>	<u>\$ 1,519,929</u>	<u>\$ -</u>	<u>\$ 2,381,765</u>

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Road Machinery Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Departmental income	\$ 750,000	\$ 750,000	\$ 597,871	\$ (152,129)
Use of money and property	-	-	54	54
Sale of property and compensation for loss	-	-	89,117	89,117
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>1,385</u>	<u>(615)</u>
Total revenues	<u>752,000</u>	<u>752,000</u>	<u>688,427</u>	<u>(63,573)</u>
EXPENDITURES				
Current:				
Transportation	5,173,591	5,570,578	4,438,509	1,132,069
Debt service:				
Principal	167,500	167,500	-	167,500
Interest	<u>16,657</u>	<u>16,657</u>	<u>16,657</u>	<u>-</u>
Total expenditures	<u>5,357,748</u>	<u>5,754,735</u>	<u>4,455,166</u>	<u>1,299,569</u>
Excess (deficiency) of revenues over expenditures	(4,605,748)	(5,002,735)	(3,766,739)	1,235,996
OTHER FINANCING SOURCES (USES)				
Transfers in	5,172,601	3,812,641	4,517,948	705,307
Transfers out	<u>(693,269)</u>	<u>(693,269)</u>	<u>(847,617)</u>	<u>(154,348)</u>
Total other financing sources (uses)	<u>4,479,332</u>	<u>3,119,372</u>	<u>3,670,331</u>	<u>550,959</u>
Net change in fund balance*	(126,416)	(1,883,363)	(96,408)	1,786,955
Fund balances—beginning	<u>1,616,337</u>	<u>1,616,337</u>	<u>1,616,337</u>	<u>-</u>
Fund balances—ending	<u>\$ 1,489,921</u>	<u>\$ (267,026)</u>	<u>\$ 1,519,929</u>	<u>\$ 1,786,955</u>

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

COUNTY OF SULLIVAN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Debt Service Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 17,982	\$ 17,982
Federal aid	-	-	57,068	57,068
Total revenues	<u>-</u>	<u>-</u>	<u>75,050</u>	<u>75,050</u>
EXPENDITURES				
Current:				
General government support	-	-	7,248	(7,248)
Debt service:				
Principal	7,615,862	7,615,862	8,810,000	(1,194,138)
Interest and other fiscal charges	<u>4,544,206</u>	<u>4,544,206</u>	<u>4,525,107</u>	<u>19,099</u>
Total expenditures	<u>12,160,068</u>	<u>12,160,068</u>	<u>13,342,355</u>	<u>(1,182,287)</u>
Excess (deficiency) of revenues over expenditures	(12,160,068)	(12,160,068)	(13,267,305)	(1,107,237)
OTHER FINANCING SOURCES (USES)				
Transfers in	12,160,068	12,160,068	13,285,287	1,125,219
Transfers out	<u>-</u>	<u>-</u>	<u>(17,982)</u>	<u>(17,982)</u>
Total other financing sources (uses)	<u>12,160,068</u>	<u>12,160,068</u>	<u>13,267,305</u>	<u>1,107,237</u>
Net change in fund balances	-	-	-	-
Fund balances—beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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INTERNAL SERVICE FUNDS

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

WORKERS' COMPENSATION BENEFITS FUND

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

SELF-INSURED DENTAL FUND

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

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COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Net Position—Internal Service Funds
December 31, 2020

	Workers' Compensation Benefits	Self-Insured Dental	Total Internal Service Funds
ASSETS			
Cash and cash equivalents	\$ 122,243	\$ -	\$ 122,243
Restricted cash and cash equivalents	-	597,420	597,420
Accounts receivable	6,277,396	-	6,277,396
Due from other funds	10,798,418	-	10,798,418
Prepaid items	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total assets	<u>17,298,057</u>	<u>597,420</u>	<u>17,895,477</u>
LIABILITIES			
Accrued liabilities	241,373	-	241,373
Due to other funds	943	-	943
Unearned revenue	158,125	-	158,125
Noncurrent liabilities:			
Due within one year	1,547,669	3,654	1,551,323
Due in more than one year	<u>13,929,020</u>	<u>-</u>	<u>13,929,020</u>
Total liabilities	<u>15,877,130</u>	<u>3,654</u>	<u>15,880,784</u>
NET POSITION			
Restricted for:			
Dental benefits	-	593,766	593,766
Unrestricted	<u>1,420,927</u>	<u>-</u>	<u>1,420,927</u>
Total net position	<u>\$ 1,420,927</u>	<u>\$ 593,766</u>	<u>\$ 2,014,693</u>

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Revenues, Expenses, and Changes in Net Position—
Internal Service Funds
Year Ended December 31, 2020

	Workers' Compensation Benefits	Self-Insured Dental	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 2,463,016	\$ 463,678	\$ 2,926,694
Insurance recoveries	103,326	-	103,326
Total operating revenues	<u>2,566,342</u>	<u>463,678</u>	<u>3,030,020</u>
Operating expenses:			
Employee benefits	<u>1,526,729</u>	<u>368,243</u>	<u>1,894,972</u>
Total operating expenses	<u>1,526,729</u>	<u>368,243</u>	<u>1,894,972</u>
Operating income	<u>1,039,613</u>	<u>95,435</u>	<u>1,135,048</u>
Nonoperating revenues:			
Interest income	<u>1,145</u>	<u>321</u>	<u>1,466</u>
Total nonoperating revenues	<u>1,145</u>	<u>321</u>	<u>1,466</u>
Change in net position	1,040,758	95,756	1,136,514
Net position—beginning	<u>380,169</u>	<u>498,010</u>	<u>878,179</u>
Net position—ending	<u>\$ 1,420,927</u>	<u>\$ 593,766</u>	<u>\$ 2,014,693</u>

COUNTY OF SULLIVAN, NEW YORK
Combining Statement of Cash Flows—Internal Service Funds
Year Ended December 31, 2020

	Workers' Compensation Benefits	Self-Insured Dental	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from services provided	\$ 2,986,126	\$ 463,678	\$ 3,449,804
Receipts from insurance recoveries	103,326	-	103,326
Payments to insurance carriers and claimants	(3,161,167)	(369,312)	(3,530,479)
Payments on behalf of other funds	<u>(2,375,872)</u>	<u>-</u>	<u>(2,375,872)</u>
Net cash (used for) provided by operating activities	<u>(2,447,587)</u>	<u>94,366</u>	<u>(2,353,221)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>1,145</u>	<u>321</u>	<u>1,466</u>
Net cash provided by investing activities	<u>1,145</u>	<u>321</u>	<u>1,466</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments from other funds	<u>-</u>	<u>105</u>	<u>105</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>105</u>	<u>105</u>
Increase (decrease) in cash and cash equivalents	(2,446,442)	94,792	(2,351,650)
Cash and cash equivalents—beginning	<u>2,568,685</u>	<u>502,628</u>	<u>3,071,313</u>
Cash and cash equivalents—ending	<u>\$ 122,243</u>	<u>\$ 597,420</u>	<u>\$ 719,663</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,039,613	\$ 95,435	\$ 1,135,048
Adjustments to reconcile operating income to net cash (used for) provided by operating activities:			
Decrease in receivables	543,500	-	543,500
(Increase) in due from other funds	(2,375,872)	-	(2,375,872)
(Increase) in prepaids	(100,000)	-	(100,000)
(Decrease) in accounts payable	(54,541)	-	(54,541)
(Decrease) in accrued liabilities	(138,896)	-	(138,896)
(Decrease) in unearned revenue	(20,390)	-	(20,390)
(Decrease) in claims payable	<u>(1,341,001)</u>	<u>(1,069)</u>	<u>(1,342,070)</u>
Total adjustments	<u>(3,487,200)</u>	<u>(1,069)</u>	<u>(3,488,269)</u>
Net cash (used for) provided by operating activities	<u>\$ (2,447,587)</u>	<u>\$ 94,366</u>	<u>\$ (2,353,221)</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, note disclosures, and required supplementary information says about the government’s overall financial health.

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

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

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

	2011	2012 ¹	2013	2014	2015	2016	2017 ²	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 76,768,306	\$ 81,670,910	\$ 85,262,582	\$ 88,651,807	\$ 101,642,615	\$ 115,374,686	\$ 128,836,832	\$ 130,242,152	\$ 140,876,073	\$ 129,259,214
Restricted	8,270,567	4,500,821	1,758,414	4,887,153	5,931,828	2,220,351	2,115,629	2,288,884	2,442,518	2,013,233
Unrestricted	<u>(27,051,908)</u>	<u>(33,799,457)</u>	<u>(38,231,820)</u>	<u>(46,016,248)</u>	<u>(62,333,657)</u>	<u>(70,062,234)</u>	<u>(254,002,129)</u>	<u>(251,536,534)</u>	<u>(265,820,644)</u>	<u>(266,061,769)</u>
Total net position—governmental activities	<u>\$ 57,986,965</u>	<u>\$ 52,372,274</u>	<u>\$ 48,789,176</u>	<u>\$ 47,522,712</u>	<u>\$ 45,240,786</u>	<u>\$ 47,532,803</u>	<u>\$ (123,049,668)</u>	<u>\$ (119,005,498)</u>	<u>\$ (122,502,053)</u>	<u>\$ (134,789,322)</u>
Business-type activities:										
Net investment in capital assets	\$ 1,643,913	\$ 1,413,451	\$ 1,298,706	\$ 1,613,933	\$ 2,696,176	\$ 2,011,150	\$ 8,998,212	\$ 6,372,769	\$ (11,840,765)	\$ (13,912,777)
Restricted	-	-	850,579	715,891	-	202,718	203,094	203,016	203,704	203,112
Unrestricted	<u>(20,823,848)</u>	<u>(22,543,688)</u>	<u>(25,885,338)</u>	<u>(21,264,110)</u>	<u>(25,788,417)</u>	<u>(29,698,669)</u>	<u>(38,661,588)</u>	<u>(46,876,931)</u>	<u>(38,615,828)</u>	<u>(45,242,925)</u>
Total net position—business-type activities	<u>\$ (19,179,935)</u>	<u>\$ (21,130,237)</u>	<u>\$ (23,736,053)</u>	<u>\$ (18,934,286)</u>	<u>\$ (23,092,241)</u>	<u>\$ (27,484,801)</u>	<u>\$ (29,460,282)</u>	<u>\$ (40,301,146)</u>	<u>\$ (50,252,889)</u>	<u>\$ (58,952,590)</u>
Primary government:										
Net investment in capital assets	\$ 78,412,219	\$ 83,084,361	\$ 86,861,288	\$ 90,265,740	\$ 104,338,791	\$ 117,385,836	\$ 137,835,044	\$ 136,614,921	\$ 129,035,308	\$ 115,346,437
Restricted	8,270,567	4,500,821	2,608,993	5,603,044	5,931,828	2,423,069	2,318,723	2,491,900	2,646,222	2,216,345
Unrestricted	<u>(47,875,756)</u>	<u>(56,343,145)</u>	<u>(64,117,158)</u>	<u>(67,280,358)</u>	<u>(88,122,074)</u>	<u>(99,760,903)</u>	<u>(292,663,717)</u>	<u>(298,413,465)</u>	<u>(304,436,472)</u>	<u>(311,304,694)</u>
Total net position—primary government	<u>\$ 38,807,030</u>	<u>\$ 31,242,037</u>	<u>\$ 25,353,123</u>	<u>\$ 28,588,426</u>	<u>\$ 22,148,545</u>	<u>\$ 20,048,002</u>	<u>\$ (152,509,950)</u>	<u>\$ (159,306,644)</u>	<u>\$ (172,754,942)</u>	<u>\$ (193,741,912)</u>

¹ Governmental Accounting Standards Board Statement No. 63—"Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources and Net Position" renamed net assets to net position effective for the year ended December 31, 2012.

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary government:										
Expenses:										
Governmental activities:										
General government support	\$ 18,610,178	\$ 23,222,974	\$ 22,299,150	\$ 22,867,189	\$ 25,299,974	\$ 29,873,350	\$ 29,115,461	\$ 30,139,092	\$ 28,413,693	\$ 39,158,085
Education	5,800,343	5,775,448	6,499,480	6,272,866	5,885,213	5,975,783	5,936,169	6,021,019	5,878,828	5,703,608
Public safety	24,267,723	26,070,999	26,924,495	26,718,049	26,658,920	29,407,686	31,261,509	29,511,914	33,757,361	37,762,123
Health	24,063,061	25,388,743	24,293,812	23,145,341	23,707,230	24,825,500	24,935,401	25,103,386	24,447,844	26,155,263
Transportation	19,677,365	19,581,033	20,593,635	22,164,720	25,323,854	22,258,819	25,778,147	27,724,623	26,599,958	40,503,345
Economic assistance and opportunity	57,259,852	58,836,611	56,813,202	60,484,322	52,313,394	65,156,303	63,261,879	62,440,445	65,549,246	62,485,095
Culture and recreation	3,231,074	3,545,385	3,463,248	3,355,192	3,162,612	3,909,500	3,831,391	3,420,293	3,538,998	3,710,605
Home and community services	9,743,923	10,530,023	13,221,737	7,309,555	10,431,878	12,723,655	12,381,033	9,726,977	21,452,276	5,788,849
Interest and other fiscal charges	2,863,482	2,472,088	2,096,007	1,895,292	1,870,859	2,732,282	4,962,053	4,554,786	4,594,955	4,681,276
Total governmental activities	<u>165,517,001</u>	<u>175,423,304</u>	<u>176,204,766</u>	<u>174,212,526</u>	<u>174,653,934</u>	<u>196,862,878</u>	<u>201,463,043</u>	<u>198,642,535</u>	<u>214,233,159</u>	<u>225,948,249</u>
Business-type activities:										
Adult Care Center	16,827,634	17,447,113	16,165,086	16,886,860	17,935,927	19,012,834	18,456,483	18,862,205	18,920,719	20,548,864
Sunset Lake LDC	-	-	-	-	-	-	-	-	-	25,349
Sullivan County TASC	839,981	818,639	782,343	754,869	729,676	9,184,711	695,551	676,604	667,283	657,806
SCFC	-	-	-	-	-	-	198,759	640,440	319,027	122,244
ILDC	-	-	-	-	-	-	81,111	7,480,240	9,101,036	9,089,250
Total business-type activities	<u>17,667,615</u>	<u>18,265,752</u>	<u>16,947,429</u>	<u>17,641,729</u>	<u>18,665,603</u>	<u>28,197,545</u>	<u>19,431,904</u>	<u>27,659,489</u>	<u>29,008,065</u>	<u>30,443,513</u>
Total expenses	<u>183,184,616</u>	<u>193,689,056</u>	<u>193,152,195</u>	<u>191,854,255</u>	<u>193,319,537</u>	<u>225,060,423</u>	<u>220,894,947</u>	<u>226,302,024</u>	<u>243,241,224</u>	<u>256,391,762</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government support	2,520,630	8,386,063	8,440,597	8,538,626	3,788,188	6,588,102	8,682,448	8,342,601	7,753,744	7,622,169
Education	235,678	462,102	-	-	257,293	-	-	-	-	-
Public safety	1,881,807	1,559,469	1,298,078	1,399,463	2,125,579	3,611,717	1,515,057	2,095,264	2,187,090	1,606,395
Health	8,628,023	8,775,797	7,525,923	6,572,292	6,303,080	7,444,976	3,644,505	4,889,871	4,067,333	3,913,713
Transportation	1,509,166	1,200,844	1,272,124	1,242,440	5,538,814	6,032,541	5,642,509	3,962,107	3,338,634	3,296,340
Economic assistance and opportunity	3,040,513	2,538,179	3,175,957	2,963,563	2,395,739	4,323,812	2,473,064	2,162,368	2,280,770	2,533,592
Culture and recreation	188,196	221,139	213,173	189,508	91,864	618,995	125,490	1,435,142	3,440,060	1,188,172
Home and community services	11,587,218	11,535,541	11,715,220	11,179,889	11,478,802	12,138,306	12,088,922	12,944,255	11,894,485	11,793,390
Operating grants and contributions	42,207,077	38,601,375	37,409,612	38,906,382	37,865,882	35,877,893	38,487,037	37,316,230	40,413,261	40,646,663
Capital grants and contributions	1,620,224	1,712,392	2,210,020	1,807,953	2,934,391	5,487,781	5,590,759	4,168,943	7,343,927	7,646,373
Total governmental activities	<u>73,418,532</u>	<u>74,992,901</u>	<u>73,260,704</u>	<u>72,800,116</u>	<u>72,779,632</u>	<u>82,124,123</u>	<u>78,249,791</u>	<u>77,316,781</u>	<u>82,719,304</u>	<u>80,246,807</u>

(continued)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Adult Care Center:										
Charges for services	11,460,580	11,766,216	9,241,119	9,856,047	12,966,995	10,632,154	11,542,085	10,886,587	9,903,623	8,304,766
Operating grants and contributions	2,626,286	3,125,999	2,555,973	10,064,732	-	10,804,326	6,804,913	4,414,457	5,501,316	4,860,162
Funding Corporation	-	-	-	-	-	-	323,903	213,776	11,178	8,415
ILDC	-	-	-	-	-	-	-	-	2,009,028	7,326,991
Total program revenues	<u>14,086,866</u>	<u>14,892,215</u>	<u>11,797,092</u>	<u>19,920,779</u>	<u>12,966,995</u>	<u>21,436,480</u>	<u>18,670,901</u>	<u>15,514,820</u>	<u>17,425,145</u>	<u>20,500,334</u>
	<u>87,505,398</u>	<u>89,885,116</u>	<u>85,057,796</u>	<u>92,720,895</u>	<u>85,746,627</u>	<u>103,560,603</u>	<u>96,920,692</u>	<u>92,831,601</u>	<u>100,144,449</u>	<u>100,747,141</u>
Net revenue (expense):										
Governmental activities	(92,098,469)	(100,430,403)	(102,944,062)	(101,412,410)	(101,874,302)	(114,738,755)	(123,213,252)	(121,325,754)	(131,513,855)	(145,701,442)
Business-type activities	<u>(3,580,749)</u>	<u>(3,373,537)</u>	<u>(5,150,337)</u>	<u>2,279,050</u>	<u>(5,698,608)</u>	<u>(6,761,065)</u>	<u>(761,003)</u>	<u>(12,144,669)</u>	<u>(11,582,920)</u>	<u>(9,917,830)</u>
Total net (expense) revenue	<u>(95,679,218)</u>	<u>(103,803,940)</u>	<u>(108,094,399)</u>	<u>(99,133,360)</u>	<u>(107,572,910)</u>	<u>(121,499,820)</u>	<u>(123,974,255)</u>	<u>(133,470,423)</u>	<u>(143,096,775)</u>	<u>(155,619,272)</u>
General revenues and transfers:										
Governmental activities:										
Property taxes	48,065,549	49,824,079	53,982,110	54,940,465	55,805,788	56,874,718	60,879,911	62,865,543	64,409,687	66,236,154
Other property tax items	7,606,522	8,463,919	9,313,959	7,522,050	8,431,127	8,403,849	8,138,632	7,705,974	9,418,795	11,452,202
Non-property taxes	35,103,619	36,226,594	36,206,602	38,064,659	38,813,293	41,659,523	42,510,038	49,628,569	47,193,801	52,560,318
Use of money and property	75,953	79,860	74,090	69,755	44,922	220,060	677,800	565,422	3,950,446	377,362
Sale of property and compensation for loss	263,115	521,881	589,724	293,579	402,891	1,212,261	1,566,166	487,364	771,543	1,220,135
Miscellaneous	-	-	48,241	105,205	82,760	8,660,361	3,253,317	4,137,449	823,383	1,568,002
Transfers	<u>493,235</u>	<u>(300,621)</u>	<u>(553,762)</u>	<u>(1,149,767)</u>	<u>(74,405)</u>	<u>-</u>	<u>(573,750)</u>	<u>(20,397)</u>	<u>1,449,645</u>	<u>-</u>
Total governmental activities	<u>91,607,993</u>	<u>94,815,712</u>	<u>99,660,964</u>	<u>99,845,946</u>	<u>103,506,376</u>	<u>117,030,772</u>	<u>116,452,114</u>	<u>125,369,924</u>	<u>128,017,300</u>	<u>133,414,173</u>
Business-type activities:										
Use of money and property	95,154	95,094	91,838	87,427	86,706	1,019,048	16,203	296,115	199,506	73,126
Miscellaneous	1,037,281	1,027,520	2,139,985	1,285,523	1,898,647	1,349,457	851,806	987,293	854,779	1,170,352
Transfers	<u>(493,235)</u>	<u>300,621</u>	<u>553,762</u>	<u>1,149,767</u>	<u>74,405</u>	<u>-</u>	<u>573,750</u>	<u>20,397</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>639,200</u>	<u>1,423,235</u>	<u>2,785,585</u>	<u>2,522,717</u>	<u>2,059,758</u>	<u>2,368,505</u>	<u>1,441,759</u>	<u>1,303,805</u>	<u>1,054,285</u>	<u>1,243,478</u>
Total primary government	<u>92,247,193</u>	<u>96,238,947</u>	<u>102,446,549</u>	<u>102,368,663</u>	<u>105,566,134</u>	<u>119,399,277</u>	<u>117,893,873</u>	<u>126,673,729</u>	<u>129,071,585</u>	<u>134,657,651</u>
Change in net position:										
Governmental activities	(490,476)	(5,614,691)	(3,283,098)	(1,566,464)	1,632,074	2,292,017	(6,761,138)	4,044,170	(3,496,555)	(12,287,269)
Business-type activities	<u>(2,941,549)</u>	<u>(1,950,302)</u>	<u>(2,364,752)</u>	<u>4,801,767</u>	<u>(3,638,850)</u>	<u>(4,392,560)</u>	<u>680,756</u>	<u>(10,840,864)</u>	<u>(10,528,635)</u>	<u>(8,699,701)</u>
Total change in net position	<u>\$ (3,432,025)</u>	<u>\$ (7,564,993)</u>	<u>\$ (5,647,850)</u>	<u>\$ 3,235,303</u>	<u>\$ (2,006,776)</u>	<u>\$ (2,100,543)</u>	<u>\$ (6,080,382)</u>	<u>\$ (6,796,694)</u>	<u>\$ (14,025,190)</u>	<u>\$ (20,986,970)</u>

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

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

	2011 ¹	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Nonspendable	\$ -	\$ -	\$ 4,865,391	\$ 397,864	\$ 3,119,167	\$ -	\$ -	\$ -	\$ 16,789	\$ -
Restricted	554,732	775,058	773,434	1,914,665	596,633	636,878	522,901	750,528	727,132	547,258
Committed	11,914,377	9,694,504	13,503,770	14,250,044	7,604,102	6,718,564	6,098,969	4,084,579	3,720,418	3,778,410
Assigned	7,925,968	1,116,190	1,349,150	236,404	7,370,106	19,123,085	12,868,232	10,976,878	6,471,176	3,189,539
Unassigned	2,737,515	12,837,110	7,017,360	7,389,166	8,211,445	11,862,438	13,507,895	14,917,926	12,754,275	18,690,533
Total General Fund	<u>\$ 23,132,592</u>	<u>\$ 24,422,862</u>	<u>\$ 27,509,105</u>	<u>\$ 24,188,143</u>	<u>\$ 26,901,453</u>	<u>\$ 38,340,965</u>	<u>\$ 32,997,997</u>	<u>\$ 30,729,911</u>	<u>\$ 23,689,790</u>	<u>\$ 26,205,740</u>
All other governmental funds:										
Nonspendable	\$ 675,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	691,527	926,902	849,658	2,815,531	740,454	87,503,330	35,965,308	9,006,421	1,217,376	872,209
Assigned	3,123,551	2,833,070	3,569,924	5,084,728	3,385,393	5,532,960	4,764,106	4,973,130	5,126,288	7,737,442
Unassigned	(9,282,628)	(2,287,518)	(4,258,647)	-	(3,262,553)	-	-	-	(3,619,790)	(6,035,394)
Total all other governmental funds	<u>\$ (4,792,550)</u>	<u>\$ 1,472,454</u>	<u>\$ 160,935</u>	<u>\$ 7,900,259</u>	<u>\$ 863,294</u>	<u>\$ 93,036,290</u>	<u>\$ 40,729,414</u>	<u>\$ 13,979,551</u>	<u>\$ 2,723,874</u>	<u>\$ 2,574,257</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Real property taxes	\$ 47,403,913	\$ 51,466,856	\$ 53,786,165	\$ 55,763,769	\$ 55,328,648	\$ 57,546,461	\$ 62,000,021	\$ 62,522,849	\$ 64,073,474	\$ 63,936,357
Other property tax items	7,606,522	8,463,919	9,313,959	7,522,050	8,431,127	8,403,849	8,138,632	7,705,974	9,418,795	11,452,202
Non property tax items	35,103,619	36,226,594	36,206,602	38,064,659	38,813,293	41,659,523	42,510,038	49,628,569	51,144,247	52,568,003
Departmental income	32,498,904	32,633,592	31,608,948	29,951,852	29,612,294	30,740,210	28,623,104	29,587,334	27,151,449	26,769,737
Intergovernmental charges	1,900,270	1,741,864	1,948,855	2,167,520	1,984,646	711,042	1,266,050	1,248,680	960,173	765,049
Licenses and permit	33,600	30,541	25,467	62,900	56,420	63,920	64,832	1,391,343	3,391,001	1,257,710
Fines and forfeitures	253,020	497,936	322,034	283,928	258,877	345,342	193,011	450,167	272,268	182,814
Use of money and property	267,747	176,224	180,743	156,672	157,513	219,709	677,375	539,583	707,550	375,896
Sale of property and compensation for loss	49,790	573,178	610,247	315,710	638,062	1,078,866	1,372,488	487,364	651,600	1,116,809
Miscellaneous	3,360,287	20,569,698	18,420,941	18,284,784	3,657,270	11,951,802	3,708,080	4,520,710	1,449,645	1,616,759
Interfund revenues	12,801	13,264	2,810	-	-	-	-	-	-	-
State aid	19,532,927	3,405,574	3,505,962	3,641,418	23,266,268	24,480,445	23,500,054	23,439,564	28,484,017	24,426,579
Federal aid	20,841,709	18,631,685	20,360,548	21,455,917	16,672,007	16,493,632	20,159,355	17,657,400	19,270,171	23,861,782
Total revenues	<u>168,865,109</u>	<u>174,430,925</u>	<u>176,293,281</u>	<u>177,671,179</u>	<u>178,876,425</u>	<u>193,694,801</u>	<u>192,213,040</u>	<u>199,179,537</u>	<u>206,974,390</u>	<u>208,329,697</u>
Expenditures:										
Current:										
General government support	23,091,977	23,036,459	23,002,054	23,398,007	24,139,888	25,812,349	27,036,128	30,560,187	30,268,536	31,502,585
Education	5,317,421	5,297,188	5,547,733	5,457,556	5,314,383	5,654,545	5,604,562	5,694,596	5,552,405	5,377,185
Public safety	22,739,389	22,979,002	23,788,104	24,785,241	25,528,334	25,713,246	26,411,869	28,459,071	31,684,622	29,757,124
Health	23,447,003	23,150,414	23,063,706	21,926,234	23,849,742	22,800,971	23,325,203	24,355,241	23,680,551	23,961,690
Transportation	17,221,839	16,992,170	16,132,885	18,288,145	19,700,202	19,731,940	24,138,202	20,972,839	24,128,284	17,780,750
Economic assistance and opportunity	55,167,983	56,711,538	55,052,400	58,931,619	51,877,834	60,597,993	60,227,151	60,941,593	64,244,497	58,573,564
Culture and recreation	3,194,231	3,289,795	3,129,855	3,171,942	3,317,680	3,397,302	3,367,706	3,301,287	3,292,914	3,107,125
Home and community services	8,758,568	8,575,046	8,828,785	8,509,310	8,398,457	8,562,276	10,444,056	11,172,990	13,462,167	11,167,602
Debt service:										
Principal	6,163,806	8,988,877	9,332,285	9,417,516	6,728,109	7,018,541	7,840,779	9,832,854	9,765,149	9,292,982
Interest	3,194,187	2,557,391	2,179,008	2,080,666	2,190,079	1,913,945	5,501,801	4,878,078	4,931,441	4,820,902
Capital outlay	6,096,810	6,651,897	6,297,006	9,957,018	12,080,967	22,265,807	56,415,915	43,179,803	20,807,572	11,564,541
Total expenditures	<u>174,393,214</u>	<u>178,229,777</u>	<u>176,353,821</u>	<u>185,923,254</u>	<u>183,125,675</u>	<u>203,468,915</u>	<u>250,313,372</u>	<u>243,348,539</u>	<u>231,818,138</u>	<u>206,906,050</u>

(continued)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other financing sources (uses)										
Transfers in	27,835,452	26,002,934	24,558,828	25,030,396	29,675,955	32,084,354	39,601,829	34,839,669	38,208,878	37,423,229
Transfers out	(27,342,217)	(26,303,555)	(25,112,590)	(26,180,163)	(29,750,360)	(32,084,354)	(40,175,579)	(34,860,066)	(38,208,878)	(37,423,229)
Other financing sources ¹	-	11,654,747	22,719,088	13,820,204	-	111,387,420	1,024,238	15,171,450	6,547,950	942,686
Other financing uses	-	-	(20,330,062)	-	-	-	-	-	-	-
Total other financing sources (uses)	493,235	11,354,126	1,835,264	12,670,437	(74,405)	111,387,420	450,488	15,151,053	6,547,950	942,686
Net change in fund balances	<u>\$ (5,034,870)</u>	<u>\$ 7,555,274</u>	<u>\$ 1,774,724</u>	<u>\$ 4,418,362</u>	<u>\$ (4,323,655)</u>	<u>\$ 101,613,306</u>	<u>\$ (57,649,844)</u>	<u>\$ (29,017,949)</u>	<u>\$ (18,295,798)</u>	<u>\$ 2,366,333</u>
Debt service as a percentage of noncapital expenditures	5.56%	6.73%	6.77%	6.53%	5.21%	5.19%	7.25%	7.69%	7.46%	7.23%

¹ Includes debt issuance proceeds and premiums.

(concluded)

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

Year	Non-Property Taxes								Total
	General Property Taxes	General Sales Taxes	Room Occupancy Taxes	E-911 Taxes	Off-Track Betting Taxes	Mortgage Taxes	Automobile Use Taxes	Stumpage Taxes	
2011	\$ 47,403,913	\$ 32,911,401	\$ 558,728	\$ 310,179	\$ 325,031	\$ 476,223	\$ 517,795	\$ 4,262	\$ 82,507,532
2012	51,466,856	34,034,864	629,009	291,465	323,316	469,369	473,315	5,256	87,693,450
2013	53,786,165	33,793,427	619,352	286,122	265,550	689,150	548,403	4,599	89,992,768
2014	55,763,769	35,960,305	538,021	277,083	207,963	569,181	507,281	4,825	93,828,428
2015	55,328,648	36,463,665	700,401	284,418	199,444	641,039	519,858	4,469	94,141,942
2016	57,546,461	39,296,629	809,462	283,076	167,899	584,996	512,916	4,575	99,206,014
2017	62,000,021	39,990,156	916,761	266,238	108,797	690,853	533,607	3,626	104,510,059
2018	62,522,849	46,583,305	1,328,714	341,277	80,557	791,187	497,421	6,108	112,151,418
2019	64,073,474	47,193,801	2,184,020	322,941	78,468	803,761	554,619	6,637	115,217,721
2020	63,936,357	48,943,642	1,676,542	352,702	32,398	1,060,928	498,523	3,268	116,504,360

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

Real Property

Year ¹	Residential/ Commercial	State Lands	Special Franchises	Utilities	Railroad Property	Less Exempt Property	Total Taxable Assessed Value ²	Estimated Actual Value ³	Ratio of Assessed Value to Estimated Actual Value	Total Effective Rate ⁴
2011	\$ 6,617,749,695	\$ 25,273,775	\$ 66,046,153	\$ 115,187,844	\$ -	\$ 1,391,241,016	\$ 5,433,016,451	\$ 9,087,396,624	59.79%	\$ 21.73
2012	6,627,350,429	25,382,375	72,095,385	114,300,718	-	1,403,003,715	5,436,125,192	8,423,392,565	64.54%	22.34
2013	6,642,143,138	25,557,665	74,964,935	112,393,145	-	1,419,105,652	5,435,953,231	8,120,649,757	66.94%	25.27
2014	6,628,056,033	25,541,375	79,082,515	110,948,188	-	1,416,147,732	5,427,480,379	7,693,733,110	70.54%	26.66
2015	6,255,700,726	25,503,795	73,691,087	109,454,436	-	1,111,587,549	5,352,762,495	7,571,719,348	70.69%	27.33
2016	6,639,053,293	25,753,365	86,390,807	108,947,813	15,643,730	1,403,594,994	5,472,194,014	7,661,276,567	71.43%	28.37
2017	6,792,060,647	25,533,245	91,227,929	107,750,039	17,625,430	1,460,919,507	5,573,277,783	7,769,422,629	71.73%	30.29
2018	6,799,515,570	25,519,475	89,736,987	109,961,655	17,625,430	1,452,112,742	5,590,246,375	7,807,141,187	71.60%	30.97
2019	7,402,110,351	34,545,275	91,230,782	119,385,920	15,594,216	1,833,099,415	5,829,767,129	7,846,771,200	74.30%	24.64
2020	7,606,668,851	34,670,460	92,318,218	117,776,171	15,595,810	1,932,387,402	5,572,548,557	8,199,831,017	67.96%	24.96

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

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

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

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

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

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

Year	County Effective Rates ¹	County Direct Rates ²	Overlapping Rates ³				
			Cities, Towns & Villages	School Districts	Fire Districts	Sewer Districts	Other Special Districts
2011	\$ 21.73	\$5.47-148.45	\$15.90	\$13.01-661.01	\$0.31-41.95	\$0.12-1,255.65	\$0.03-11.56
2012	22.34	6.06-160.96	16.20	13.44-610.26	0.19-41.63	0.36-1,273.04	0.04-10.15
2013	25.27	6.83-179.40	16.51	13.77-743.28	0.30-41.69	0.35-1,311.48	0.04-267.68
2014	26.66	7.37-186.98	16.81	14.02-787.65	0.30-36.47	0.35-1,213.28	0.04-8.20
2015	27.33	7.60-198.50	17.10	14.36-777.92	0.52-33.24	0.71-1,213.84	0.06-414.58
2016	28.37	7.60-199.03	17.38	14.85-722.60	0.31-33.29	1.04-1,214.30	0.06-414.84
2017	30.29	8.00-209.38	17.73	15.00-723.67	0.53-30.90	0.75-1,990.52	0.04-422.74
2018	30.97	8.17-214.22	17.98	14.90-710.47	0.53-34.26	0.76-6,333.95	0.08-458.42
2019	24.64	8.15-214.30	15.09	13.89-735.67	0.53-34.63	0.76-15,771.86	0.23-445.26
2020	24.96	7.99-219.00	15.37	14.49-741.33	0.24-35.76	0.87-1,376,237	0.05-2,400.692

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

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

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

Notes about District Rates: With development of Resorts World Catskills, the Town of Thompson created several special districts in the Adelaar resort area. The largest amounts above for sewer and other special districts are those in the resort area.

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

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

Taxpayer	Type of Business	2020			2011		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
EPT Concord II, LLC	Resort Casino	\$ 168,156,900	1	3.02%	\$ -	-	n/a
NYSEG	Utility Company	115,420,857	2	2.07%	94,786,600	1	1.86%
Orange & Rockland	Utility Company	36,299,537	3	0.65%	22,319,770	4	0.44%
State of New York	State Government	33,669,695	4	0.60%	25,340,955	3	0.50%
City of New York	Local Government	21,178,482	5	0.38%	18,326,350	6	0.36%
Catskill Development	Housing Development	20,449,200	6	0.37%	20,449,200	5	0.40%
Eagle Creek	Water Company	16,633,439	7	0.30%	9,526,694	10	0.19%
Verizon	Mobile	13,526,190	8	0.24%	27,321,941	2	0.54%
Wal-Mart	Commercial	10,000,000	9	0.18%	10,000,000	9	0.20%
Time Warner	Utility Company	9,260,910	10	0.17%	-	-	n/a
Thompson Sanitation	Refuse and Garbage	-	-	n/a	10,567,700	8	0.21%
Kutshers's	Hotel	-	-	n/a	11,000,000	7	0.22%
Total		<u>\$ 444,595,210</u>		7.98%	<u>\$ 249,639,210</u>		4.90%

Source: Sullivan County Treasurer's Office

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

Fiscal Year Ended December 31,	County Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Delinquent Collections in Subsequent Periods	Total Collections to Date	
		Amount	Percentage of Total Levy		Amount	Percentage of Levy
2011	\$ 128,522,636	\$ 105,162,255	81.82%	\$ 22,458,488	\$127,620,743	99.30%
2012	131,802,271	108,719,407	82.49%	22,501,049	131,220,456	99.56%
2013	138,206,973	114,812,766	83.07%	22,791,770	137,604,536	99.56%
2014	140,067,028	117,745,523	84.06%	21,529,725	139,275,248	99.43%
2015	143,146,268	121,508,141	84.88%	19,956,494	141,464,635	98.83%
2016	145,006,335	123,298,082	85.03%	20,849,171	144,147,253	99.41%
2017	149,103,138	128,771,216	86.36%	18,798,271	147,569,487	98.97%
2018	151,324,662	130,455,434	86.21%	18,118,772	148,574,206	98.18%
2019	155,351,402	133,096,207	85.67%	16,389,650	149,485,857	96.22%
2020	165,030,380	139,776,922	84.70%	13,545,902	153,322,824	92.91%

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

Source: County of Sullivan Treasurer's Office

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

Fiscal Year	Governmental Activities		Business-type Activities			Total Primary Government	Percentage of Personal Income ³	Debt per Capita ³
	General Obligation Bonds ¹	Installment Purchases	Adult Care Center Bonds	Sullivan County Infrastructure LDC	Sullivan County TASC Bonds ²			
2011	\$ 55,232,702	\$ 205,796	\$ 102,456	\$ -	\$ 13,616,593	\$ 69,157,547	0.06%	\$ 899.32
2012	57,840,604	104,916	84,603	-	13,229,185	71,259,308	0.06%	927.64
2013	52,094,158	-	66,973	-	12,841,774	65,002,905	0.06%	847.88
2014	56,137,663	-	49,489	-	12,294,366	68,481,518	0.06%	893.26
2015	49,082,581	-	32,598	-	11,906,958	61,022,137	0.06%	803.53
2016	153,097,743	-	16,139	73,340,000	18,133,294	244,587,176	0.02%	3,266.52
2017	145,059,234	799,320	-	110,075,000	17,750,363	273,683,917	0.02%	3,625.67
2018	150,156,722	617,916	-	110,075,000	17,372,432	278,222,070	0.02%	3,669.60
2019	146,463,810	660,115	-	110,075,000	17,044,501	274,243,426	0.03%	3,632.46
2020	137,215,825	1,119,819	-	108,435,000	16,566,570	263,337,214	0.02%	3,491.05

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

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

³ See Schedule XIV for personal income and population data.

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

Year	Population	General Bonded Debt Outstanding				Percentage of	
		Estimated Actual Value of Property	Gross Bonded Debt ¹	Less: Debt Service Funds ²	Net Bonded Debt	Net Bonded Debt to Estimated Actual Value ³	Net Bonded Debt per Capita ⁴
2011	76,900	\$ 9,087,396,624	\$ 55,335,158	\$ 20,551	\$ 55,314,607	0.61%	\$ 719.31
2012	76,818	8,423,392,565	57,925,207	13,702	57,911,505	0.69%	753.88
2013	76,665	8,120,649,757	52,161,131	3,580	52,157,551	0.64%	680.33
2014	76,665	7,693,733,110	56,187,152	2,731	56,184,421	0.73%	732.86
2015	75,943	7,571,719,348	49,115,179	3,481	49,111,698	0.65%	646.69
2016	74,877	7,661,276,567	153,113,882	8,015	153,105,867	2.00%	2,044.76
2017	75,485	7,769,422,629	145,059,234	29,717	145,029,517	1.87%	1,921.30
2018	75,818	7,807,141,187	150,156,722	40,823	150,115,899	1.92%	1,979.95
2019	75,498	7,846,771,200	146,463,810	64,828	146,398,982	1.87%	1,939.11
2020	75,432	8,199,831,017	137,215,825	17,982	137,197,843	1.67%	1,818.83

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

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

² Amount restricted for debt service principal payments.

³ See Schedule VI for property value data.

⁴ See Schedule XIV for personal income and population data.

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

COUNTY OF SULLIVAN, NEW YORK
Schedule XII—Computation of Estimated Direct and Overlapping Debt
As of December 31, 2020
(Unaudited)

Governmental Unit	Gross Indebtedness ¹	Estimated Exclusions ²	Net Indebtedness	Percentage Applicable ³	County of Sullivan Portion
Estimated direct debt:					
County of Sullivan	\$ 138,335,644	\$ -	\$ 138,335,644	50.04%	\$ 69,222,945
Estimated overlapping debt:					
Towns:					
Bethel	4,662,497	-	4,662,497	1.69%	78,636
Callicoon	764,498	48,884	715,614	0.28%	1,979
Delaware	1,154,000	-	1,154,000	0.42%	4,817
Fallsburg	31,118,346	2,895,000	28,223,346	11.26%	3,176,924
Liberty	3,886,800	2,071,000	1,815,800	1.41%	25,529
Mamakating	660,000	-	660,000	0.24%	1,576
Rockland	10,918,545	6,239,419	4,679,126	3.95%	184,804
Thompson	6,931,740	282,683	6,649,057	2.51%	166,719
Villages:					
Bloomington	13,000	13,000	-	0.00%	-
Liberty	6,539,453	3,334,481	3,204,972	2.37%	75,814
Monticello	11,567,494	7,536,000	4,031,494	4.18%	168,689
Woodridge	7,225,645	7,225,645	-	2.61%	-
Wurtsboro	997,500	-	997,500	0.36%	3,599
School districts:					
Eldred	4,538,708	-	4,538,708	1.64%	74,515
Fallsburg	4,580,000	-	4,580,000	1.66%	75,877
Liberty	20,262,361	-	20,262,361	7.33%	1,485,121
Livingston Manor	-	-	-	0.00%	-
Monticello	2,944,741	-	2,944,741	1.07%	31,367
Roscoe	2,510,000	-	2,510,000	0.91%	22,789
Sullivan West	11,975,000	-	11,975,000	4.33%	518,720
Tri-Valley	4,865,000	-	4,865,000	1.76%	85,615
Total estimated overlapping debt	<u>138,115,328</u>	<u>29,646,112</u>	<u>108,469,216</u>		<u>2,542,107</u>
Total estimated direct and overlapping debt	<u>\$ 276,450,972</u>	<u>\$ 29,646,112</u>	<u>\$ 246,804,860</u>		<u>\$ 75,406,036</u>

¹ Direct debt includes the full amount of all long-term debt instruments of the governmental activities—including bonds, certificates of participation, loans, and capital leases.

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

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

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

COUNTY OF SULLIVAN, NEW YORK
Schedule XIII—Legal Debt Margin Information
As of December 31, 2020
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2020	
Estimated Actual Value of Real Property (After Exemptions):	
2016	\$ 7,661,276,567
2017	7,769,422,629
2018	7,807,141,187
2019	7,846,771,200
2020	<u>8,199,831,017</u>
Total five-year valuation	<u>39,284,442,600</u>
Average full valuation	<u>7,856,888,520</u>
Debt limit - 7% of average full valuation ¹	<u>\$ 549,982,196</u>
Debt applicable to limit:	
Governmental activities - general obligation bonds	\$ 134,280,000
Governmental activities - bond anticipation notes	12,212,500
Governmental activities - capital leases	<u>1,119,819</u>
Total amount of net indebtedness applicable to debt limit	<u>147,612,319</u>
Legal debt margin ³	<u>\$ 402,369,877</u>
Percentage of debt contracting power exhausted	26.84%

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 629,359,407	\$ 635,250,346	\$ 592,419,257	\$ 592,419,257	\$ 563,964,754	\$ 552,590,799	\$ 543,435,220	\$ 539,046,100	\$ 541,188,633	\$ 549,982,196
Total net debt applicable to limit	<u>70,574,449</u>	<u>64,331,298</u>	<u>57,496,420</u>	<u>60,127,269</u>	<u>66,551,519</u>	<u>151,900,500</u>	<u>141,889,320</u>	<u>151,097,916</u>	<u>152,430,115</u>	<u>147,612,319</u>
Legal debt margin	<u>\$ 558,784,958</u>	<u>\$ 570,919,048</u>	<u>\$ 534,922,837</u>	<u>\$ 532,291,988</u>	<u>\$ 497,413,235</u>	<u>\$ 400,690,299</u>	<u>\$ 401,545,900</u>	<u>\$ 387,948,184</u>	<u>\$ 388,758,518</u>	<u>\$ 402,369,877</u>
Total net debt applicable to the limit as a percentage of debt l	11.21%	10.13%	9.71%	10.15%	11.80%	27.49%	26.11%	28.03%	28.17%	26.84%

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

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

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

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

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

Calendar Year	Population	Per Capita Personal Income ¹	Personal Income ²	Unemployment Rate ³
2011	76,900	\$ 39,038	\$ 3,002,022	9.2%
2012	76,818	40,863	3,139,014	9.6%
2013	76,665	41,197	3,158,368	8.8%
2014	76,665	41,197	3,158,368	6.8%
2015	75,943	39,368	2,989,724	5.2%
2016	74,877	42,053	3,148,802	4.8%
2017	75,485	42,528	3,210,226	5.2%
2018	75,818	44,707	3,389,595	3.9%
2019	75,498	46,303	3,495,810	3.7%
2020	75,432	48,753	3,677,559	6.2%

¹ Data represents per capita income for Sullivan County.

² Estimated, in thousands.

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

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

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

Employer	Type	2020			2011		
		Approx. No. of Employees	Rank	Percentage of Labor Force ¹	Approx. No. of Employees	Rank	Percentage of Total County Employment
SDTC the Center for Discovery	Retail	1,700	1	5.11%	-	n/a	0.00%
Resorts World Catskills	Hotel/Gaming	1,307	2	3.92%	542	6	1.60%
NYSARC Inc.	Non-profit	1,007	3	3.02%	1,450	1	4.28%
Sullivan County Government	Local Government	959	4	2.88%	1,137	2	3.35%
Monticello Central School District	Public Schools	746	5	2.24%	861	3	2.54%
Catskill Regional Medical Center	Medical Center	710	6	2.13%	658	4	1.94%
New Hope Community Inc.	Non-profit	578	7	1.74%	553	5	1.63%
Kartrite Water Park	Hotel/Entertainment	450	8	1.35%	-	n/a	0.00%
Liberty Central School District	Public Schools	437	9	1.31%	-	n/a	0.00%
Sullivan Correctional Facility	Correctional Facility	429	10	1.29%	433	8	1.28%
Kohl's	Retail	-	-	0.84%	328	10	0.97%
Villa Roma Resort	Hotel/Gaming	-	-	0.70%	435	7	1.28%
Woodbourne Correctional Facility	Correctional Facility	-	-	1.24%	420	8	1.28%

¹ Estimated.

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

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

Function/Program:	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government support	175	177	175	182	182	181	187	192	192	190
Public safety	212	212	216	215	215	218	228	235	235	230
Health/Adult Care Center	291	304	279	284	289	283	278	271	271	233
Transportation	96	94	94	922	92	84	94	95	95	80
Economic assistance and opportunity	169	168	175	171	184	196	195	192	192	174
Culture and recreation	32	31	34	34	33	33	34	34	34	29
Home and community services	23	24	22	24	23	26	28	29	29	23
Total	<u>998</u>	<u>1,010</u>	<u>995</u>	<u>1,832</u>	<u>1,018</u>	<u>1,021</u>	<u>1,044</u>	<u>1,048</u>	<u>1,048</u>	<u>959</u>

Source: Annual Sullivan County Budgets.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Sheriff:										
Arrests	1,473	1,130	1,163	1,139	1,146	1,290	1,171	1,317	1,218	770
Traffic summons	2,405	1,716	1,224	1,187	1,213	2,249	2,003	1,878	1,774	1,340
DWI summons	83	49	54	70	73	44	65	63	38	34
Jail:										
Inmates	1,616	1,472	1,475	1,387	1,251	1,249	1,152	1,245	1,061	310
Public Works:										
Road paving (miles)	14.90	12.80	14.70	25.50	30.70	31.90	25.40	35.20	32.20	28.90
Road chip seal (miles)	29.00	22.30	-	-	-	45.00	24.80	35.60	26.20	24.70
Bridge replacement	2	1	1	1	4	4	3	4	6	2
Bridge rehabilitation	1	3	8	5	2	-	-	-	-	-
Parks and Recreation:										
Park and pavilion permits	74	58	36	73	81	32	56	50	37	-
Lake Superior attendance	14,634	13,714	12,266	11,225	12,653	14,183	10,037	10,955	12,088	-
Fort Delaware attendance	3,449	3,062	2,843	2,848	2,870	2,708	3,529	2,507	2,348	-
Refuse Collection:										
Refuse collected (tons per day)	153.00	156.00	150.00	149.00	147.00	173.00	206.00	231.00	244.00	199.00
Recyclables collected (tons per day)	13.78	14.50	15.00	16.00	17.00	17.50	20.30	18.95	14.62	16.62

Source: Various County Departments.

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

Function/Program:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sheriff:										
Jail	1	1	1	1	1	1	1	1	1	1
Vans	2	2	3	2	2	5	5	6	7	5
Cars	21	21	27	26	29	32	32	30	36	36
SUVs	8	6	6	11	11	12	12	14	17	14
Pickups	1	2	2	2	2	2	2	3	3	3
Electric cars	3	3	3	3	3	3	3	3	3	3
ATVs	3	3	3	5	5	5	5	5	5	5
Boats	2	2	2	2	2	2	2	2	2	3
Tactical vehicle	1	1	1	1	1	1	1	1	1	1
Humvee	-	1	1	1	1	1	1	1	1	1
Jet ski	-	-	-	-	1	1	1	1	1	1
Transportation:										
Roads (miles)	385.40	385.40	385.20	385.20	385.20	385.20	385.20	385.20	385.2	385.2
Traffic signals	9	10	10	10	10	10	10	10	11	11
Flashing beacons	25	25	25	25	26	26	26	26	26	26
Bridges	398	401	401	401	400	400	398	398	396	396
Culture and Recreation:										
Parks acreage	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572
Playgrounds	2	2	2	2	2	2	2	2	2	2
Home and Community Services:										
Landfill acres	45.8	45.8	45.8	45.8	45.8	45.8	45.8	45.8	45.8	45.8
Transfer stations	6	6	6	6	6	6	6	6	6	6
Haul trucks	6	6	6	6	6	6	6	6	9	9

Source: Various County Departments.