

COUNTY OF ULSTER, NEW YORK

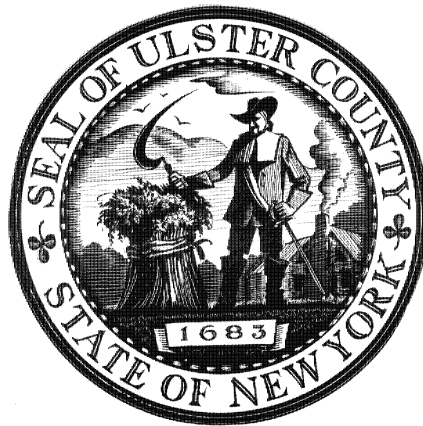
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2011

COUNTY OF ULSTER, NEW YORK

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Year Ended
December 31, 2011**



PREPARED BY:

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

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Comprehensive Annual Financial Report

For the Year Ended December 31, 2011

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Introductory Section (Unaudited)

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DEPARTMENT OF FINANCE

Burton Gulnick Jr. - Commissioner

Wanda Prowisor – Deputy Commissioner

C.J. Rioux, CPA – Deputy Commissioner



September 28, 2012

To the Honorable County Executive, Members of the Legislative Board and Citizens of the County of Ulster:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the County of Ulster (County) for the fiscal year ended December 31, 2011. The CAFR is presented in accordance with generally accepted accounting principles (GAAP).

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's net 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. We believe the data, as presented, is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and the overall entity, and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activities have been included.

The County's basic financial statements have been audited by independent auditors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

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

- The *Introductory Section*, which includes this letter of transmittal, is intended to familiarize the reader with the organizational structure of the County, the nature and scope of the services it provides, and the specifics of its legal operating environment.

- The *Financial Section* includes the audited basic financial statements, required supplementary information, supporting statements and schedules necessary to fairly present the financial position and the results of operations of the County in conformity with GAAP, and the independent auditors' report on the basic financial statements.
- The *Statistical Section* contains comprehensive statistical data on the County's financial, physical, economic, social and political characteristics.

Profile of the County

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

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

The County provides a full range of services including law enforcement; educational assistance; construction and maintenance of highways; public health; public transportation; environmental protection; recreational facilities and programs; economic assistance; economic opportunity and development; and community development. The County also is financially accountable for several separate entities or component units. They include the Ulster Tobacco Asset Securitization Corporation, a blended component unit, which is included in the financial statements as a governmental activity, the Ulster County Community College, the Ulster County Resource Recovery Agency, the Ulster County Industrial Development Agency (UCIDA), and the Ulster County Capital Resource Corporation (UCCRC), all of which are reported as discretely presented component units. Additional information on all five of these legally separate entities can be found in Note 1A in the notes to the financial statements.

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body. Budgets are adopted on a basis consistent with generally accepted accounting principles. Included in the annual budget are the activities of the general, special revenue and debt service funds. Project-length financial plans are adopted for the capital projects fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is exercised at the department and object level within individual funds except for capital projects and agency funds. The County also maintains an encumbrance accounting system under which the dollar values of purchase orders are recorded as reservations against budget appropriations. Encumbrance amounts are not considered expenditures; however, they are reappropriated as part of the following year's budget.

Factors Affecting Financial Condition

Local Economy

At the end of 2011, the County's labor force was 88,200. The 2011 unemployment rate at 8.2% is the same as the 2011 State average. According to the New York State Department of Labor (NYSDOL), the average number of people employed in private sector jobs from 2010 to 2011 has decreased 204.

The most recent data shows that the County per capital personal income grew 3.78% from 2009 to 2010. The current median family income as estimated by the United States Department of Housing and Urban Development (HUD) for 2011 is \$72,900, up from \$70,100 for 2010.

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

Residential housing prices have shown a rebound from the 2010 median sale price of \$214,000 to \$200,000 in 2011. Rental vacancy rates are 3.52% as shown in the most recent Rental Housing Survey by the Ulster County Planning Board for 2010. No rental survey was completed in 2011. In response to the current market, demand for major projects has moderated to over 3,766 new units pending approval. In addition, the County Health Department indicates that they have issued 227 new permits for single family housing septic systems for units not on central sewers, a 15% decrease from 2010.

For the Year

To stimulate economic recovery, the County instituted a deficit reduction program featuring expenditure controls and revenue enhancements. Some of these controls and enhancements are as follows:

- 1) Personnel Attrition - During 2011, the County has managed a work force reduction program, resulting in budgetary savings of \$2,805,242.
- 2) Tax Overlay - The County has provided \$750,000 of accumulated fund balance in the 2012 tax levy for debt reduction and cash flow purposes.
- 3) Real Property Tax Levy - In 2011, the County Executive delivered a County Operating Budget for 2012 with a 2.49% tax increase to protect the taxpayer from the skyrocketing cost of government.

For the Future

On May 17, 2011, the County Legislature resolved to continue the additional 1% County sales tax rate commencing December 31, 2011 and continuing until at least November 30, 2013.

The County began the implementation of an automated biometric time and attendance system in the early spring of 2010. This is a state of the art system that will improve the accuracy and efficiency of collecting employee time and attendance. It continues to be phased into County departments.

Debt Administration

Of the County's \$157.8 million of outstanding obligations, \$82.8 million of serial bonds and \$24.7 million of bond anticipation notes were issued for general purposes, \$44.9 million was issued for the Ulster Tobacco Asset Securitization Corporation (UTASC), a blended component unit of the County, \$1 million was issued for the Golden Hill Health Care Center (GHHCC), and \$4.4 million was issued on behalf of the Ulster County Community College (UCCC). Currently the County has a Standard and Poor's bond rating of AA- on general obligation bond issues and a Fitch rating of AA-. Under current statutes, the County's general obligation bonded debt issuance's are subject to a legal limitation based on 7% of the average full valuation of taxable real property. As of December 31, 2011, the County's general obligation

bonded debt of \$112.8 million (including the \$4.4 million of serial bonds issued on behalf of and reported by UCCC) was well below the legal limit of approximately \$1.432 billion.

Cash Management

The County has a formal investment policy that is in conformance with all applicable federal, state and other legal requirements. The general objectives, as set forth in the policy, are focused to provide for financial security and optimum liquidity of County funds while achieving a reasonable rate of return consistent with prevailing market conditions. State law requires that County funds must be deposited in banks or trust companies located and authorized to do business within New York State. The County is authorized to use demand accounts, savings accounts, and certificates of deposit. Permissible investments include guaranteed obligations of the U.S. Treasury and Federal Agencies, obligations of New York State or its municipalities.

The County's policy provides that all investments are insured by federal depository insurance or collateralized. All collateral on deposits was held in the County's name by a third party financial institution.

The County is also authorized to contract for the purchases of investments through repurchase agreements. All repurchase agreements entered into are subject to a Master Repurchase Agreement.

Interest income helps to reduce the tax burden to the taxpayers. The County's effective interest rate on investments for 2011 was 0.25%, which led to interest earnings of \$310 thousand.

Risk Management

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

The County maintains a workers' compensation claims-servicing pool to administer the payment of worker compensation claims of pool participants. The pool is open to participation by any eligible municipality or any public entity. Under local law participants are responsible for their proportionate share of total pool liabilities.

Retirement and Other Postemployment Benefits

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

In addition to providing pension benefits, the County provides various health insurance benefits for County retirees. The County pays at least 50 percent of the retirees' health insurance premium in accordance with their respective collective bargaining agreement and/or resolution adopted by the Ulster County Legislature. The County also provides a credit for Medicare eligible retirees to subsidize Medicare Part B and Medicare Part D requirements. The total employer costs are appropriated annually and funded by current local government resources. The County provided these benefits to approximately 758 retired persons in 2011.

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

Acknowledgements

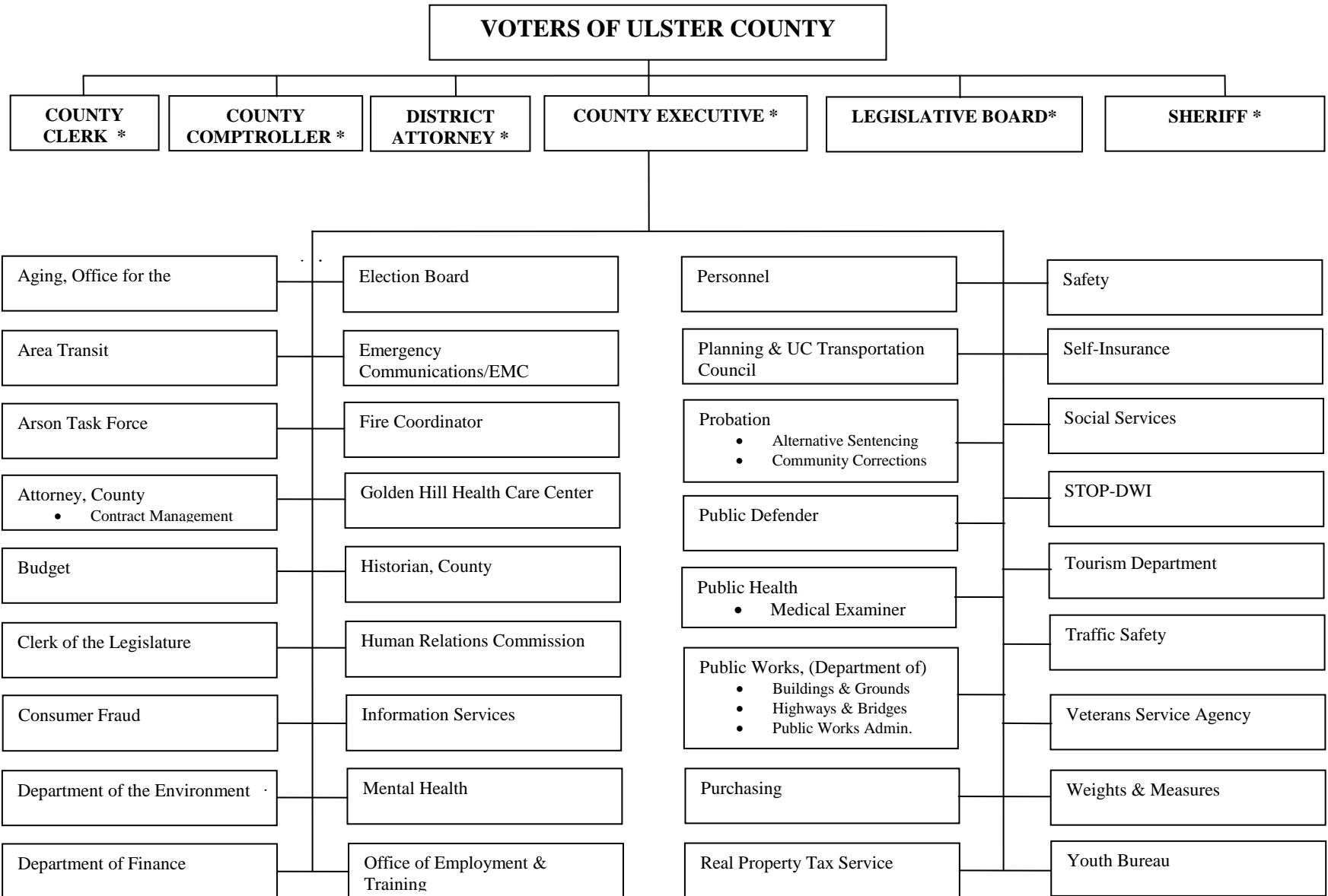
Preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. I would like to express my appreciation to all members of the department and to our independent auditor, Toski & Co.,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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "B. Gulnick, Jr.", written in a cursive style.

Burton Gulnick, Jr.
Commissioner of Finance



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

Frederick J. Wadnola - Chairman
Paul J. Hansut - Majority Leader
Jeanette M. Provenzano - Minority Leader

District No. 1 - Wawarsing, Rochester, & Marbletown
Terry L. Bernardo
Mary F. Sheeley
Joseph P. Stoeckler
Thomas J. Briggs

District No. 2 – Denning, Hardenburgh, Saugerties, Woodstock & Shandaken
Brian Shapiro
Donald J. Gregorius

District No. 3 – Hurley, Marbletown & Olive
Roy E. Hochberg
Richard A. Parete
Robert Parete

District No. 4 – Kingston, Saugerties & Ulster
Robert T. Aiello
Walter G. Frey, Jr.
Michael J. Sweeney
Dean Fabiano

District No. 5 – City of Kingston & Town of Ulster
Frederick J. Wadnola
James F. Maloney

District No. 6 – City of Kingston
Michael L. Madsen
Jeanette M. Provenzano

District No. 7 – Esopus & Rosendale
Laura Petit
Alan Lomita
Carl Belfiglio

District No. 8 – Gardiner, New Paltz & Shawangunk
Catherine Terrizzi
Jack Hayes
Kenneth J. Ronk Jr.

District No. 9 – Marlborough, Plattekill & Shawangunk
Frank Felicello, Jr.
Richard A. Gerentine
Wayne Harris
Kevin A. Roberts

District No. 10 – New Paltz
Hector S. Rodriguez
Susan E. Zimet

District No. 11 – Lloyd & New Paltz
Mary Beth Maio
Paul J. Hansut

District No. 12 – City of Kingston
David B. Donaldson
Peter M. Loughran

COUNTY OF ULSTER, NEW YORK

List of County Departments

Executive	Michael P. Hein
Aging, Office for the.....	Anne Cardinale
Arson Task Force.....	Wayne Freer
Attorney	Beatrice Havranek
Budget Office.....	Arthur J. Smith III
Clerk	Nina Postupack
Comptroller.....	Elliott Auerbach
Consumer Fraud Bureau	Janet Y. Caffo
County Court.....	Hon. Donald Williams
District Attorney	D. Holley Carnright
Election Board	Charles V. Work, Thomas F. Turco
Emergency Management.....	Arthur R. Snyder
Department of the Environment	Amanda LaValle
Family Court.....	Hon. Marianne O. Mizel, Hon. A. McGinty
Finance.....	Paul J. Hewitt
Fire Coordinator.....	Charles Mutz
Health Department.....	LaMar Hasbrouck, MD, MPH
Human Relations Commission.....	Arlene Foy Reynolds
Information Services.....	Sylvia Wohlfahrt
Insurance Department	Bonnie M. Szpulecki
Office of Employment and Training	Nancy Schaeff
Legislature (Clerk of the).....	Karen Binder
Mental Health	LaMar Hasbrouck, MD, MPH
Personnel	Brenda Bartholomew
Planning.....	Dennis Doyle
Probation.....	Melanie Mullins
Public Defender	Andrew Kossover
Public Works	David Sheeley
Purchasing.....	Robin Peruso
Real Property Tax Service Agency	Dorothy A. Martin
Residential Health Care Facility	Sheree Cross
Safety	Diane Beitel
Sheriff	Paul Van Blarcum
Social Services.....	Roberto Rodriguez
Soil and Water Conservation District	Leonard Tantillo
Stop DWI.....	John Miller
Supreme Court.....	Hon. Karen Peters, Hon. M. Kavanagh
Surrogate's Court.....	Hon. Mary M. Work
Tourism.....	Richard Remsnyder
Traffic Safety Board	P. Charles Schaller
Ulster County Community College	Donald C. Kaat
Ulster County Development Corporation	Lance Matteson
Ulster County Resource Recovery Agency	Timothy P. Rose
Ulster County Area Transportation.....	Robert DiBella
Veterans' Service Agency	Steven Masseur
Weights and Measures	James DeGasperis
Youth Bureau.....	Arlene Foy Reynolds

Financial Section

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INDEPENDENT AUDITORS' REPORT

The Chairman and Members of
the County Legislature
County of Ulster, New York:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Ulster, New York (the County), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ulster County Industrial Development Agency and the Ulster County Capital Resource Corporation, which represents .8% and .5%, respectively, of the assets and the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Ulster County Industrial Development Agency and the Ulster County Capital Resource Corporation is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 3 to the financial statements, the County adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in 2011.

In accordance with Government Auditing Standards, we have also issued our report dated September 28, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 13 and 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining financial statements, budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Toski & Co., CPAs, P.C.

Williamsville, New York
September 28, 2012

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County of Ulster, New York

Management's Discussion and Analysis

This section of the County of Ulster's (County) comprehensive annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

Financial Highlights

- The assets of the County exceeded liabilities at the close of the fiscal year by \$16,741,319 (*net assets*). An (*unrestricted net deficit*) of \$16,196,344 may not be used to meet ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$24,789,057. The County recognized \$17,317,657 of its long-term liability of other postemployment benefits in compliance with Governmental Accounting Standards Board Statement No. 45 (GASB 45), Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB). This expense represents the fifth year for the recognition of this liability.
- At year end, the County governmental funds reported combined fund balances of \$41,222,478, a decrease of \$2,776,928 in comparison with the fund balances in the prior year of \$43,999,406.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$17,483,296, or 6.6% of total general fund expenditures. An appropriation from the fund balance of \$10,850,000 was budgeted to be used in the next fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) **government-wide** financial statements; 2) **fund** financial statements and 3) **Notes** to the basic financial statements. Required and other Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, education, public safety, public health, transportation, economic assistance and opportunity, culture and recreation, and home and community services. The business-type activities of the County include the Golden Hill Health Care Center and the Workers' Compensation Pool.

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

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

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

County of Ulster, New York

Management's Discussion and Analysis (*Continued*)

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

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

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

The County maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, capital projects fund and the Ulster Tobacco Asset Securitization Corporation. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

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

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

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

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

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

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

The statement of fiduciary assets and liabilities can be found on page 22 of this report.

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

The notes can be found on pages 25-51 of this report.

County of Ulster, New York

Management's Discussion and Analysis (Continued)

Required and other supplementary information is presented in addition to the basic financial statements and accompanying notes. This presentation provides information concerning the combining and individual fund statements and schedules to provide information for the debt service fund and nonmajor governmental funds.

Required supplementary information can be found on pages 52-54 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$16,741,319 at fiscal year-end.

County of Ulster's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$127,217,439	\$104,162,161	\$62,420,100	\$59,848,536	\$189,637,539	\$164,010,697
Capital assets	173,339,895	176,001,696	4,002,614	4,614,921	177,342,509	180,616,617
Total assets	<u>300,557,334</u>	<u>280,163,857</u>	<u>66,422,714</u>	<u>64,463,457</u>	<u>366,980,048</u>	<u>344,627,314</u>
Current and other liabilities	86,392,263	56,030,015	37,366,049	32,266,444	123,758,312	88,296,459
Long-term liabilities	195,552,642	186,740,129	30,927,775	28,060,350	226,480,417	214,800,479
Total liabilities	<u>281,944,905</u>	<u>242,770,144</u>	<u>68,293,824</u>	<u>60,326,794</u>	<u>350,238,729</u>	<u>303,096,938</u>
Net assets:						
Invested in capital assets, net of related debt	20,864,249	37,390,565	3,024,756	3,580,827	23,889,005	40,971,392
Restricted net assets	9,009,628	9,603,188	39,030	-	9,048,658	9,603,188
Unrestricted net assets (deficit)	(11,261,448)	(9,600,040)	(4,934,896)	555,836	(16,196,344)	(9,044,204)
Total net assets	<u>\$ 18,612,429</u>	<u>\$ 37,393,713</u>	<u>(\$ 1,871,110)</u>	<u>\$ 4,136,663</u>	<u>\$ 16,741,319</u>	<u>\$ 41,530,376</u>

A large portion of the County's net assets in the amount of \$23,889,005 represents its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets in the amount of \$9,048,658 represent resources that are subject to external restrictions on how they may be used. The unrestricted net deficit of \$16,196,344 may not be used to meet the County's ongoing obligations to citizens and creditors.

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

County of Ulster, New York

Management's Discussion and Analysis (Continued)

The County's net assets decreased by \$24,789,057 during the current fiscal year. This decrease is primarily due to the escalating costs of retirement benefits, health insurance costs, operating costs at the GHHCC and the decrease in state aid and medicaid funding.

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

County of Ulster's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$25,962,150	\$25,394,586	\$35,880,294	\$27,886,164	\$61,842,444	\$53,280,750
Operating grants and contributions	77,940,934	79,767,515	738,367	794,848	78,679,301	80,562,363
Capital grants and contributions	2,288,331	4,004,267	-	-	2,288,331	4,004,267
General revenues:						
Property taxes	81,738,478	81,904,942	-	-	81,738,478	81,904,942
Other taxes	100,922,906	96,799,073	-	-	100,922,906	96,799,073
Other	4,357,680	4,407,128	394,267	2,194,167	4,751,947	6,601,295
Total revenues	293,210,479	292,277,511	37,012,928	30,875,179	330,223,407	323,152,690
Expenses:						
General government	64,421,405	60,836,813	-	-	64,421,405	60,836,813
Education	10,449,170	10,734,010	-	-	10,449,170	10,734,010
Public safety	46,596,897	43,177,212	-	-	46,596,897	43,177,212
Public health	28,088,636	29,495,696	-	-	28,088,636	29,495,696
Transportation	26,973,401	22,616,510	-	-	26,973,401	22,616,510
Economic assistance and opportunity	120,653,740	117,923,542	-	-	120,653,740	117,923,542
Culture and recreation	1,040,315	1,122,212	-	-	1,040,315	1,122,212
Home and community services	4,190,840	5,689,953	-	-	4,190,840	5,689,953
Interest on long-term debt	6,884,754	7,180,086	-	-	6,884,754	7,180,086
Golden Hill Health Care Center	-	-	32,906,238	31,782,832	32,906,238	31,782,832
Workers' Compensation Pool	-	-	14,795,165	6,040,004	14,795,165	6,040,004
Total expenses	309,299,158	298,776,034	47,701,403	37,822,836	357,000,561	336,598,870
(Deficiency) before transfers	(16,088,679)	(6,498,523)	(10,688,475)	(6,947,657)	(26,777,154)	(13,446,180)
Transfers	-	-	-	-	-	-
Loss on disposals	(1,654,937)	(1,641,219)	(1,537)	(363)	(1,656,474)	(1,641,582)
County contribution	(1,037,668)	(1,200,000)	4,682,239	4,299,593	3,644,571	3,099,593
Changes in net assets	(18,781,284)	(9,339,742)	(6,007,773)	(2,648,427)	(24,789,057)	(11,988,169)
Net assets - January 1	37,393,713	46,733,455	4,136,663	6,785,090	41,530,376	53,518,545
Net assets - December 31	\$18,612,429	\$37,393,713	(\$ 1,871,110)	\$ 4,136,663	\$16,741,319	\$41,530,376

County of Ulster, New York

Management's Discussion and Analysis (*Continued*)

Key elements of the Primary Government's decrease in net assets of \$24,789,057 are as follows:

Governmental Activities: Governmental activities decreased the County's net assets by \$18,781,284. This decrease was primarily attributed to a significant increase in overall expenses of approximately \$10.5 million in 2011. Decreases in grants and contributions of approximately \$3.5 million also contributed to the decrease in net assets.

Business-type Activities: Business-type activities decreased the County's net assets by \$6,007,773. The decrease was primarily due to the increase in overall expenses of the Workers' Compensation Pool of approximately \$8.7 million.

Financial Analysis of the County's Funds

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

Governmental funds. The general government functions are contained in the General, Special Revenue, Debt Service and Capital Project Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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 \$17,483,296, while total fund balance was \$45,454,085. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.6 percent of total fund expenditures, while total fund balance represents 17.2 percent of that same amount.

County of Ulster, New York

Management's Discussion and Analysis (Continued)

Revenues for governmental functions totaled approximately \$303,057,260 in the current fiscal year, which represents an increase of .4 percent from the previous fiscal year.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Revenues Classified by Source Governmental Funds

Revenues by Source	FY 2011 Amount	FY 2011 % of Total	FY 2010 Amount	FY 2010 % of Total	Increase (Decrease) Amount	Increase (Decrease) % Change
Taxes	\$181,736,481	60.0%	\$179,008,711	59.4%	\$2,727,770	1.5%
State and federal aid	80,229,265	26.5%	83,648,628	27.7%	(3,419,363)	(4.1)%
Departmental income	17,685,371	5.8%	17,527,001	5.8%	158,370	0.9%
Intergovernmental	4,903,658	1.6%	4,617,934	1.5%	285,724	6.2%
Use of money and property	1,429,721	0.5%	1,487,138	0.5%	(57,417)	(3.9)%
Tobacco settlement proceeds	2,298,424	0.8%	2,424,288	0.8%	(125,864)	(5.2)%
Miscellaneous local sources	253,340	0.1%	350,357	0.1%	(97,017)	(27.7)%
Interfund revenues	12,569,586	4.1%	10,808,054	3.6%	1,761,532	16.3%
Other	1,951,414	0.6%	1,891,607	0.6%	59,807	3.2%
Total	\$303,057,260	100%	\$301,763,718	100%	\$ 1,293,542	0.4%

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

- Taxes - the increase was due primarily to an increase in sales tax revenues of approximately \$4.1 million and a decrease in property tax revenues of approximately \$1.7 million.
- State and federal aid - the decrease is mainly due to decreased federal aid in 2011 for special health programs of approximately \$2.1 million, and state aid received in 2010 for storm water remediation not received in 2011 of approximately \$1.9 million.
- Interfund revenues – increases in employee benefits resulted in increases to Interfund revenues of \$1.7 million as chargebacks.

County of Ulster, New York

Management's Discussion and Analysis (Continued)

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

Expenditures by Function	Expenditures by Function					
	Governmental Funds					
	FY 2011 Amount	FY 2011 % of Total	FY 2010 Amount	FY 2010 % of Total	Increase (Decrease) Amount	Increase (Decrease) % Change
General government support	\$ 50,173,121	16.3%	\$ 50,274,131	16.5%	\$ (101,010)	(0.2)%
Education	9,312,835	3.0%	9,811,874	3.2%	(499,039)	(5.1)%
Public safety	27,496,698	8.9%	27,061,892	8.9%	434,806	1.6%
Public health	19,923,701	6.5%	21,796,446	7.1%	(1,872,745)	(8.6)%
Transportation	32,099,024	10.4%	27,987,144	9.2%	4,111,880	14.7%
Economic assistance and opportunity	109,659,229	35.6%	108,154,316	35.3%	1,504,913	1.4%
Culture and recreation	752,001	0.3%	850,271	0.3%	(98,270)	(11.6)%
Home and community services	3,630,917	1.2%	5,219,808	1.7%	(1,588,891)	(30.4)%
Employee benefits	40,102,026	13.0%	39,806,712	13.0%	295,314	0.7%
Debt (principal and interest)	14,768,593	4.8%	14,525,877	4.8%	242,716	1.7%
Total	\$307,918,145	100%	\$305,488,471	100%	\$2,429,674	0.8%

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

- Public health – the decrease is due primarily to the decreased cost of providing mental health services of approximately \$1.0 million.
- Transportation – the increase is due primarily to an increase in road and bridge reconstruction due to the effects of Tropical Storm Irene of approximately \$5.4 million.
- Economic assistance and opportunity – the increase is due primarily to increased medical assistance payments of approximately \$4 million, decreased social services administrative costs of \$1.4 million, and decreased child care expenses of approximately \$1 million.
- Home and community services - the decrease is due primarily to storm water remediation work in 2010 in the amount of \$1.9 million.

County of Ulster, New York

Management's Discussion and Analysis (Continued)

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

Summary of Revenues, Expenditures and Changes in Fund Balances

	Governmental Funds					Total
	General Fund	Debt Service Fund	Capital Projects Fund	UTASC	Special Revenue Funds	
Revenues	\$278,954,716	\$ 110,281	\$ 2,185,280	\$2,450,114	\$19,356,869	\$303,057,260
Expenditures	264,455,461	10,108,294	11,590,919	2,380,036	19,383,435	307,918,145
Other financing sources (uses), net	(10,950,064)	9,948,609	3,085,412	-	-	2,083,957
Excess of revenues (deficiencies) and other sources over expenditures and other financing uses	3,549,191	(49,404)	(6,320,227)	70,078	(26,566)	(2,776,928)
Fund balances - January 1	41,904,894	1,346,293	(5,331,166)	2,750,789	3,328,596	43,999,406
Fund balances - December 31	<u>\$ 45,454,085</u>	<u>\$ 1,296,889</u>	<u>\$(11,651,393)</u>	<u>\$2,820,867</u>	<u>\$ 3,302,030</u>	<u>\$ 41,222,478</u>

The fund balance of the County's general fund increased by \$3,549,191 during the fiscal year.

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

The Golden Hill Health Care Center at the end of the year had unrestricted net assets of \$(4,934,896). The decrease in net assets for the Golden Hill Health Care Center amounted to \$6,007,773. Other factors concerning the finances of the County's proprietary funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in a \$9 million increase in appropriations and can be briefly summarized as follows:

- \$1.6 million to fund increases for computer equipment purchases.
- \$1.5 million to fund increases to public safety programs.
- \$2.1 million to fund increases in public health programs.
- \$2.9 million in increases to social service programs such as nutrition education, shelter plus care, rental assistance, detention prevention, home based prevention care, handicapped children, pre-school program, safety net, day care and other programs.

These increases were to be primarily funded out of additional state and federal grants of \$3.3 million with the remaining \$5.7 million being funded from available fund balance.

County of Ulster, New York

Management's Discussion and Analysis (*Continued*)

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

- Real property tax revenues were less than budgeted due to the increase in amount of taxes deferred of approximately \$2.9 million.
- Sales tax revenues came in ahead of projections by approximately \$3.2 million.
- State aid revenues were less than budgeted due to decreases in aid to early intervention programs of nearly \$1.1 million, narcotic addiction control programs of nearly \$1 million, social services administration of approximately \$1.8 million, and decreases in aid for child care of approximately \$3.2 million.
- Departmental income was less than estimated due to decreases in medicaid, medicare and third party insurance reimbursements of nearly \$1.8 million and decreases in other general government fees for public safety and clerk fees of nearly \$1.0 million.
- General government expense savings resulted from computer equipment savings of approximately \$2.8 million, and contractual savings of nearly \$1.1 million.
- Public safety expense savings resulted from contractual savings on emergency communications of approximately \$1.3 million.
- Public health expense savings resulted from contractual savings on mental health programs of approximately \$2.4 million.
- Transportation expense savings resulted from savings on bus operations of nearly \$1.2 million.
- Economic assistance expense savings resulted from contractual savings on social services administration of nearly \$2.6 million, medical assistance of approximately \$2.6 million, and child care of nearly \$1.9 million.
- Employee benefits expense savings resulted from increased chargebacks for state retirement of approximately \$1.2 million and increased chargebacks for hospital and medical insurance of nearly \$3.7 million.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of fiscal year end, amounts to \$177,342,509 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction in progress. The total decrease in the County's investment in capital assets for the current fiscal year was 1.8 percent. For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

County of Ulster, New York

Management's Discussion and Analysis (Continued)

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

	<u>Government activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
Land and land Improvements	\$4,758,841	\$4,904,524	\$ -	\$ -	\$4,758,841	\$4,904,524
Buildings and Improvements	103,778,010	107,951,639	1,774,245	2,202,755	105,552,255	110,154,394
Machinery and Equipment	9,625,060	11,692,012	2,228,369	2,412,166	11,853,429	14,104,178
Infrastructure	41,141,974	44,196,732	-	-	41,141,974	44,196,732
Construction in Progress	14,036,010	7,256,789	-	-	14,036,010	7,256,789
Total	\$173,339,895	\$176,001,696	\$4,002,614	\$4,614,921	\$177,342,509	\$180,616,617

Additional information on the County's capital assets can be found in note 2D on pages 36-38 of this report.

Long-term debt. At the end of the current fiscal year, the County had total serial bonded debt outstanding of \$127,685,886. Of this amount, \$82,789,397 comprises debt backed by full faith and credit of the government and \$44,896,489 is backed by the tobacco settlement revenues per the Master Settlement Agreement.

	<u>Governmental Activities</u>		<u>Increase</u>
	2011	2010	(Decrease)
General obligation bonds	\$82,789,397	\$86,789,442	\$(4,000,045)
Tobacco asset backed bonds	44,896,489	44,361,839	534,650
Total outstanding debt	\$127,685,886	\$131,151,281	\$(3,465,395)

The County maintains a "AA-" rating from Standard & Poor's, a rating of "AA-" from Fitch and an "Aa3" rating from Moody's for general obligation debt. State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year average full valuation of taxable real property. The County has utilized 7.88% of its statutory debt limit at fiscal year end.

Economic Factors and Next Year's Budget and Rates

- Although the State mandated cost of the Medical Assistance Program has instituted a cap of 3% in 2008 this still results in an annual cost of approximately \$39.4 million in 2012.
- Pension rates are estimated to increase and have a major impact on the budget. In 2012, this represents a cost of \$16.8 million.
- The Public Nursing Home Medicaid Upper Payment Limit (UPL) will provide a total of \$4.6 million to the Golden Hill Health Care Center (GHHCC). \$1.7 million will be used to offset the local MMIS share cost in DSS, realizing a net revenue to the GHHCC of \$2.9 million.

All of these factors were considered in preparing the County's budget for fiscal year 2012.

During the current fiscal year, fund balance in the general fund increased to \$45,454,085. The County elected to appropriate \$10,850,000 of the fund balance in the general fund for spending in the 2012 fiscal year budget.

Request for Information

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

Basic Financial Statements

Government-wide
Financial Statements

County of Ulster, New York
Statement of Net Assets (Deficit)
December 31, 2011

	Primary Government			Aggregate Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 47,398,535	\$ 23,035,429	\$ 70,433,964	\$ 8,579,846
Investments	2,739,661	-	2,739,661	8,995,375
Receivables	80,432,740	7,445,136	87,877,876	5,742,158
Internal balances	24,181	(24,181)	-	-
Due from component unit/primary government	755,228	-	755,228	1,366,153
Inventories	67,612	142,850	210,462	-
Prepaid items	6,183,171	590,722	6,773,893	2,275,204
Deferred charges	1,205,162	-	1,205,162	6,712
Patient funds	-	140,138	140,138	-
Interfund claims receivable/payable	(11,588,851)	11,588,851	-	-
Assessment receivables	-	19,501,155	19,501,155	-
Capital assets (net of accumulated depreciation)	173,339,895	4,002,614	177,342,509	25,453,922
Total assets	300,557,334	66,422,714	366,980,048	52,419,370
LIABILITIES				
Accounts payable and other current liabilities	15,080,797	3,162,609	18,243,406	5,363,765
Accrued interest payable	678,016	-	678,016	-
Due to other governments	34,008,764	-	34,008,764	652,505
Due to fiduciary fund	653	-	653	-
Due to component unit/primary government	1,366,153	-	1,366,153	-
Other liabilities	-	-	-	130,847
Deferred revenue	582,995	2,391,820	2,974,815	6,555,850
Patient funds	-	140,138	140,138	-
Due to third-party payors	-	439,452	439,452	-
Noncurrent liabilities:				
Due within one year	34,674,885	31,232,030	65,906,915	5,784,868
Due in more than one year	195,552,642	30,927,775	226,480,417	46,637,233
Total liabilities	281,944,905	68,293,824	350,238,729	65,125,068
NET ASSETS				
Invested in capital assets, net of related debt	20,864,249	3,024,756	23,889,005	5,109,828
Restricted for:				
Loans and scholarships	-	-	-	5,153,704
Debt service	4,117,756	-	4,117,756	3,544,043
Capital Projects	820,185	-	820,185	-
Landfill closure	-	-	-	96,124
Other purposes	4,071,687	39,030	4,110,717	1,366,153
Unrestricted (deficit)	(11,261,448)	(4,934,896)	(16,196,344)	(27,975,550)
Total net assets (deficit)	\$ 18,612,429	\$ (1,871,110)	\$ 16,741,319	\$ (12,705,698)

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Activities
For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 64,421,405	\$ 6,222,816	\$ 2,181,802	\$ -	\$ (56,016,787)	\$ -	\$ (56,016,787)	\$ -
Education	10,449,170	83,195	48,299	-	(10,317,676)	-	(10,317,676)	-
Public safety	46,596,897	3,177,387	1,677,068	-	(41,742,442)	-	(41,742,442)	-
Public health	28,088,636	6,419,484	10,086,929	-	(11,582,223)	-	(11,582,223)	-
Transportation	26,973,401	1,389,205	6,068,577	2,288,331	(17,227,288)	-	(17,227,288)	-
Economic assistance	120,653,741	8,536,093	56,581,286	-	(55,536,362)	-	(55,536,362)	-
Culture and recreation	1,040,315	129,181	223,898	-	(687,236)	-	(687,236)	-
Home and community	4,190,840	4,789	1,073,075	-	(3,112,976)	-	(3,112,976)	-
Interest on long-term debt	6,884,754	-	-	-	(6,884,754)	-	(6,884,754)	-
Total governmental activities	<u>309,299,158</u>	<u>25,962,150</u>	<u>77,940,934</u>	<u>2,288,331</u>	<u>(203,107,743)</u>	<u>-</u>	<u>(203,107,743)</u>	<u>-</u>
Business-type activities:								
Long-Term Care	32,906,238	21,911,315	28,382	-	-	(10,966,541)	(10,966,541)	-
Workers' Compensation Pool	14,795,165	13,968,979	709,985	-	-	(116,201)	(116,201)	-
Total business-type activities	<u>47,701,403</u>	<u>35,880,294</u>	<u>738,367</u>	<u>-</u>	<u>-</u>	<u>(11,082,742)</u>	<u>(11,082,742)</u>	<u>-</u>
Total primary government	<u>\$ 357,000,561</u>	<u>\$ 61,842,444</u>	<u>\$ 78,679,301</u>	<u>\$ 2,288,331</u>	<u>(203,107,743)</u>	<u>(11,082,742)</u>	<u>(214,190,485)</u>	<u>-</u>
Component units:								
Community College	\$ 35,152,642	\$ 9,378,008	\$ 13,413,564	\$ 847,750	-	-	-	(11,513,320)
Resource Recovery Agency	15,518,551	14,788,508	30,024	-	-	-	-	(700,019)
Industrial Development Agency	222,765	143,185	75,000	-	-	-	-	(4,580)
Capital Resource Corporation	82,810	24,500	-	-	-	-	-	(58,310)
Total component units	<u>\$ 50,976,768</u>	<u>\$ 24,334,201</u>	<u>\$ 13,518,588</u>	<u>\$ 847,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,276,229)</u>
General revenues (expenses):								
					81,738,478	-	81,738,478	-
					100,922,906	-	100,922,906	-
					225,238	-	225,238	-
					1,046,017	-	1,046,017	-
					693,977	-	693,977	-
					261,354	48,793	310,147	1,681,285
					2,059,780	-	2,059,780	-
					71,314	-	71,314	-
					-	345,474	345,474	4,677,553
					(1,654,937)	(1,537)	(1,656,474)	(4,781)
					(1,037,668)	4,682,239	3,644,571	7,647,016
					<u>184,326,459</u>	<u>5,074,969</u>	<u>189,401,428</u>	<u>14,001,073</u>
					(18,781,284)	(6,007,773)	(24,789,057)	1,724,844
					37,393,713	4,136,663	41,530,376	(14,511,027)
					-	-	-	80,485
					<u>37,393,713</u>	<u>4,136,663</u>	<u>41,530,376</u>	<u>(14,430,542)</u>
					<u>\$ 18,612,429</u>	<u>\$ (1,871,110)</u>	<u>\$ 16,741,319</u>	<u>\$ (12,705,698)</u>

See accompanying notes to the financial statements.

Fund Financial
Statements

County of Ulster, New York
Balance Sheet
Governmental Funds
December 31, 2011

ASSETS	General	Debt Service	Capital Projects	UTASC	Other Governmental Funds	Total Governmental Funds
Cash, cash equivalents and investments	\$ 27,483,047	\$ 1,296,889	\$ 15,576,768	\$ 2,820,867	\$ 2,960,625	\$ 50,138,196
Receivables	75,694,360	-	134,273	-	2,242,751	78,071,384
Due from other funds	24,181	-	-	-	73	24,254
Due from component units - UCCC	755,228	-	-	-	-	755,228
Inventories	67,612	-	-	-	-	67,612
Prepaid items	6,183,171	-	-	-	-	6,183,171
Total assets	<u>\$ 110,207,599</u>	<u>\$ 1,296,889</u>	<u>\$ 15,711,041</u>	<u>\$ 2,820,867</u>	<u>\$ 5,203,449</u>	<u>\$ 135,239,845</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and other current liabilities	\$ 11,076,258	\$ -	\$ 2,677,120	\$ -	\$ 1,327,419	\$ 15,080,797
Due to other funds	73	-	-	-	-	73
Due to fiduciary fund	653	-	-	-	-	653
Due to other governments	33,434,764	-	-	-	574,000	34,008,764
Due to component unit - UCRRRA	1,366,153	-	-	-	-	1,366,153
Notes payable	-	-	24,685,314	-	-	24,685,314
Deferred property tax revenues	18,713,396	-	-	-	-	18,713,396
Other deferred revenues	162,217	-	-	-	-	162,217
Total liabilities	<u>64,753,514</u>	<u>-</u>	<u>27,362,434</u>	<u>-</u>	<u>1,901,419</u>	<u>94,017,367</u>
Fund balances:						
Nonspendable:						
Inventories	67,612	-	-	-	-	67,612
Prepays	6,183,171	-	-	-	-	6,183,171
Restricted for:						
Debt Service	-	646,889	-	2,694,693	-	3,341,582
Risk Retention	523,653	-	-	-	-	523,653
Other purposes	3,548,034	-	-	-	-	3,548,034
Assigned to:						
Encumbrances	5,994,265	-	820,185	-	95,667	6,910,117
Subsequent years' expenditures	10,850,000	650,000	-	126,174	-	11,626,174
Special revenue funds	-	-	-	-	3,206,363	3,206,363
Other purposes	804,054	-	-	-	-	804,054
Unassigned:	17,483,296	-	(12,471,578)	-	-	5,011,718
Total fund balances	<u>45,454,085</u>	<u>1,296,889</u>	<u>(11,651,393)</u>	<u>2,820,867</u>	<u>3,302,030</u>	<u>41,222,478</u>
Total liabilities and fund balances	<u>\$ 110,207,599</u>	<u>\$ 1,296,889</u>	<u>\$ 15,711,041</u>	<u>\$ 2,820,867</u>	<u>\$ 5,203,449</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	173,339,895
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,361,356
Deferred property tax revenue not available to pay for current-period expenditures and are therefore, deferred in the funds.	18,713,396
Debt issuance costs expensed as incurred in the funds.	1,205,162
Debt premiums earned as incurred in the funds.	(420,778)
Accrued interest on bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(678,016)
Long-term liabilities for claims and judgments are not due and payable in the current period and therefore are not reported in the funds.	(12,688,851)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(204,442,213)</u>
Net assets of governmental activities	<u>\$ 18,612,429</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>UTASC</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes:						
Property	\$ 63,230,002	\$ -	\$ -	\$ -	\$ 10,248,688	\$ 73,478,690
Other real property tax items	5,369,653	-	-	-	-	5,369,653
Sales	100,922,906	-	-	-	-	100,922,906
Tax on Hotel Room Occupancy	1,046,017	-	-	-	-	1,046,017
Off track betting	225,238	-	-	-	-	225,238
E-911 surcharge	693,977	-	-	-	-	693,977
State aid	37,267,651	-	179,692	-	2,517,297	39,964,640
Federal aid	35,884,134	-	1,846,049	-	2,534,442	40,264,625
Departmental income	17,685,371	-	-	-	-	17,685,371
Intergovernmental	4,508,879	-	159,539	-	235,240	4,903,658
Use of money and property	1,260,614	9,635	-	151,690	7,782	1,429,721
Licenses and permits	1,569	-	-	-	-	1,569
Fines and forfeitures	812,708	-	-	-	-	812,708
Sale of property and compensation for loss	646,063	-	-	-	491,074	1,137,137
Tobacco settlement proceeds	-	-	-	2,298,424	-	2,298,424
Miscellaneous local sources	238,434	-	-	-	14,906	253,340
Interfund revenues	9,161,500	100,646	-	-	3,307,440	12,569,586
Total revenues	<u>278,954,716</u>	<u>110,281</u>	<u>2,185,280</u>	<u>2,450,114</u>	<u>19,356,869</u>	<u>303,057,260</u>
EXPENDITURES						
Current:						
General government	49,108,657	-	1,029,164	35,300	-	50,173,121
Education	9,151,931	-	160,904	-	-	9,312,835
Public safety	27,420,300	-	76,398	-	-	27,496,698
Public health	19,923,701	-	-	-	-	19,923,701
Transportation	5,392,871	-	9,740,634	-	16,965,519	32,099,024
Economic assistance	107,795,895	-	315,331	-	1,548,003	109,659,229
Culture and recreation	752,001	-	-	-	-	752,001
Home and community	2,649,901	-	178,084	-	802,932	3,630,917
Employee benefits	40,102,026	-	-	-	-	40,102,026
Debt service:						
Principal	2,030,000	6,132,500	90,404	355,000	-	8,607,904
Interest	128,178	3,975,794	-	1,989,736	66,981	6,160,689
Total expenditures	<u>264,455,461</u>	<u>10,108,294</u>	<u>11,590,919</u>	<u>2,380,036</u>	<u>19,383,435</u>	<u>307,918,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,499,255</u>	<u>(9,998,013)</u>	<u>(9,405,639)</u>	<u>70,078</u>	<u>(26,566)</u>	<u>(4,860,885)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	9,948,609	20,527	-	-	9,969,136
Transfers out to debt service fund	(9,948,609)	-	-	-	-	(9,948,609)
Transfers out to capital projects	(20,527)	-	-	-	-	(20,527)
Transfers out to GHHCC	(1,037,668)	-	-	-	-	(1,037,668)
Proceeds of obligations	-	-	3,064,885	-	-	3,064,885
Premium on obligations	56,740	-	-	-	-	56,740
Total other financing sources (uses)	<u>(10,950,064)</u>	<u>9,948,609</u>	<u>3,085,412</u>	<u>70,078</u>	<u>(26,566)</u>	<u>2,083,957</u>
Net change in fund balances	3,549,191	(49,404)	(6,320,227)	70,078	(26,566)	(2,776,928)
Fund balances - January 1	41,904,894	1,346,293	(5,331,166)	2,750,789	3,328,596	43,999,406
Fund balances - December 31	<u>\$ 45,454,085</u>	<u>\$ 1,296,889</u>	<u>\$ (11,651,393)</u>	<u>\$ 2,820,867</u>	<u>\$ 3,302,030</u>	<u>\$ 41,222,478</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2011

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

Net change in fund balances - total governmental funds (page 17).	\$	(2,776,928)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		(2,661,801)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		2,890,135
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		3,271,498
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(19,504,188)</u>
Change in net assets of governmental activities (page 15).	\$	<u><u>(18,781,284)</u></u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Fund Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities - Enterprise Funds			
	Golden Hill Health Care Center	Workers' Compensation Pool	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,307,011	\$ 19,728,418	\$ -	\$ 23,035,429
Accounts receivables (net of allowance for uncollectibles)	2,756,589	4,757	-	2,761,346
Intergovernmental transfer receivable	4,683,790	-	-	4,683,790
Inventories	142,850	-	-	142,850
Prepaid items	590,722	-	-	590,722
Total current assets	<u>11,480,962</u>	<u>19,733,175</u>	<u>-</u>	<u>31,214,137</u>
Noncurrent assets:				
Patient funds	140,138	-	-	140,138
Interfund claims receivable	-	20,566,124	(8,977,273)	11,588,851
Assessment receivables	-	19,501,155	-	19,501,155
Capital assets (net of accumulated depreciation)	4,002,614	-	-	4,002,614
Total noncurrent assets	<u>4,142,752</u>	<u>40,067,279</u>	<u>(8,977,273)</u>	<u>35,232,758</u>
Total assets	<u>15,623,714</u>	<u>59,800,454</u>	<u>(8,977,273)</u>	<u>66,446,895</u>
LIABILITIES				
Current liabilities:				
Bonds payable	58,510	-	-	58,510
Accounts payable and accrued expenses	369,050	197,813	-	566,863
Accrued salaries and benefits	2,578,618	17,128	-	2,595,746
Accrued IGT payable	2,341,895	-	-	2,341,895
Due to other funds	24,181	-	-	24,181
Due to third-party payors, net	439,452	-	-	439,452
Deferred revenue	1,646,359	745,461	-	2,391,820
Workers' compensation claims payable	708,808	28,831,625	(708,808)	28,831,625
Total current liabilities	<u>8,166,873</u>	<u>29,792,027</u>	<u>(708,808)</u>	<u>37,250,092</u>
Noncurrent liabilities:				
Bonds payable	919,348	-	-	919,348
Workers' compensation claims payable	8,268,465	30,008,427	(8,268,465)	30,008,427
Patient funds	140,138	-	-	140,138
Total noncurrent liabilities	<u>9,327,951</u>	<u>30,008,427</u>	<u>(8,268,465)</u>	<u>31,067,913</u>
Total liabilities	<u>17,494,824</u>	<u>59,800,454</u>	<u>(8,977,273)</u>	<u>68,318,005</u>
FUND NET ASSETS				
Invested in capital assets	3,024,756	-	-	3,024,756
Restricted	39,030	-	-	39,030
Unrestricted	(4,934,896)	-	-	(4,934,896)
Total fund net assets	<u>\$ (1,871,110)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,871,110)</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds		
	Golden Hill Health Care Center	Workers' Compensation Pool	Total
OPERATING REVENUES			
Charges for services	\$ 21,911,315	\$ 13,968,979	\$ 35,880,294
Other operating revenue	23,216	709,985	733,201
Bad debt expense	(176,597)	-	(176,597)
Total operating revenues	<u>21,757,934</u>	<u>14,678,964</u>	<u>36,436,898</u>
OPERATING EXPENSES			
Nursing administration	1,912,813	-	1,912,813
Nursing	14,683,734	-	14,683,734
Central supply	387,247	-	387,247
Pharmacy	340,936	-	340,936
Medical and dental	122,425	-	122,425
Therapy	618,547	-	618,547
Dietary	3,243,422	-	3,243,422
Social services and activities	1,555,522	-	1,555,522
Buildings and grounds	1,847,181	-	1,847,181
Housekeeping	1,959,779	-	1,959,779
Laundry	813,309	-	813,309
Administrative	3,328,287	2,846,539	6,174,826
Claimants	-	11,948,626	11,948,626
Property related	772,113	-	772,113
Cost allocation from Ulster County	1,144,326	-	1,144,326
Total operating expenses	<u>32,729,641</u>	<u>14,795,165</u>	<u>47,524,806</u>
Operating loss	<u>(10,971,707)</u>	<u>(116,201)</u>	<u>(11,087,908)</u>
NONOPERATING REVENUES (EXPENSES)			
Cash contribution from Ulster County	2,181,994	-	2,181,994
Intergovernmental transfer, net	345,474	-	345,474
On behalf contribution from Ulster County for other postemployment benefits	2,432,837	67,408	2,500,245
Interest earnings	-	48,793	48,793
Donations	5,166	-	5,166
Loss on disposal of property and equipment	(1,537)	-	(1,537)
Total nonoperating revenues	<u>4,963,934</u>	<u>116,201</u>	<u>5,080,135</u>
Change in net assets	(6,007,773)	-	(6,007,773)
Total fund net assets - January 1	<u>4,136,663</u>	<u>-</u>	<u>4,136,663</u>
Total fund net assets - December 31	<u><u>\$ (1,871,110)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,871,110)</u></u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds		
	Golden Hill	Workers'	Total
	Health Care	Compensation	
	Center	Pool	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 24,015,794	\$ 14,678,964	\$ 38,694,758
Payments to suppliers and service providers	(7,386,675)	(2,144,927)	(9,531,602)
Payments to employees	(22,234,217)	(701,612)	(22,935,829)
Payments to claimants	-	(10,697,780)	(10,697,780)
Interest expense	(44,112)	-	(44,112)
Net cash provided by (used in) operating activities	<u>(5,649,210)</u>	<u>1,134,645</u>	<u>(4,514,565)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash contributions from Ulster County	2,181,994	67,408	2,249,402
Intergovernmental transfer, net	3,147,089	-	3,147,089
Donations	5,166	-	5,166
Net cash provided by noncapital financing activities	<u>5,334,249</u>	<u>67,408</u>	<u>5,401,657</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(143,888)	-	(143,888)
Payments to Ulster County for bonds payable	(56,236)	-	(56,236)
Net cash used in capital and related financing activities	<u>(200,124)</u>	<u>-</u>	<u>(200,124)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	-	48,793	48,793
Net cash provided by investing activities	<u>-</u>	<u>48,793</u>	<u>48,793</u>
Net increase (decrease) in cash and cash equivalents	(515,085)	1,250,846	735,761
Total cash and cash equivalents, January 1	3,822,096	18,477,572	22,299,668
Total cash and cash equivalents, December 31	<u>\$ 3,307,011</u>	<u>\$ 19,728,418</u>	<u>\$ 23,035,429</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	\$ (10,971,707)	\$ (116,201)	\$ (11,087,908)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation expense	754,658	-	754,658
Provision for doubtful accounts	176,597	-	176,597
Other postemployment benefits	2,432,837	-	2,432,837
Decrease (increase) in:			
Accounts receivable	(108,337)	(5,823,911)	(5,932,248)
Inventories	(2,473)	-	(2,473)
Prepaid items	(129,452)	-	(129,452)
Increase (decrease) in:			
Due from third-party payors	2,130,071	-	2,130,071
Accounts payable	(23,798)	153,407	129,609
Accrued salaries and benefits	(49,914)	(889)	(50,803)
Workers' compensation claims	708,808	6,758,337	7,467,145
Due to other funds	(626,029)	-	(626,029)
Deferred revenue	-	163,902	163,902
Due to third-party payors	59,529	-	59,529
Total adjustments	<u>5,322,497</u>	<u>1,250,846</u>	<u>6,573,343</u>
Net cash used in operating activities	<u>\$ (5,649,210)</u>	<u>\$ 1,134,645</u>	<u>\$ (4,514,565)</u>

See accompanying notes to the financial statements.

County of Ulster, New York
Statement of Fiduciary Assets and Liabilities
December 31, 2011

	Agency
ASSETS	
Cash and cash equivalents	\$ 10,569,010
Accounts receivable	13,319
Due from other funds	653
Total assets	\$ 10,582,982
 LIABILITIES	
Liabilities-agency fund liabilities	\$ 10,582,982
Total liabilities	\$ 10,582,982

See accompanying notes to the financial statements.

County of Ulster, New York
Combining Statement of Net Assets
Component Units
December 31, 2011

	Component Units				Total
	Community College August 31, 2011	Resource Recovery Agency	Industrial Development Agency	Capital Resource Corporation	
ASSETS					
Cash and cash equivalents	\$ 3,830,672	\$ 4,355,369	\$ 371,770	\$ 22,035	\$ 8,579,846
Investments	6,452,426	2,542,949	-	-	8,995,375
Receivables	4,440,804	1,300,214	1,000	140	5,742,158
Prepaid expenses	1,878,420	396,287	497	-	2,275,204
Deferred charges	-	6,712	-	-	6,712
Due from primary government	-	1,366,153	-	-	1,366,153
Capital assets, net of accumulated depreciation	15,322,748	10,131,174	-	-	25,453,922
Total assets	<u>\$ 31,925,070</u>	<u>\$ 20,098,858</u>	<u>\$ 373,267</u>	<u>\$ 22,175</u>	<u>\$ 52,419,370</u>
LIABILITIES					
Accounts payable and other current liabilities	\$ 4,167,634	\$ 1,196,131	\$ -	\$ -	\$ 5,363,765
Due to other governments	652,505	-	-	-	652,505
Other liabilities	-	130,847	-	-	130,847
Deferred revenue	5,738,590	817,260	-	-	6,555,850
Noncurrent liabilities:					
Due within one year	2,874,754	2,910,114	-	-	5,784,868
Due in more than one year	24,387,728	22,249,505	-	-	46,637,233
Total liabilities	<u>37,821,211</u>	<u>27,303,857</u>	<u>-</u>	<u>-</u>	<u>65,125,068</u>
NET ASSETS					
Invested in capital assets, net of related debt	(5,021,346)	10,131,174	-	-	5,109,828
Restricted for:					
Loans and scholarships	5,153,704	-	-	-	5,153,704
Debt service	-	3,544,043	-	-	3,544,043
Landfill closure	-	96,124	-	-	96,124
Other purposes	-	1,366,153	-	-	1,366,153
Unrestricted (deficit)	(6,028,499)	(22,342,493)	373,267	22,175	(27,975,550)
Total net assets (deficit)	<u>(5,896,141)</u>	<u>(7,204,999)</u>	<u>373,267</u>	<u>22,175</u>	<u>(12,705,698)</u>
Total liabilities and net assets	<u>\$ 31,925,070</u>	<u>\$ 20,098,858</u>	<u>\$ 373,267</u>	<u>\$ 22,175</u>	<u>\$ 52,419,370</u>

See accompanying notes to the financial statements

County of Ulster, New York
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2011

	Component Units				Total
	Community College August 31, 2011	Resource Recovery Agency	Industrial Development Agency	Capital Resource Corporation	
OPERATING EXPENSES					
Instruction	\$ 13,666,452	\$ -	\$ -	\$ -	\$ 13,666,452
Public service	594,801	-	-	-	594,801
Academic support	3,197,492	-	-	-	3,197,492
Student services	2,496,005	-	-	-	2,496,005
General administration	2,276,491	531,439	-	-	2,807,930
General institution	2,204,353	-	-	-	2,204,353
Operation and maintenance of plant	3,154,578	-	-	-	3,154,578
Student aid	4,444,614	-	-	-	4,444,614
Auxiliary	181,006	-	-	-	181,006
Day care	306,097	-	-	-	306,097
Costs of sales and service	-	10,020,015	-	-	10,020,015
Salaries and wages	-	1,812,799	-	-	1,812,799
Benefits	-	977,041	-	-	977,041
Landfill post closure care costs	-	997,920	-	-	997,920
Grant expense	-	-	115,000	75,000	190,000
Contractual expenses	-	-	107,765	-	107,765
Professional fees	-	-	-	4,679	4,679
Office expense	-	-	-	3,131	3,131
Depreciation	1,257,306	445,080	-	-	1,702,386
Amortization	-	61,676	-	-	61,676
Interest Expense	884,866	672,581	-	-	1,557,447
Other operating expenses	488,581	-	-	-	488,581
Total operating expenses	35,152,642	15,518,551	222,765	82,810	50,976,768
PROGRAM REVENUES					
Student tuition and fees	7,234,011	-	-	-	7,234,011
Auxiliary	264,464	-	-	-	264,464
Day care	281,352	-	-	-	281,352
Chargeback revenue	735,966	-	-	-	735,966
Sale of recyclable materials	-	1,703,145	-	-	1,703,145
Solid waste service fees	-	13,046,628	-	-	13,046,628
Fees	-	-	143,185	24,500	167,685
Operating grants and contributions	13,413,564	30,024	75,000	-	13,518,588
Capital grants and contributions	847,750	-	-	-	847,750
Other operating revenue	862,215	38,735	-	-	900,950
Total program revenues	23,639,322	14,818,532	218,185	24,500	38,700,539
Net program expense	(11,513,320)	(700,019)	(4,580)	(58,310)	(12,276,229)
GENERAL REVENUES					
State appropriations	4,677,553	-	-	-	4,677,553
County appropriations	6,280,863	1,366,153	-	-	7,647,016
Investment income	1,564,673	115,966	646	-	1,681,285
Gain (loss) on disposal of assets	(9,183)	4,402	-	-	(4,781)
Total general revenues	12,513,906	1,486,521	646	-	14,001,073
Net change in net assets	1,000,586	786,502	(3,934)	(58,310)	1,724,844
Net assets - January 1	(6,896,727)	(7,991,501)	377,201	-	(14,511,027)
Prior period adjustment	-	-	-	80,485	80,485
Net assets - January 1 - restated	(6,896,727)	(7,991,501)	377,201	80,485	(14,430,542)
Net assets - December 31	\$ (5,896,141)	\$ (7,204,999)	\$ 373,267	\$ 22,175	\$ (12,705,698)

See accompanying notes to the financial statements

Notes to the Financial
Statements

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The County of Ulster, New York (County) is one of the original twelve counties of New York State, founded on November 1, 1683. The County is governed by a thirty-three member Legislature consisting of members elected from seven legislative districts for two-year terms. The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB).

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the County is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component unit, although a legally separate entity is, in substance, part of the County's operations and so financial results from this unit are combined with financial results of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government.

Blended Component Unit

Ulster Tobacco Asset Securitization Corporation (UTASC)

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

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

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

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

Discretely Presented Component Units

Ulster County Community College (UCCC)

The Ulster County Community College (UCCC) was established in 1963 with the County as the local sponsor under the provisions of Article 126 of the Education Law. A board of trustees consisting of nine voting members administers the UCCC; five are appointed by the County Legislature and four by the governor. The UCCC budget is subject to approval of the County Legislature. The County provides approximately one-half of the capital costs and one-third of the operating costs for UCCC. Real property of UCCC vests with the County. Certain bonds and notes for UCCC capital costs are issued and guaranteed by the County. Although these assets and related debt are recorded on the financial statements of UCCC, they are considered to be the assets and debt of the County. To avoid recording these transactions twice, the Statement of Net Assets reflects these items in the aggregate discretely presented component units column and is eliminated from the Governmental Activities column. The County also pays a portion of tuition and capital costs charges for County residents attending other Community Colleges. The UCCC financial statements include two discretely reported component units; the Ulster Community College Foundation and the Ulster Community College Association, Inc. The UCCC has a fiscal year ending August 31.

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

Ulster County Resource Recovery Agency (UCRRA)

The Ulster County Resource Recovery Agency (UCRRA) was created on December 31, 1986 by State Legislation (Chapter 936, Laws of New York), which amended the Public Authorities Law. The County entered into an agreement on January 26, 1988 with UCRRA to develop a plan and manage solid waste and recovery systems within the County. The County agreed to finance and fund UCRRA until a solid waste management plan was developed and implemented. The County approved a solid waste management plan on December 30, 1991, which was subsequently approved by the NYS Department of Environmental Conservation in April 1993. This plan enabled UCRRA to issue revenue bonds, to repay the County and finance the operating and capital expenditures for a solid waste management system. The County entered into a service agreement with UCRRA; whereby UCRRA will construct, maintain and operate the system. In exchange the County has guaranteed to fund any operating, capital or debt service deficits with the payment to UCRRA of a net service fee pursuant to the terms set forth in the service agreement. A net service fee of \$1,366,153 resulting from deficits incurred in 2011 is owed by the County to UCRRA and is due and payable in 2012. The financial statements of UCRRA reflect the net service fee in Due From Other Governments.

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

Ulster County Industrial Development Agency (UCIDA)

The Ulster County Industrial Development Agency (UCIDA) is a quasi-governmental agency which has the authority to issue tax exempt and taxable industrial revenue bonds for eligible projects in Ulster County, New York. UCIDA was formed to promote and develop the economic growth of Ulster County and to assist in attracting industry to the County. The County Legislature appoints the entire governing board and is therefore able to impose its will over the agency. UCIDA has a fiscal year that ends December 31. UCIDA is presented discretely as a component unit of the County.

Separate financial statements may be obtained from the Ulster County Industrial Development Agency, 5 Development Court, Kingston, N.Y. 12401.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

Ulster County Capital Resource Corporation (UCCRC)

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

Separate financial statements may be obtained from the Ulster County Capital Resource Corporation, 5 Development Court, Kingston, N.Y. 12401.

B. Basis of Presentation

Government – wide Financial Statements

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

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

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

Fund Financial Statements

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

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

The County reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It is used to account for and report all financial resources of the general government, except those required to be accounted for and reported in another fund. For the County, the general fund includes such activities as public safety, public health, transportation, public assistance, education and culture and recreation services.
- The *Debt Service Fund* is used to account for and report the financial resources that are restricted, committed or assigned to expenditures for principal and interest on long-term general obligation debt of governmental funds not accounted for in the general fund, capital projects fund and the component units.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

- The *Capital Projects Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition, construction or improvement of capital facilities and other capital assets, other than those financed by proprietary funds or assets held in trust.
- The *Ulster Tobacco Asset Securitization Corporation (UTASC)* accounts for and reports the tobacco settlement revenues received from the Master Settlement Agreement and the repayment of the tobacco settlement asset-backed bonds whose proceeds were used to defease County debt.

The County reports the following major enterprise funds:

- The *Golden Hill Health Care Center (GHHCC)* accounts for and reports the operations of a residential health care facility. Revenues are principally fees for patient services, payments from Federal and State programs such as Medicare and subsidies from the general fund.
- The *Workers' Compensation Pool* accounts for and reports a workers' compensation claims-servicing pool, which was created in 1979 under Article 5 of the NYS Workers' Compensation Law. Each of the approximately 62 participants in the pool is responsible for their share of the liabilities of the pool and risk is not shared among the members.

The County reports the following additional fund types:

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

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

- a. The *Special Grant Fund* accounts for and reports the proceeds received under the Workforce Investment Act and Community Development Block Grant Funds.
 - b. The *County Road Fund* and the *Road Machinery Fund* account for and report the acquisition and maintenance of roads, bridges, road machinery and equipment pursuant to Sections 114 and 133 of Highway Laws, respectfully.
- The *Agency Fund* accounts for and reports assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

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

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

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

For its business-type activities and discretely presented component units, the County has elected under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting", to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB) or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The County has also elected not to apply any FASB, APB or ARB standards issued after November 30, 1989. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

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

D. Cash, Cash Equivalents and Investments

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

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

E. Receivables and Payables

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

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

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

The portion of the receivable that represents taxes relieved for schools is also reported as a payable in due to other governments in the amount of \$23,354,540. The County settles with the various towns and schools, and pays out the full amount of delinquents to the respective tax jurisdictions. Three years after the lien date, properties with unredeemed taxes are eligible for

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

public auction. The County enforces unpaid real property tax liens pursuant to Article 11 of the New York State Real Property Tax Laws, which is commonly referred to as In Rem Foreclosure, or Judicial Statement.

Other receivables are comprised primarily of sales tax and claims for reimbursement of expenditures in administering various mental health and social service programs in accordance with New York State and Federal laws and regulations. These receivables are reported net of related advances received from the State.

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

F. Inventories and Prepaid Items

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

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$25,000 for governmental activities and \$25 for business-type activities and an estimated useful life in excess of two years for governmental activities and three years for business-type activities. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Maintenance and repairs are recorded as expenses when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

The County has historical treasures, works of art, and several collections. Acquisitions of these assets are expensed at the time of purchase. These assets are not held for financial gain. They are kept protected, unencumbered, and preserved. Any proceeds from the sale of these assets will be used to acquire other items for the collections.

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

Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide statements, proprietary funds and component units as follows:

<u>Assets</u>	<u>Years</u>
Land improvements	10-20
Buildings & improvements	20-30
Major equipment	10-15
Minor equipment	5
Infrastructure	20

H. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt when the costs for an individual issuance exceed \$50,000.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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

I. Patient Service Revenues – Enterprise Fund

The Golden Hill Health Care Center (GHHCC) has agreements with third-party payers that provide for payments to the GHHCC at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and other services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

J. Compensated Absences

It is the County's policy to permit employees to accumulate vacation, sick leave and compensatory absences in varying amounts as services are provided. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. The cost of these unused benefits for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentation.

K. Postemployment Benefits

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

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

(a) Plan description

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

(b) Funding policy

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

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

(c) Accounting policy

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

(d) Other disclosure information

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

	2011
<u>(e) Annual OPEB cost at December 31, 2011</u>	
Normal Cost	\$ 9,475,865
Amortization of unamortized actuarial liability (UAL)	8,561,762
Annual required contribution (ARC)	18,037,627
Interest on OPEB obligation	1,845,382
Adjustment to ARC	(2,565,352)
OPEB expense	\$17,317,657

(f) Reconciliation of Net OPEB obligation at December 31, 2011

Net OPEB obligation at the beginning of the year	\$46,134,551
OPEB expense	17,317,657
Net OPEB contributions made during the fiscal year	(3,290,542)
Net OPEB obligation at the end of the year	\$60,161,666
Percentage of expense contributed	19.00%

(g) Schedule of funding process

Currently retired liability	\$ 42,709,760
Actives	105,340,502
Total actuarial accrued liability	148,050,262
Additional obligation attributable to future service	121,418,055
Present value of total future liability	\$269,468,317
Actuarial value of assets	\$ -
Unfunded actuarial liability	\$148,050,262
Funded Ratio	0.00%

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

- Golden Hill Health Care Center - \$2,432,837
- Workers Compensation Pool - \$67,408

L. Inter-governmental Transfer

The State of New York's inter-governmental transfer (IGT) program whereby Medicaid funds are redirected to health care facilities was distributed in 2011 in the amount of \$4.2 million. Of this amount the health care facility retained \$2.6 million and transferred \$1.6 million to the County to cover the County's portion of the medicaid cost in the department of social services.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

M. Interfund Transactions

Short-term advances between funds are accounted for in the appropriate due from (to) other funds accounts. Transactions between funds that would be treated as revenues or expenditures if they involved organizations external to the governmental unit are accounted for as revenues or expenditures in the funds involved. Transactions that constitute reimbursements of a fund for expenditures initially made from that fund which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of the expenditure in the fund that is reimbursed. All other legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

N. Fund Equity

In the fund financial statements, governmental funds report classifications of fund balance (see note 3A) indicating the level of constraints placed upon how those resources can be spent and identifying the sources of those constraints, such as amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance (see note 3A) represent tentative management plans that are subject to change.

The Capital Projects Fund had a deficit fund balance of \$11,651,393 resultant from expenditures made for the reconstruction of roads and bridges from the aftermath of Tropical Storms Irene and Lee and various other projects with the financing coming from bond anticipation notes. This deficit is expected to be eliminated in future years through the issuance of serial bonds.

O. Use of Estimates

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

2. Detailed Notes on All Funds

A. Cash, Cash Equivalents and Investments

At year end, the County's carrying amount of deposits was \$73,173,625, which included \$2,820,867 of UTASC cash and cash equivalent balances, and the bank balance was \$80,481,547. Of the bank balance, \$6,411,711 was covered by federal depository insurance or by collateral held by the County's agent in the County's name. Of the remaining balance, \$74,069,836 was collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

At year end all deposits and investments for the component units were covered by federal depository insurance or by collateral held by the component unit's agent in the component unit's name.

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

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

At year end, the County's cash, cash equivalents and investment balances were as follows:

	Category		Reported Amount/ Fair Value
	1	2	
Governmental activities			
Cash and cash equivalents	\$47,398,535	\$ -	\$47,398,535
Commercial paper	2,739,661	-	2,739,661
Total governmental activities	50,138,196	-	50,138,196
Business-type activities			
Cash and cash equivalents	23,035,429	-	23,035,429
Total primary government	73,173,625	-	73,173,625
Component units			
UCCC-Cash and cash equivalents	3,830,672	-	3,830,672
UCCC-New York State Dormitory Authority	6,452,426	-	6,452,426
UCRRA-Cash and cash equivalents	2,101,454	2,253,915	4,355,369
UCRRA-U.S. Government securities	-	2,542,949	2,542,949
UCIDA-Cash and cash equivalents	371,770	-	371,770
UCCRC-Cash and cash equivalents	22,035	-	22,035
Total component units	12,778,357	4,796,864	17,575,221
Total cash, cash equivalents and investments	\$85,951,982	\$4,796,864	\$90,748,846

B. Receivables

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

	Major				Non-Major Special Revenue	Total Governmental Funds
	General	Debt Service	Capital Projects	UTASC		
Receivables - Governmental Activities:						
Taxes	\$41,452,961	\$ -	\$ -	\$ -	\$ -	\$41,452,961
Accounts	2,320,319	-	134,273	2,361,356	660,780	5,476,728
State and federal	20,486,679	-	-	-	1,581,971	22,068,650
Due from other governments	13,708,565	-	-	-	-	13,708,565
Gross receivables	77,968,524	-	134,273	2,361,356	2,242,751	82,706,904
Less: allowance for uncollectibles	(2,274,164)	-	-	-	-	(2,274,164)
Net receivables	\$75,694,360	\$ -	\$134,273	\$ 2,361,356	\$2,242,751	\$80,432,740

Receivables -

Business-type Activities:

Accounts receivable	\$7,695,136
Less: allowance for uncollectibles	(250,000)
Net receivables	<u>\$7,445,136</u>

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

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

	Unavailable	Unearned
Governmental Activities:		
Deferred property taxes receivable	\$18,713,396	\$ -
Other deferred revenues	-	162,217
Total governmental activities	\$18,713,396	\$162,217

C. Interfund Transactions

Interfund Receivables/Payables

Interfund receivables/payables exist for cash flow purposes. These are short-term in nature and are repaid within the next fiscal year. The compositions of interfund balances at year end are as follows:

Receivable Fund	Payable Fund	Amount
General fund	GHHCC	\$24,181
Nonmajor governmental funds	General fund	73
Agency	General fund	653
Total		\$24,907

Interfund Transfers In/Out

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

Transfer From	Transfer To	Amount
General fund	GHHCC	\$1,037,668
	Debt service fund	9,948,609
	Capital projects fund	20,527
Total		\$11,006,804

COUNTY OF ULSTER, NEW YORK

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D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government				
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,701,397	\$ -	\$ -	\$ 3,701,397
Construction in progress	7,256,789	7,869,290	1,090,069	14,036,010
Total capital assets, not being depreciated	10,958,186	7,869,290	1,090,069	17,737,407
Capital assets, being depreciated:				
Land improvements	4,256,801	-	-	4,256,801
Buildings and improvements	156,703,478	685,402	-	157,388,880
Machinery and equipment	32,629,395	1,331,280	1,259,556	32,701,119
Infrastructure	85,738,554	2,778,526	4,628,109	83,888,971
Total capital assets, being depreciated	279,328,228	4,795,208	5,887,665	278,235,771
Less accumulated depreciation for:				
Land improvements	3,053,674	164,121	18,438	3,199,357
Buildings and improvements	48,751,839	4,859,031	-	53,610,870
Machinery and equipment	20,937,383	3,394,336	1,255,660	23,076,059
Infrastructure	41,541,822	4,163,805	2,958,630	42,746,997
Total accumulated depreciation	114,284,718	12,581,293	4,232,728	122,633,283
Total capital assets, being depreciated, net	165,043,510	(7,786,085)	1,654,937	155,602,488
Governmental activities capital assets, net	\$176,001,696	\$ 83,205	\$2,745,006	\$173,339,895
Primary Government				
Business-type Activities –				
Golden Hill Health Care Center:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 11,591,785	\$ 2,379	\$ -	\$ 11,594,164
Machinery and equipment	9,122,763	108,882	-	9,231,645
Total capital assets, being depreciated	20,714,548	111,261	-	20,825,809
Less accumulated depreciation for:				
Buildings and improvements	9,389,030	430,889	-	9,819,919
Machinery and equipment	6,710,597	323,769	31,090	7,003,276
Total accumulated depreciation	16,099,627	754,658	31,090	16,823,195
Total capital assets, being depreciated, net	4,614,921	(643,397)	(31,090)	4,002,614
Business-type activities capital assets, net	\$4,614,921	\$(643,397)	\$ (31,090)	\$ 4,002,614
Total primary government	\$180,616,617	\$(560,192)	\$2,713,916	\$177,342,509

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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	Beginning Balance	Increases	Decreases	Ending Balance
Component Units				
Ulster County Community College:				
Capital assets, not being depreciated:				
Land	\$ 744,174	\$ -	\$ -	\$ 744,174
Works of art/historical treasures	66,500	-	-	66,500
Total capital assets, not being depreciated	810,674	-	-	810,674
Capital assets, being depreciated:				
Buildings and improvements	31,184,651	4,038	-	31,188,689
Machinery and equipment	3,458,739	663,532	260,012	3,862,259
Total capital assets, being depreciated	34,643,390	667,570	260,012	35,050,948
Less accumulated depreciation	19,506,132	1,257,306	224,564	20,538,874
Total capital assets, being depreciated, net	15,137,258	(589,736)	35,448	14,512,074
Total capital assets, net	\$15,947,932	\$ (589,736)	\$ 35,448	\$15,322,748
Component Units				
Ulster County Resource Recovery Agency:				
Capital assets, not being depreciated:				
Land	\$ 683,172	\$ -	\$ -	\$ 683,172
Construction in progress	39,221	213,125	-	252,346
Total capital assets, not being depreciated	722,393	213,125	-	935,518
Capital assets, being depreciated:				
Buildings and improvements	10,049,866	217,886	61,976	10,205,776
Machinery and equipment	5,199,302	45,263	211,519	5,033,046
Infrastructure	-	6,046	-	6,046
Bond issuance costs	569,722	-	-	569,722
Total capital assets, being depreciated	15,818,890	269,195	273,495	15,814,590
Less accumulated depreciation and amortization for:				
Buildings and improvements	1,876,372	264,082	49,581	2,090,873
Machinery and equipment	4,110,705	180,847	211,519	4,080,033
Infrastructure	-	151	-	151
Bond issuance costs	390,905	56,972	-	447,877
Total accumulated depreciation and amortization	6,377,982	502,052	261,100	6,618,934
Total capital assets, being depreciated, net	9,440,908	(232,857)	12,395	9,195,656
Total capital assets, net	\$10,163,301	\$(19,732)	\$ 12,395	\$10,131,174

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

Depreciation

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

	<u>Amount</u>
Governmental activities:	
General government	\$ 923,505
Public safety	4,389,284
Public health	410,744
Transportation, including depreciation of general infrastructure assets	6,527,218
Economic assistance	197,620
Culture and recreation	132,922
Total depreciation expense – governmental activities	<u>12,581,293</u>
Business-type activities:	
Golden Hill Health Care Center	<u>754,658</u>
Total primary government	<u><u>\$13,335,951</u></u>

Construction Commitments

The County had active construction projects at year end. The projects include roads and bridges, roof reconstructions, upgrades to campus facilities, and repairs to infrastructure due to Tropical Storm Irene. At year end the County had \$21,093,199 in construction commitments with contractors. These commitments are being financed by serial bonds, state and federal aid, donations and current appropriations.

E. Leases

Operating Leases

The County leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$1,084,454 at fiscal year-end. The future minimum lease payments for these leases are as follows:

	<u>Amount</u>
Year ending December 31:	
2012	\$623,641
2013	480,688
2014	218,845
2015	29,310
2016	5,899
Total	<u><u>\$1,358,383</u></u>

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met. Amortization expense of these capital assets is included in depreciation expense in the government-wide financial statements.

	Governmental Activities
Assets:	
Machinery and equipment	\$2,072,741
Vehicles	154,025
Subtotal	2,226,766
Accumulated depreciation	2,084,561
Total	\$ 142,205

The future minimum lease obligations and the net present value of these minimum payments at year end were as follows:

	Amount
Year ending December 31:	
2012	\$ 71,650
2013	20,948
2014	11,562
2015	287
2016	-
Subtotal	104,447
Less: amount representing interest	33,230
Total	\$71,217

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

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F. Short-Term Debt

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

Short-term obligation activity at fiscal year end was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
UCCC Phase I	750,000	619,938	25,000	1,344,938
Route 213 box culvert	200,000	-	-	200,000
Zena box culvert	200,000	-	-	200,000
Ulsterville county line bridge	300,000	-	-	300,000
Oliveria bridge	350,000	-	-	350,000
Reconstruction of roads	350,000	-	350,000	-
Highway equipment > \$30,000	475,000	-	475,000	-
Law enforcement center	4,140,000	-	2,000,000	2,140,000
Saugerties sewer	500,000	-	5,000	495,000
Reconstruction of roads	-	350,000	-	350,000
Town of Lloyd bridge	-	2,600,000	-	2,600,000
South Putt Corners road	-	178,000	-	178,000
ADA Compliance – Mental Health	-	165,000	-	165,000
ADA Compliance – UC Fairgrounds	-	95,000	-	95,000
ADA Compliance – Trudy Resnick	-	48,000	-	48,000
ADA Compliance – PW Admin	-	125,000	-	125,000
ADA Compliance – UC Court Exterior	-	60,000	-	60,000
ADA Compliance – UC Office Building	-	140,000	-	140,000
ADA Compliance – 911 Emerg Mgt	-	22,000	-	22,000
Pool Bathhouse Roof	-	123,365	-	123,365
Courthouse Roof Repair	-	126,635	-	126,635
Highway Equipment > \$30,000	-	622,376	-	622,376
Tropical Storm Irene Reconstruction	-	15,000,000	-	15,000,000
Total governmental activities short-term debt	\$7,265,000	\$20,275,314	\$2,855,000	\$24,685,314

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

G. General Long-Term Obligations

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

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

	Maturity Date	Interest Rate	Amount
Governmental Activities:			
General obligation:			
Public improvements, 1992	01/15/12	4.0 - 5.0%	\$ 8,940
Public improvements, 1994	10/15/13	4.0 - 5.0%	250,300
Public improvements, 2000, refunded 2009	04/15/14	2.5 - 5.0%	1,872,837
Public improvements, 2001, refunded 2009	04/15/17	2.5 - 5.0%	4,470,379
Public improvements, 2005	11/15/24	4.5 - 5.0%	20,497,142
Public improvements, 2006	11/15/29	4.4 - 4.5%	40,965,000
Public improvements, 2006	11/15/21	3.6 - 4.0%	2,960,414
Public improvements, 2007	11/15/22	3.9 - 4.0%	2,245,000
Public improvements, 2008	11/15/23	4.3 - 5.0%	2,419,500
Public improvements, 2009	11/15/24	2.0 - 4.0%	3,155,000
Public improvements, 2010	11/15/25	3.0 - 3.5%	2,910,000
Public improvements, 2011	11/15/22	3.0 - 3.5%	1,034,885
Total general			<u>\$ 82,789,397</u>
UTASC:			
Tobacco settlement asset-backed bonds, 2001	06/01/40	6.12 - 6.45%	30,975,000
Tobacco settlement asset-backed bonds, 2005	06/01/60	6.00 - 7.85%	13,921,489
Total UTASC			<u>44,896,489</u>
Total governmental activities			<u>\$127,685,886</u>
Business Type Activities:			
GHHCC improvements, 2005	11/15/24	4.21%	\$ 977,858
Total business type activities			<u>\$ 977,858</u>
Component Units:			
UCCC issued by the County:			
Public improvements, 1992	01/15/12	4.0 - 5.0%	\$ 241,060
Public improvements, 1994	10/15/13	4.0 - 5.0%	74,700
Public improvements, 2000	04/15/14	2.5 - 5.0%	1,742,163
Public improvements, 2001	04/15/17	2.5 - 5.0%	484,621
Public improvements, 2006	11/15/21	3.6 - 4.0%	469,586
Public improvements, 2007	11/15/22	3.9 - 4.0%	1,270,000
Public improvements, 2008	11/15/23	4.3 - 5.0%	85,500
Total UCCC issued by County			<u>4,367,630</u>
UCCC issued by Dormitory Authority of NYS			
Education facilities	01/03/30	3.10 - 6.00%	12,222,155
Total UCCC issue by Dormitory Authority of NYS			<u>12,222,155</u>
Total UCCC			<u>\$ 16,589,785</u>

COUNTY OF ULSTER, NEW YORK

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	Maturity Date	Interest Rate	Amount
UCRRA:			
Serial bonds	03/01/18	3.75 - 5.25%	\$ 10,435,000
Capital appreciation bonds	03/01/25	4.96 - 5.00%	5,448,755
Serial bonds	03/01/21	4.50 - 5.00%	1,590,000
Term bonds	03/01/14	2.20%	1,319,990
Term bonds	03/01/17	2.20%	1,160,000
Term note	03/01/17	2.82%	785,000
Term bonds	08/01/16	2.23%	365,000
Total UCRRA			\$ 21,103,745

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

Year	General Obligations	GHHCC	UTASC	UCCC	UCRRA	Total
Principal:						
2012	\$ 5,210,431	\$ 58,512	\$ -	\$ 1,581,956	\$ 2,250,000	\$ 9,100,899
2013	5,336,294	60,789	-	1,487,591	2,320,000	9,204,674
2014	5,478,958	63,293	145,000	1,480,823	2,404,990	9,573,064
2015	5,017,990	65,570	390,000	900,213	2,030,000	8,403,773
2016	5,235,586	68,302	530,000	933,864	2,100,000	8,867,752
2017-2021	25,937,483	387,046	9,157,340	4,249,346	6,836,474	46,567,689
2022-2026	21,262,655	274,346	14,221,920	3,218,485	3,162,281	42,139,687
2027-2031	9,310,000	-	21,953,725	2,046,092	-	33,309,817
2032-2036	-	-	26,386,838	691,415	-	27,078,253
2037-2040	-	-	15,573,388	-	-	15,573,388
Less unamortized accretion	-	-	(43,461,722)	-	-	(43,461,722)
Total principal	82,789,397	977,858	44,896,489	16,589,785	21,103,745	166,357,274
Interest:						
2012	3,519,994	42,020	2,001,006	831,071	599,903	6,993,994
2013	3,297,021	39,534	2,001,005	764,609	524,153	6,626,322
2014	3,062,957	36,951	1,987,344	691,915	443,747	6,222,914
2015	2,857,768	34,261	1,958,380	619,198	363,806	5,833,413
2016	2,644,726	31,474	1,925,819	574,642	276,015	5,452,676
2017-2021	10,072,925	111,322	8,874,508	2,203,820	3,374,022	24,636,597
2022-2026	4,612,919	24,702	7,019,233	1,259,845	6,252,719	19,169,418
2027-2031	850,950	-	4,798,114	474,038	-	6,123,102
2032-2036	-	-	2,653,835	107,127	-	2,760,962
2037-2040	-	-	657,378	-	-	657,378
Total interest	30,919,260	320,264	33,876,622	7,526,265	11,834,365	84,476,776
Total principal and interest	\$113,708,657	\$1,298,122	\$78,773,111	\$24,116,050	\$32,938,110	\$250,834,050

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Notes to the Financial Statements

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Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year end was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities:					
BANS payable	\$ 7,265,000	\$ 20,275,314	\$ 2,855,000	\$ 24,685,314	\$24,685,314
Bonds payable	131,151,282	1,924,534	5,389,930	127,685,886	5,210,431
Capital lease obligations	194,850	-	90,404	104,446	48,855
Claims and judgements	1,104,750	-	4,750	1,100,000	37,333
Retirement payable	-	1,178,950	235,790	943,160	235,790
OPEB liability	46,134,552	17,317,657	3,290,543	60,161,666	2,902,457
Compensated absences	13,250,730	2,296,325	-	15,547,055	1,554,705
Total governmental activities	<u>\$199,101,164</u>	<u>\$42,992,780</u>	<u>\$11,866,417</u>	<u>\$230,227,527</u>	<u>\$34,674,885</u>
Business-type activities:					
Golden Hill Health Care Center:					
Bonds payable	\$ 1,034,093	\$ -	\$ 56,235	\$ 977,858	\$ 58,510
Workers' compensation pool claims	8,268,465	1,182,688	473,880	8,977,273	708,808
Accrued IGT payable	2,963,453	2,341,895	2,963,453	2,341,895	2,341,895
Workers' Compensation Pool:					
Workers' compensation pool claims	43,813,250	6,049,529	-	49,862,779	28,122,817
Total business-type activities	<u>\$56,079,261</u>	<u>\$9,574,112</u>	<u>\$3,493,568</u>	<u>\$62,159,805</u>	<u>\$31,232,030</u>
Component Units:					
UCCC:					
BANS payable	\$ 18,066,177	\$ 350,139	\$ 1,826,531	\$ 16,589,785	\$ 1,581,956
Bonds payable	490,000	750,000	490,000	750,000	750,000
Capital lease obligations	2,451,794	4,130	297,493	2,158,431	197,630
OPEB liability	6,774,425	989,841	-	7,764,266	345,168
Total UCCC	<u>\$ 27,782,396</u>	<u>\$ 2,094,110</u>	<u>\$ 2,614,024</u>	<u>\$ 27,262,482</u>	<u>\$ 2,874,754</u>
UCRRA:					
Bonds payable	\$23,278,745	\$ -	\$ 2,175,000	\$21,103,745	\$ 2,250,000
Workers compensation	-	46,400	-	46,400	29,600
Compensated absences	378,617	40,712	-	419,329	419,329
Landfill post-closure liability	2,803,410	-	786,735	3,590,145	211,185
Total UCRRA	<u>\$26,460,772</u>	<u>\$ 87,112</u>	<u>\$ 1,388,265</u>	<u>\$25,159,619</u>	<u>\$ 2,910,114</u>

Advance Refunding

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

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

The advance refunding of these bonds resulted in an increase to its total debt service payments over the next 29 years by approximately \$59.1 million and to obtain an economic gain of approximately \$1.5 million.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

On May 26, 2009 the County refunded two outstanding serial bonds from 2000 and 2001 that resulted in a decrease in its total debt service over the next 6 years by approximately \$116 thousand and to obtain an economic gain of approximately \$17 thousand.

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

Issue	Amount Outstanding
Governmental Activities:	
Public Improvements, 1995	\$ 1,200,000
Public Improvements, 1997	2,000,000
Public Improvements, 1999	2,145,000
Public Improvements, 2000	3,610,000
Public Improvements, 2001	4,925,000
Total governmental activities refunded	<u>\$13,880,000</u>
Component Unit (UCCC):	
Public Improvements, 1999	<u>\$ 15,000</u>

Legal Debt Limit

The County's general obligation bonded debt of \$112,820,199 as of fiscal year end, was below the legal limit of approximately \$1,432,093,455. This amount represents approximately 7.88% of the constitutional debt limit.

3. Other Information

A. Net Assets/Fund Balances

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. "Other" restricted net assets include drug forfeiture reserves of \$64,144, E-911 emergency telephone reserves of \$2,425,414, Stop DWI reserves of \$360,770, probation reserves of \$666,594, risk retention reserves of \$523,653, child safety seat reserves of \$5,860, traffic safety board reserves of \$3,454 and handicapped parking education reserves of \$21,798.
- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

Fund Balance Classifications

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

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

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

- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.
- *Risk retention* – to reflect funds established to provide for costs of settlement of various claims against the County in excess of amounts appropriated each year for such purpose.
- *Civil and DA forfeitures* – to reflect unused portions of forfeited crime proceeds that must be spent on law enforcement in the amount of \$64,144.
- *Emergency telephone (E-911)* – to reflect unused portions of telephone surcharges that must be spent on the emergency telephone system in the amount of \$2,425,414.
- *Stop DWI* – to reflect unused portions of DWI fines that must be spent on Stop DWI programs in the amount of \$360,770.
- *Probation administration fees* – to reflect unused portions of probation fees that must be spent on probation programs in the amount of \$666,594.
- *Child safety seats* – to provide child safety seats to those in need in the amount of \$5,860.
- *Traffic safety board* – to provide funds to promote traffic safety in the amount of \$3,454.
- *Handicapped parking education* – to provide funds to promote education regarding handicapped parking in the amount of \$21,798.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the County Legislature before the end of the fiscal year. The County Legislature is the highest level of decision making authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the County Legislature. The County has no committed fund balances as of December 31, 2011.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the Legislature, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.
- *Subsequent years' expenditures* – to reflect the portion of fund balance designated for resource utilization in a future period, such as for general contingencies, reduction of tax levy, or capital projects. Such plans or intent are subject to change and have not been legally authorized or may not result in expenditures. The County elected to designate \$10,850,000 of the general fund balance, \$650,000 of the debt service fund balance and \$126,174 of the UTASC fund balance in the 2012 Budget.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

- *Special Revenue Funds* – to reflect the residual amount of fund balance not already restricted, committed or assigned in the special revenue funds.
- *Jail telephone commissions* – to reflect the unused portions of jail telephone commissions that must be spent on inmate programs in the amount of \$315,849.
- *Tourism* – to promote tourism in Ulster County in the amount of \$150,000.
- *URGENT forfeitures* – to reflect unused portions of forfeited crime proceeds that must be spent on law enforcement in the amount of \$338,205.

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

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

B. Risk Management

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

The County established a workers’ compensation claims-processing pool (Pool) under Local Law No. 1 in 1979, pursuant to Article 5 of the Workers’ Compensation law to administer the payment of worker compensation claims of pool participants.

The pool is open to participation by any eligible municipality or any public entity. Under local law participants are responsible for their share of total pool liabilities. All funds of the County, including the Golden Hill Health Care Center, and 61 other public entities, participate in the program and make payments to the Pool based on a computation of the necessary funds to cover the participants’ annual claims.

The County’s claims liability of \$58,840,052 is recorded in the workers’ compensation pool (which includes the Golden Hill Health Care Center) at fiscal year end and is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities are partially offset by assessment receivables recorded in accordance with Article 5 in the amount of \$40,067,036.

Changes in the County’s workers’ compensation claims liability at fiscal year end were:

Balance at January 1	Current Year Claims & Changes in Estimates	Claims Payments	Balance at December 31
\$52,081,715	\$16,975,641	\$10,217,304	\$58,840,052

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

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

C. Employee Retirement Plan

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

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

The County is required to contribute at an actuarially determined rate. The required contributions at December 15 for the years 2011, 2010 and 2009 were \$13,494,253; \$10,254,823 and \$7,545,002 respectively. The County's contributions made to the ERS were equal to 100 percent of the contributions required for each year.

D. Deferred Compensation Plan

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

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

E. Commitments

All other labor contracts have expired and are being renegotiated. The financial impact of these negotiations cannot be determined at this time.

F. Contingencies

The County has received grants in excess of \$80.2 million, which are subject to audit by agencies of the State and Federal governments. Such audits may result in a request for a return of funds to the State and Federal governments. Based on past audits, the County management believes any disallowance will be immaterial.

G. Federal Grant-Revolving Loan Fund

During 2010 the County contracted with Cornell Cooperative Extension of Ulster County as a sub-recipient for a \$350,000 Small Cities Community Development Block Grant financed by the United States Department of Housing and Urban Development and administered through the New York State Office of Homes and Community Renewal. The grant is to assist local Ulster County Farmer's to rehabilitate migrant worker housing. Total monies received in 2011 were \$97,633. A copy of the Cornell Cooperative Extension of Ulster County certified financial report may be obtained from Cornell Cooperative Extension at 10 Westbrook Lane Kingston, NY 12401.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

During 2011 the County contracted with Rural Ulster Preservation Company (RUPCO) as sub-recipient for a \$400,000 Small Cities Community Development Block Grant financed by the United States Department of Housing and Urban Development and administered through the New York State Office of Homes and Community Renewal. The purpose of this grant is to assist low to moderate Ulster County residents to rehabilitate owner-occupied housing. Total monies received in 2011 were \$365,645. A copy of RUPCO's certified financial report may be obtained from RUPCO at 289 Fair Street Kingston, NY 12401.

During 2011 the County contracted with Rural Ulster Preservation Company (RUPCO) as sub-recipient for a \$750,000 Small Cities Community Development Block Grant financed by the United States Department of Housing and Urban Development and administered through the New York State Office of Home and Community Renewal. The purpose of this grant is to assist low to moderate Ulster County homeowners obtain gap financing for purchasing owner-occupied housing. Total monies received in 2011 were \$470,297. A copy of RUPCO's certified financial report may be obtained from RUPCO at 289 Fair Street Kingston, NY 12401

During 2011 the County contracted with the New York State Housing Trust Fund Corporation for a \$67,937 Community Development Block Grant financed by the United States Department of Housing and Urban Development. A budget modification was made in March 2012 increasing the total grant to \$182,355. The purpose of this grant is to reimburse local farmers for animal feed and produce purchased as a result of losses due to Tropical Storm Irene. No monies were received in 2011.

The activity on this loan fund is accounted for in the Special Revenue Fund. This fund is reported in the Special Grant Fund in the County's financial statements.

H. Resource Recovery Agency

Under the terms of a solid waste service agreement dated January 1, 1992, between the County and the Ulster County Resource Recovery Agency (UCRRA), the County is liable for a service fee payable to the UCRRA. The intent of the net service fee agreement is to provide assurance that the UCRRA has the financial resources to meet all debt service obligations and debt service requirements. The net service fee for the fiscal year ended is \$1,366,153 and is due and payable by the County to the UCRRA in 2012. Payments totaling \$1,366,153 have been made by the County as of February 14, 2012. The net service fee for 2012 cannot be determined at this time. The UCRRA's debt service reserve at fiscal year-end is \$3,544,043. The UCRRA has \$21,103,745 in bonds and notes outstanding as of fiscal year end.

State and Federal laws require UCRRA to place a final cover on its landfill sites when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. UCRRA is currently in the post closure phase at each of the landfills. The post closure period goes throughout the year 2028. Current projections prepared by the Agency of annual post closure monitoring and maintenance costs for all 3 landfills are \$211,185 for each of the remaining 17 years.

I. Tobacco Settlement

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

During 2011 a Consumption Decline Trapping Event occurred. This means that shipments of cigarettes in or to the 50 United States, the District of Columbia and Puerto Rico as measured under the MSA, are less in any year preceding a Deposit Date than the amount opposite such year under the "Consumption Decline Trapping Event" definition. According to the MSA Report, the amount shown as relevant shipments was less, and therefore a Consumption Decline Trapping Event has occurred. The trapping requirement for this event as of December 31, 2011 is \$7.744 million. As of year end this trapping requirement was funded at \$1,380.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

J. Golden Hill Health Care Center

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

K. Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 57 – OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans

This Statement amends GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to allow agent employers that have individual employer OPEB plans, with less than 100 plan members to use the alternative measurement method, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which it participates. The requirements of this statement are effective for periods beginning June 15, 2011, which is the fiscal year beginning January 1, 2012 for Ulster County. This statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 61 – The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and 34

This Statement is designed to improve financial reporting for governmental entities by amending the requirements of Statement No. 14, *The Financial Reporting Entity*, and Statement No. 34, *Basic Financial Statements - and Management Discussion and Analysis - for Statement and Local Governments*. This statement amends the criteria for including component units by only including those component units for which the elected officials are financially accountable or that the government determines would be misleading to exclude. This statement also amends the criteria for blending of component units to include only those component units that are so intertwined with the primary government that they are essentially the same as the primary government. The requirements of this statement are effective for periods beginning after June 15, 2012, which is the fiscal year beginning January 1, 2013 for Ulster County. This statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November, 1989 FASB and AICPA Pronouncements

This Statement is intended to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. The requirements of this statement are effective for periods beginning after December 15, 2011, which is the fiscal year beginning January 1, 2012 for Ulster County. This statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

This Statement is intended to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The requirements of this statement are effective for periods beginning after December 15, 2011, which is the fiscal year beginning January 1, 2012 for Ulster County. This statement is not expected to have a material effect on the future financial statements of the County.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

GASB Statement No. 64 – Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53

This Statement is intended to improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The requirements of this statement are effective for periods beginning after June 15, 2011, which is the fiscal year beginning January 1, 2012 for Ulster County. This statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 65 – Items Previously Reported as Assets and Liabilities

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this statement are effective for periods beginning after December 15, 2012, which is the fiscal year beginning January 1, 2013 for Ulster County. This statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 66 – Technical Corrections - 2012 – an amendment of GASB Statements No. 10 and No. 62

This Statement is intended to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 20, 1989 FASB and AICPA Pronouncements*. The requirements of this statement are effective for periods beginning after December 15, 2012, which is the fiscal year beginning January 1, 2013 for Ulster County. This statement is not expected to have a material effect on the future financial statements of the County.

L. Subsequent Events

Advanced Refunding

In June 2012, the Ulster County Legislature resolved to authorize the advance refunding of serial bonds in the amount of \$51,175,000. The proceeds of the sale were placed in an irrevocable escrow account maintained by a third party independent of the County, and subsequently used to purchase securities to provide debt service payments for bonds that were removed from the County's and the Golden Hill Health Care Center's long-term debt. The advance refunding of these bonds resulted in an increase to its total debt service payments over the next 18 years by approximately \$59.9 million and to obtain an economic gain of approximately \$3.7 million.

Sale of the County's Certified Home Health Agency License and Long-Term Home Health Care Program License

The Ulster County Legislature resolved to authorize the sale of the County's Certified Home Health Agency License and Long-Term Home Health Care Program License with approval by the New York State Department of Health. The sale price of \$400 thousand was paid at the time of closing in June 2012.

Hurricane Irene and Tropical Storm Lee

During the week of August 28, 2011 Hurricane Irene and Tropical Storm Lee hit Ulster County creating the County's worst natural disaster in recent history. The physical recovery of the devastation of private and public property will take years. It is estimated that nearly \$7 million will be needed to reconstruct the County's damaged highway and bridge infrastructure over a two year period. In 2011, the County issued a \$15 million Bond Anticipation Note to finance the recovery project. The financing cost is estimated at \$75 thousand for the first year of the project. The note was renewed in the amount of \$15 million on June 7, 2012. Federal and State FEMA funds will eventually be available to reimburse the County for 100% of the total eligible storm damage costs. It is not yet determined how much the actual costs of the recovery project will amount to at this time.

COUNTY OF ULSTER, NEW YORK

Notes to the Financial Statements

December 31, 2011

J. Prior Period Adjustment

The financial statements have been revised to reflect a prior period adjustment for the net assets of the Capital Resource Corporation, a discretely presented component unit of Ulster County. The Capital Resource Corporation was formed in 2010, and the activity was not included in the 2010 financial statements. The effect of this adjustment to the beginning net assets of the aggregate discretely presented component units was to increase beginning fund balance of the Capital Resource Corporation by \$80,485.

Required Supplementary
Information

**County of Ulster, New York
Schedule of Funding Progress
Other Post Employment Benefits
For the Year Ended December 31, 2011**

Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	1/1/2011	\$ -	\$ 148,050,262	\$ 148,050,262	0.0%	\$ 81,549,232	181.5%
12/31/2010	1/1/2009	-	139,094,811	139,094,811	0.0%	94,008,977	148.0%
12/31/2009	1/1/2009	-	129,357,830	129,357,830	0.0%	94,553,139	136.8%
12/31/2008	1/1/2007	-	114,094,603	114,094,603	0.0%	89,784,582	127.1%
12/31/2007	1/1/2007	-	104,934,917	104,934,917	0.0%	86,381,036	121.5%

See accompanying notes to required supplementary information
See independent auditors' report

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final	Amounts (Budgetary Basis)	
REVENUES				
Taxes:				
Property	66,696,272	66,696,272	63,230,002	(3,466,270)
Other real property tax items	4,270,000	4,270,000	5,369,653	1,099,653
Sales	97,713,384	97,713,384	100,922,906	3,209,522
Tax on Hotel Room Occupancy	975,000	975,000	1,046,017	71,017
Off track betting taxes	350,000	350,000	225,238	(124,762)
E-911 emergency telephone surcharge	670,600	670,600	693,977	23,377
State aid	43,669,610	44,568,025	37,267,651	(7,300,374)
Federal aid	33,287,995	35,688,724	35,884,134	195,410
Departmental income	19,887,795	20,348,409	17,685,371	(2,663,038)
Intergovernmental	4,617,526	4,652,526	4,508,879	(143,647)
Use of money and property	1,387,760	1,387,760	1,260,614	(127,146)
Licenses and permits	16,000	16,000	1,569	(14,431)
Fines and forfeitures	743,688	845,788	812,708	(33,080)
Sale of property and compensation for loss	381,300	429,171	646,063	216,892
Miscellaneous local sources	1,320,000	1,344,228	238,434	(1,105,794)
Interfund revenues	8,861,311	8,887,270	9,161,500	274,230
Total revenues	284,848,241	288,843,157	278,954,716	(9,888,441)
EXPENDITURES				
Current:				
General government	53,310,983	55,357,091	49,108,657	6,248,434
Education	9,590,863	9,590,863	9,151,931	438,932
Public safety	28,311,915	29,820,675	27,420,300	2,400,375
Public health	21,161,921	23,228,954	19,923,701	3,305,253
Transportation	6,227,865	6,604,448	5,392,871	1,211,577
Economic assistance	113,372,960	116,314,486	107,795,895	8,518,591
Culture and recreation	949,088	878,270	752,001	126,269
Home and community	3,070,212	3,419,521	2,649,901	769,620
Employee benefits	45,871,758	45,575,369	40,102,026	5,473,343
Debt service:				
Principal	1,775,000	2,030,000	2,030,000	-
Interest	300,000	130,000	128,178	1,822
Total expenditures	283,942,565	292,949,677	264,455,461	28,494,216
Excess (deficiency) of revenues over (under) expenditures	905,676	(4,106,520)	14,499,255	18,605,775
OTHER FINANCING SOURCES (USES)				
Transfers in	2,050,275	2,050,275	-	(2,050,275)
Transfers out	(14,205,951)	(14,425,367)	(11,006,804)	3,418,563
Premium on obligations	-	-	56,740	56,740
Total other financing sources (uses)	(12,155,676)	(12,375,092)	(10,950,064)	1,425,028
Net change in fund balances	(11,250,000)	(16,481,612)	3,549,191	20,030,803
Fund balances - January 1	41,904,894	41,904,894	41,904,894	-
Fund balances - December 31	\$ 30,654,894	\$ 25,423,282	\$ 45,454,085	\$ 20,030,803

See accompanying notes to required supplementary information.
See independent auditors' report.

COUNTY OF ULSTER, NEW YORK
Notes to the Required Supplementary Information
December 31, 2011

Budgetary Information

Annual budgets are legally required and adopted for the general fund, special revenue funds and the debt service fund on a basis consistent with generally accepted accounting principles. Project-length financial plans are adopted for the capital projects fund. All annual appropriations lapse at year end.

On or before the first Friday of October, the County Executive submits to the County Legislature a proposed budget for the fiscal year commencing the following January 1. The Legislature holds public hearings and a final budget is prepared and adopted no later than the second Thursday of December.

The appropriated budget is prepared by fund, function, department and division. The County Executive is authorized to make transfers of appropriations within and across departments. Transfers of appropriations that alter the total appropriation of any department or agency, must be approved by the Legislature. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department and object of expense level within the fund. The supplementary budgetary appropriations made were not material.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Supplementary
Information

Combining Financial
Statements and Budgetary
Comparison Schedules

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

**County of Ulster, New York
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011**

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Special Grant	County Road	Road Machinery	
ASSETS				
Cash, cash equivalents and investments	\$ 560,475	\$ 1,099,722	\$ 1,300,428	\$ 2,960,625
Receivables	644,150	1,518,329	80,272	2,242,751
Due from other funds	73	-	-	73
Total assets	<u>\$ 1,204,698</u>	<u>\$ 2,618,051</u>	<u>\$ 1,380,700</u>	<u>\$ 5,203,449</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other current liabilities	\$ 73,303	\$ 859,910	\$ 394,206	\$ 1,327,419
Due to other governments	574,000	-	-	574,000
Total liabilities	<u>647,303</u>	<u>859,910</u>	<u>394,206</u>	<u>1,901,419</u>
Fund balances:				
Assigned to:				
Encumbrances	9,170	38,219	48,278	95,667
Special revenue funds	548,225	1,719,922	938,216	3,206,363
Total fund balances	<u>557,395</u>	<u>1,758,141</u>	<u>986,494</u>	<u>3,302,030</u>
Total liabilities and fund balances	<u>\$ 1,204,698</u>	<u>\$ 2,618,051</u>	<u>\$ 1,380,700</u>	<u>\$ 5,203,449</u>

See independent auditors' report.

County of Ulster, New York
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Special Grant	County Road	Road Machinery	
REVENUES				
Real property taxes	\$ -	\$ 10,247,855	\$ 833	\$ 10,248,688
State aid	-	2,517,297	-	2,517,297
Federal aid	2,311,436	223,006	-	2,534,442
Intergovernmental	-	235,240	-	235,240
Use of money and property	4,774	1,465	1,543	7,782
Sale of property and compensation for loss	-	33,037	458,037	491,074
Miscellaneous local sources	-	14,906	-	14,906
Interfund revenues	-	378,485	2,928,955	3,307,440
Total revenues	2,316,210	13,651,291	3,389,368	19,356,869
EXPENDITURES				
Current:				
Transportation	-	13,232,375	3,733,144	16,965,519
Economic assistance	1,548,003	-	-	1,548,003
Home and community	802,932	-	-	802,932
Debt service:				
Interest	66,981	-	-	66,981
Total expenditures	2,417,916	13,232,375	3,733,144	19,383,435
Excess (deficiency) of revenues over (under) expenditures	(101,706)	418,916	(343,776)	(26,566)
Net change in fund balances	(101,706)	418,916	(343,776)	(26,566)
Fund balances, restated - January 1	659,101	1,339,225	1,330,270	3,328,596
Fund balances - December 31	\$ 557,395	\$ 1,758,141	\$ 986,494	\$ 3,302,030

See independent auditors' report.

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
Special Grant Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
State aid	\$ -	\$ 58,196	\$ -	\$ (58,196)
Federal aid	2,375,153	2,450,553	2,311,436	(139,117)
Departmental income	400	88,263	-	(88,263)
Use of money and property	9,500	9,500	4,774	(4,726)
Total revenues	2,385,053	2,606,512	2,316,210	(290,302)
EXPENDITURES				
Current:				
Economic assistance	1,625,153	1,843,506	1,548,003	295,503
Home and community	751,900	728,800	802,932	(74,132)
Debt service:				
Principal	-	89,000	60,000	29,000
Interest	8,000	8,000	6,981	1,019
Total expenditures	2,385,053	2,669,306	2,417,916	251,390
Excess (deficiency) of revenues over (under) expenditures	-	(62,794)	(101,706)	(38,912)
Net change in fund balances	-	(62,794)	(101,706)	(38,912)
Fund balances - January 1	659,101	659,101	659,101	-
Fund balances - December 31	\$ 659,101	\$ 596,307	\$ 557,395	\$ (38,912)

See independent auditors' report.

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
County Road Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Real property taxes	\$ 10,247,855	\$ 10,247,855	\$ 10,247,855	\$ -
State aid	2,556,100	2,917,719	2,517,297	(400,422)
Federal aid	-	775,391	223,006	(552,385)
Intergovernmental	125,000	125,000	235,240	110,240
Use of money and property	7,000	7,000	1,465	(5,535)
Sale of property and compensation for loss	30,500	30,500	33,037	2,537
Miscellaneous local sources	-	-	14,906	14,906
Interfund revenues	135,000	811,156	378,485	(432,671)
Total revenues	13,101,455	14,914,621	13,651,291	(1,263,330)
EXPENDITURES				
Current:				
Transportation	13,101,455	15,010,895	13,232,375	1,778,520
Total expenditures	13,101,455	15,010,895	13,232,375	1,778,520
Excess (deficiency) of revenues over (under) expenditures	-	(96,274)	418,916	515,190
Net change in fund balances	-	(96,274)	418,916	515,190
Fund balances, restated - January 1	1,339,225	1,339,225	1,339,225	-
Fund balances - December 31	\$ 1,339,225	\$ 1,242,951	\$ 1,758,141	\$ 515,190

See independent auditors' report.

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
Road Machinery Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Real property taxes	\$ 833	\$ 833	\$ 833	-
Use of money and property	6,000	6,000	1,543	(4,457)
Sale of property and compensation for loss	387,500	439,995	458,037	18,042
Interfund revenues	2,783,000	2,928,955	2,928,955	-
Total revenues	3,177,333	3,375,783	3,389,368	13,585
EXPENDITURES				
Current:				
Transportation	3,403,333	3,942,127	3,733,144	208,983
Total expenditures	3,403,333	3,942,127	3,733,144	208,983
Excess (deficiency) of revenues over (under) expenditures	(226,000)	(566,344)	(343,776)	222,568
Net change in fund balances	(226,000)	(566,344)	(343,776)	222,568
Fund balances - January 1	1,330,270	1,330,270	1,330,270	-
Fund balances - December 31	\$ 1,104,270	\$ 763,926	\$ 986,494	\$ 222,568

See independent auditors' report.

County of Ulster, New York
Budgetary Comparison Schedule
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Use of money and property	\$ 25,000	\$ 25,000	\$ 9,635	\$ (15,365)
Interfund revenues	-	-	100,646	100,646
Total revenues	25,000	25,000	110,281	85,281
EXPENDITURES				
Debt service:				
Principal	6,110,000	6,135,000	6,132,500	2,500
Interest	4,006,859	3,981,859	3,975,794	6,065
Total expenditures	10,116,859	10,116,859	10,108,294	8,565
Excess (deficiency) of revenues over (under) expenditures	(10,091,859)	(10,091,859)	(9,998,013)	93,846
OTHER FINANCING SOURCES (USES)				
Transfers in	9,948,609	9,948,609	9,948,609	-
Total other financing sources (uses)	9,948,609	9,948,609	9,948,609	-
Net change in fund balances	(143,250)	(143,250)	(49,404)	93,846
Fund balances - January 1	1,346,293	1,346,293	1,346,293	-
Fund balances - December 31	\$ 1,203,043	\$ 1,203,043	\$ 1,296,889	\$ 93,846

See independent auditors' report.

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Statistical Section (Unaudited)

Table 1

COUNTY OF ULSTER, NEW YORK
Net Assets - Comparison
As of December 31, 2011

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities:								
Invested in capital assets, net of related debt	\$ 67,512,459	\$ 32,905,031	\$ 40,827,163	\$ 37,988,577	\$ 32,239,663	\$ 31,715,641	\$ 37,390,565	\$ 20,864,249
Restricted	8,312,709	9,415,932	14,134,906	17,200,974	17,164,056	12,715,012	9,603,188	9,009,628
Unrestricted	<u>21,220,377</u>	<u>36,206,914</u>	<u>19,036,640</u>	<u>15,627,851</u>	<u>9,616,987</u>	<u>2,302,802</u>	<u>(9,600,040)</u>	<u>(11,261,448)</u>
Total governmental activities net assets	<u>\$ 97,045,545</u>	<u>\$ 78,527,877</u>	<u>\$ 73,998,709</u>	<u>\$ 70,817,402</u>	<u>\$ 59,020,706</u>	<u>\$ 46,733,455</u>	<u>\$ 37,393,713</u>	<u>\$ 18,612,429</u>
Business-type Activities:								
Invested in capital assets, net of related debt	\$ 6,835,994	\$ 6,041,099	\$ 5,527,546	\$ 4,991,929	\$ 4,518,472	\$ 3,955,646	\$ 3,580,827	\$ 3,024,756
Restricted	-	-	-	-	-	-	-	39,030
Unrestricted	<u>(5,867,333)</u>	<u>(2,072,544)</u>	<u>(329,207)</u>	<u>41,734</u>	<u>2,164,989</u>	<u>2,829,444</u>	<u>555,836</u>	<u>(4,934,896)</u>
Total business-type activities net assets	<u>\$ 968,661</u>	<u>\$ 3,968,555</u>	<u>\$ 5,198,339</u>	<u>\$ 5,033,663</u>	<u>\$ 6,683,461</u>	<u>\$ 6,785,090</u>	<u>\$ 4,136,663</u>	<u>\$ (1,871,110)</u>
Total Primary Government:								
Invested in capital assets, net of related debt	\$ 74,348,453	\$ 38,946,130	\$ 46,354,709	\$ 42,980,506	\$ 36,758,135	\$ 35,671,287	\$ 40,971,392	\$ 23,889,005
Restricted	8,312,709	9,415,932	14,134,906	17,200,974	17,164,056	12,715,012	9,603,188	9,048,658
Unrestricted	<u>15,353,044</u>	<u>34,134,370</u>	<u>18,707,433</u>	<u>15,669,585</u>	<u>11,781,976</u>	<u>5,132,246</u>	<u>(9,044,204)</u>	<u>(16,196,344)</u>
Total primary government net assets	<u>\$ 98,014,206</u>	<u>\$ 82,496,432</u>	<u>\$ 79,197,048</u>	<u>\$ 75,851,065</u>	<u>\$ 65,704,167</u>	<u>\$ 53,518,545</u>	<u>\$ 41,530,376</u>	<u>\$ 16,741,319</u>

Ulster County implemented GASB 34 for the fiscal year ended December 31, 2002. Information prior to the implementation of GASB 34 is not available.

COUNTY OF ULSTER, NEW YORK
Changes in Net Assets
For the Year Ended December 31, 2011

	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental activities								
General Government	\$ 39,439,802	\$ 33,456,337	\$ 36,066,868	\$ 54,726,317	\$ 57,795,151	\$ 58,327,082	\$ 60,836,813	\$ 64,421,405
Education	8,809,877	9,692,401	11,014,596	11,312,002	11,594,288	14,630,803	10,734,010	10,449,170
Public Safety	29,612,953	33,268,845	33,626,890	36,779,963	41,821,492	43,423,235	43,177,212	46,596,897
Public Health	30,444,401	29,521,457	29,804,117	31,026,811	31,360,625	31,360,469	29,495,696	28,088,636
Transportation	23,770,523	22,646,580	21,741,022	21,791,121	23,873,111	22,436,100	22,616,510	26,973,401
Economic assistance	110,780,457	107,860,841	109,020,428	105,092,967	120,893,695	121,241,346	117,923,542	120,653,740
Culture and recreation	1,369,500	1,376,028	1,155,945	946,894	1,508,943	1,289,205	1,122,212	1,040,315
Home and community	5,849,566	4,859,404	5,246,274	5,120,378	3,967,149	5,005,546	5,689,953	4,190,840
Interest on long-term debt	5,212,692	6,343,854	8,863,372	8,395,558	8,373,081	6,695,993	7,180,086	6,884,754
Total governmental activities expenses	255,289,771	249,025,747	256,539,512	275,192,011	301,187,535	304,409,779	298,776,034	309,299,158
Business-type activities								
Long-Term Care	24,568,456	28,368,171	26,802,079	29,719,099	31,368,337	28,995,372	31,782,832	32,906,238
Workers' Compensation Pool	9,865,106	7,250,168	15,942,383	8,640,289	13,636,831	7,710,107	6,040,004	14,795,165
Total business-type activities expenses	34,433,562	35,618,339	42,744,462	38,359,388	45,005,168	36,705,479	37,822,836	47,701,403
Total primary government expenses	289,723,333	284,644,086	299,283,974	313,551,399	346,192,703	341,115,258	336,598,870	357,000,561
Program Revenues								
Governmental activities								
Charges for Services								
General Government	3,583,926	5,838,576	5,214,450	5,444,510	5,245,458	8,758,831	6,813,541	6,222,816
Education	41,875	54,140	82,132	65,263	1,665,975	3,386,000	148,108	83,195
Public Safety	1,828,861	1,632,957	1,957,754	2,737,430	3,398,790	3,957,333	3,245,780	3,177,387
Public Health	11,358,392	11,393,797	11,245,180	10,697,384	9,904,260	10,002,413	6,451,909	6,419,484
Transportation	3,250,413	982,247	924,771	841,017	1,058,360	971,219	1,022,546	1,389,205
Economic assistance	7,759,236	5,120,703	5,629,965	5,981,969	11,347,145	7,188,227	7,579,039	8,536,093
Culture and recreation	91,700	99,440	117,620	127,729	163,410	163,410	133,422	129,181
Home and community	156,781	225,428	152,000	546	254,703	581	241	4,789
Operating Grants and Contributions	78,210,791	75,541,924	75,548,717	73,983,304	77,365,503	83,623,613	79,767,515	77,940,934
Capital Grants and Contributions	6,145,304	2,373,454	1,516,918	1,710,255	2,308,376	2,591,900	4,004,267	2,288,331
Total governmental activities program revenues	112,427,279	103,262,666	102,389,507	101,589,407	112,668,844	120,643,527	109,166,368	106,191,415
Business-type activities:								
Charges for Services								
Long-Term Care	18,656,588	19,801,574	20,391,670	21,114,745	22,815,253	23,253,216	22,830,322	21,911,315
Workers' Compensation Pool	5,403,749	10,978,686	14,768,650	7,258,583	12,637,989	6,870,549	5,055,842	13,968,979
Operating Grants and Contributions	967,021	923,398	918,470	670,329	664,252	656,661	794,848	738,367
Total business-type activities program revenues	25,027,358	31,703,658	36,078,790	29,043,657	36,117,494	30,780,426	28,681,012	36,618,661
Total primary government program revenues	137,454,637	134,966,324	138,468,297	130,633,064	148,786,338	151,423,953	137,847,380	142,810,076
Net revenues (expenses)								
Governmental activities	(142,862,492)	(145,763,081)	(154,150,005)	(173,602,604)	(188,518,691)	(183,766,252)	(189,609,666)	(203,107,743)
Business-type activities	(9,406,204)	(3,914,681)	(6,665,672)	(9,315,731)	(8,887,674)	(5,925,053)	(9,141,824)	(11,082,742)
Total net revenues (expenses)	(152,268,696)	(149,677,762)	(160,815,677)	(182,918,335)	(197,406,365)	(189,691,305)	(198,751,490)	(214,190,485)
General revenues and other changes in net assets								
Governmental activities								
Real property taxes and tax items	47,209,479	53,769,575	69,148,028	73,787,164	76,245,122	78,116,082	81,904,942	81,738,478
Sales Tax	78,300,021	81,338,215	83,450,734	97,322,733	98,941,156	90,966,778	96,799,073	100,922,906
Other Nonproperty tax items	1,458,758	2,211,598	2,374,211	2,245,745	2,177,438	1,909,465	1,999,120	1,965,232
Investment earnings	1,279,503	2,009,237	3,616,265	3,031,652	1,607,710	496,097	356,297	261,354
Tobacco settlement proceeds	2,686,844	2,493,877	2,584,016	2,626,275	2,741,654	3,396,692	1,840,699	2,059,780
Proceeds of obligations	1,591,122	-	-	-	-	-	-	-
Premium on sale of obligations	654,464	1,035,319	784,855	46,477	59,205	83,519	211,012	71,314
Gain (loss) on dispositions of assets	(2,791,300)	(2,593,772)	(4,246,176)	(3,554,733)	(3,106,174)	(2,969,363)	(1,641,219)	(1,654,937)
Transfers/county contribution to GHHCC	(3,570,976)	(5,186,063)	(5,766,376)	(5,087,895)	(1,944,116)	(520,269)	(1,200,000)	(1,037,668)
Total governmental activities general revenues	126,817,915	135,077,946	151,945,557	170,417,418	176,721,995	171,479,001	180,269,924	184,326,459
Business-type activities:								
Interest and earnings	196,671	518,893	861,361	988,990	497,986	192,814	172,134	48,793
Contribution from other governments	-	-	-	-	4,762,422	2,613,398	2,022,033	345,474
Public facility grant program	-	-	74,582	247,611	256,769	56,612	-	-
Transfers	-	-	-	-	(17,093)	(1,552)	(363)	(1,537)
County contribution	4,615,106	6,395,684	6,959,513	8,480,294	5,037,388	3,165,410	4,299,593	4,682,239
Total business-type activities general revenues	4,811,777	6,914,577	7,895,456	9,716,895	10,537,472	6,026,682	6,493,397	5,074,969
Total primary government general revenues	131,629,692	141,992,523	159,841,013	180,134,313	187,259,467	177,505,683	186,763,321	189,401,428
Change in Net Assets								
Governmental activities	(16,044,577)	(10,685,135)	(2,204,448)	(3,185,186)	(11,796,696)	(12,287,251)	(9,339,742)	(18,781,284)
Business-type activities	(4,594,427)	2,999,896	1,229,784	401,164	1,649,798	101,629	(2,648,427)	(6,007,773)
Total primary government change in Net Assets	\$ (20,639,004)	\$ (7,685,239)	\$ (974,664)	\$ (2,784,022)	\$ (10,146,898)	\$ (12,185,622)	\$ (11,988,169)	\$ (24,789,057)

NOTES: Ulster County implemented GASB 34 for the fiscal year ended December 31, 2002. Information prior to the implementation of GASB 34 is not available.

Table 3

COUNTY OF ULSTER, NEW YORK
Fund Balances of Governmental Funds
As of December 31, 2011

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund					
Nonspendable	\$ 5,535,088	\$ 4,747,638	\$ 4,618,090	\$ 5,512,141	\$ 6,250,783
Restricted	3,388,599	3,615,204	3,889,971	3,784,434	4,071,687
Assigned	4,707,359	7,189,675	10,562,428	17,770,023	17,648,319
Unassigned	<u>21,010,087</u>	<u>23,806,387</u>	<u>19,652,833</u>	<u>14,838,296</u>	<u>17,483,296</u>
Total General Fund	<u>\$ 34,641,133</u>	<u>\$ 39,358,904</u>	<u>\$ 38,723,322</u>	<u>\$ 41,904,894</u>	<u>\$ 45,454,085</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ 12,000	\$ -
Restricted	10,187,847	11,253,436	3,316,099	3,941,832	3,341,582
Assigned	8,702,924	5,987,794	8,652,209	4,450,274	4,898,389
Unassigned	<u>(8,618,095)</u>	<u>(8,358,663)</u>	<u>(7,049,220)</u>	<u>(6,309,594)</u>	<u>(12,471,578)</u>
Total all Other Governmental Funds	<u>\$ 10,272,676</u>	<u>\$ 8,882,567</u>	<u>\$ 4,919,088</u>	<u>\$ 2,094,512</u>	<u>\$ (4,231,607)</u>
Total Fund Balances	\$ 44,913,809	\$ 48,241,471	\$ 43,642,410	\$ 43,999,406	\$ 41,222,478

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

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

Table 4

COUNTY OF ULSTER, NEW YORK
Changes in Fund Balances of Governmental Funds
For the Year Ended December 31, 2011

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues:								
Real property taxes	\$ 44,189,014	\$ 53,223,307	\$ 65,311,461	\$ 67,523,671	\$ 70,139,384	\$ 71,398,228	\$ 75,200,899	\$ 73,478,690
Real property tax items	4,431,094	3,811,962	3,825,110	3,497,344	4,305,615	4,332,223	5,009,619	5,369,653
Non-property taxes	79,758,779	83,549,813	85,824,945	99,568,479	101,118,594	92,876,243	98,798,193	102,888,138
Departmental Income	20,249,901	19,991,171	20,359,631	19,528,892	19,963,605	20,351,962	17,527,001	17,685,371
Intergovernmental revenue	1,393,192	1,805,110	2,115,031	2,329,517	4,249,736	5,248,585	4,617,934	4,903,658
Use of money and property	4,765,356	3,115,226	4,230,682	4,273,204	2,639,687	1,577,817	1,487,138	1,429,721
Licenses and permits	13,117	11,862	12,720	11,068	24,480	23,020	25,080	1,569
Fines and forfeitures	514,296	535,175	519,884	488,588	447,367	519,512	730,193	812,708
Sale of property and compensation for losses	439,529	812,856	2,566,049	619,354	674,209	2,273,710	1,136,334	1,137,137
Tobacco settlement proceeds	2,679,548	2,717,362	2,486,193	2,587,417	2,641,654	2,913,103	2,424,288	2,298,424
Miscellaneous	2,114,538	1,338,879	1,380,514	2,054,800	421,048	1,647,627	350,357	253,340
Interfund revenues	7,685,604	9,751,192	9,923,823	9,666,438	10,094,829	9,707,316	10,808,054	12,569,586
State aid	47,513,527	44,131,173	41,611,993	43,035,196	46,591,664	43,082,799	40,595,774	39,964,640
Federal Aid	36,703,326	33,530,451	35,279,268	32,280,439	32,907,336	43,029,364	43,052,854	40,264,625
Total revenues	252,450,821	258,325,539	275,447,304	287,464,407	296,219,208	298,981,509	301,763,718	303,057,260
Expenditures:								
Current:								
General Government	34,212,944	29,649,035	27,855,335	44,525,780	47,777,639	48,267,003	50,274,131	50,173,121
Education	8,014,490	8,902,552	10,231,066	10,562,077	10,677,957	10,293,320	9,811,874	9,312,835
Public Safety	40,133,507	39,264,601	38,943,525	24,966,437	26,648,593	27,249,930	27,061,892	27,496,698
Public Health	24,442,100	23,117,636	23,481,931	23,271,329	23,389,171	23,393,390	21,796,446	19,923,701
Transportation	22,016,555	23,106,668	22,898,213	23,612,997	26,868,648	25,101,511	27,987,144	32,099,024
Economic Assistance	105,289,213	101,659,196	102,549,686	97,078,952	107,157,667	111,864,712	108,154,316	109,659,229
Culture and Recreation	1,219,403	1,207,672	877,416	914,196	1,092,001	967,224	850,271	752,001
Home and Community	5,621,334	4,544,582	4,932,367	4,790,300	3,546,208	4,487,977	5,219,808	3,630,917
Employee Benefits	30,490,019	33,009,335	33,936,514	33,131,311	34,434,331	34,087,256	39,806,712	40,102,026
Debt Service:								
Principal	4,246,028	5,399,544	8,804,094	5,722,005	6,190,817	26,689,198	8,179,900	8,607,904
Interest	4,866,457	6,255,246	6,813,573	6,640,071	6,607,206	7,913,159	6,345,977	6,160,689
Total expenditures	280,552,050	276,116,067	281,323,720	275,215,455	294,390,238	320,314,680	305,488,471	307,918,145
Excess (deficiency) of revenues over expenditures	(28,101,229)	(17,790,528)	(5,876,416)	12,248,952	1,828,970	(21,333,171)	(3,724,753)	(4,860,885)
Other financing sources (uses):								
Proceeds of obligations	1,591,122	48,861,458	54,799,108	4,438,340	2,954,923	17,185,434	5,027,500	3,064,885
Premium on obligations	639,890	1,018,889	770,281	31,903	44,631	68,945	196,438	56,740
Capital leases	54,156	48,097	-	39,939	443,254	-	57,811	-
Transfers in	1,302,941	16,093,985	11,540,326	9,965,298	10,358,296	9,701,178	7,035,991	9,969,136
Transfers out	(4,873,917)	(21,280,048)	(17,306,702)	(15,053,193)	(12,302,412)	(10,221,447)	(8,235,991)	(11,006,804)
Total other financing sources (uses)	(1,285,808)	44,742,381	49,803,013	(577,713)	1,498,692	16,734,110	4,081,749	2,083,957
Net change in fund balance	\$ (29,387,037)	\$ 26,951,853	\$ 43,926,597	\$ 11,671,239	\$ 3,327,662	\$ (4,599,061)	\$ 356,996	\$ (2,776,928)
Debt Service as a percentage of noncapital expenditures	3.62%	4.56%	5.93%	4.59%	4.44%	11.00%	4.90%	4.98%

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

Year	General Government Support	Education	Public Safety	Health	Transportation	Economic Assistance & Opportunity	Culture and Recreation
2002	27,974,558	8,080,465	27,711,821	22,757,999	18,450,490	102,811,108	1,317,956
2003	28,690,011	7,914,194	57,425,211	23,216,252	18,804,208	102,997,926	1,261,973
2004	34,212,944	8,014,490	40,133,507	24,442,100	22,016,555	105,289,213	1,219,403
2005	29,649,035	8,902,552	39,264,601	23,117,636	23,106,668	101,659,196	1,207,672
2006	27,855,335	10,231,066	38,943,525	23,481,931	22,898,213	102,549,686	877,416
2007	44,525,780	10,562,077	24,966,437	23,271,329	23,612,997	97,078,952	914,196
2008	47,777,639	10,677,957	26,648,593	23,389,171	26,868,648	107,157,667	1,092,001
2009	48,267,003	10,293,320	27,249,930	23,393,390	25,101,511	111,864,712	967,224
2010	50,274,131	9,811,874	27,061,892	21,796,446	27,987,144	108,154,316	850,271
2011	50,173,121	9,312,835	27,496,698	19,923,701	32,099,024	109,659,229	752,001

(1) Includes general, special revenue, debt service, UTASC and capital projects funds.

* Starting in 2002 the County adopted GASB#34 and so Capital expenditures are recorded in the functional category that they relate to.

Source: Ulster County Annual Financial Reports

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

Year	Real Property Taxes	Other Tax Items	Non-Property Tax Items	State Aid	Federal Aid	Departmental Income	Inter-Governmental Charges
2002	33,236,895	4,186,133	71,917,887	43,113,793	31,033,146	18,200,911	2,010,090
2003	38,526,505	5,476,440	78,500,439	40,245,654	35,484,848	19,618,580	1,487,859
2004	44,189,014	4,431,094	79,758,779	47,513,527	36,703,326	20,249,901	1,393,192
2005	53,223,307	3,811,962	83,549,813	44,131,173	33,530,451	19,991,171	1,805,110
2006	65,311,461	3,825,110	85,824,945	41,611,993	35,279,268	20,359,631	2,115,031
2007	67,523,671	3,497,344	99,568,479	43,035,196	32,280,439	19,528,892	2,329,517
2008	70,139,384	4,305,615	101,118,594	46,591,664	32,907,336	19,963,605	4,249,736
2009	71,398,228	4,332,223	92,876,243	43,082,799	43,029,364	20,351,962	5,248,585
2010	75,200,899	5,009,619	98,798,193	40,595,774	43,052,854	17,527,001	4,617,934
2011	73,478,690	5,369,653	102,888,138	39,964,640	40,264,625	17,685,371	4,903,658

(1) Includes general, special revenue, debt service, UTASC and capital projects funds.

Source: Ulster County Annual Financial Reports

Table 5

Home and Community Services	Employee Benefits	Debt Service (Principal & Interest)		Total
5,699,370	19,914,872	5,030,933	\$	239,749,572
4,957,098	24,149,016	6,141,886	\$	275,557,775
5,621,334	30,490,019	9,112,485	\$	280,552,050
4,544,582	33,009,335	11,654,790	\$	276,116,067
4,932,367	33,936,514	15,617,667	\$	281,323,720
4,790,300	33,131,311	12,362,076	\$	275,215,455
3,546,208	34,434,331	12,798,023	\$	294,390,238
4,487,977	34,087,256	34,602,357	\$	320,314,680
5,219,808	39,806,712	14,525,877	\$	305,488,471
3,630,917	40,102,026	14,768,593	\$	307,918,145

Table 6

Use of Money and Property	Licenses and Permits	Fines and Forfeitures	Sale of Property and Compensation for Loss	Tobacco Settlement	Miscellaneous	Interfund Revenues	Total
5,112,862	10,948	342,764	255,373	3,047,830	11,212,748	5,264,769	\$ 228,946,149
4,741,278	11,912	425,801	377,230	2,509,302	3,521,319	6,523,819	\$ 237,450,986
4,765,356	13,117	514,296	439,529	2,679,548	2,114,538	7,685,604	\$ 252,450,821
3,115,226	11,862	535,175	812,856	2,717,362	1,338,879	9,751,192	\$ 258,325,539
4,230,682	12,720	519,884	2,566,049	2,486,193	1,380,514	9,923,823	\$ 275,447,304
4,273,204	11,068	488,588	619,354	2,587,417	2,054,800	9,666,438	\$ 287,464,407
2,639,687	24,480	447,367	674,209	2,641,654	421,048	10,094,829	\$ 296,219,208
1,577,817	23,020	519,512	2,273,710	2,913,103	1,647,627	9,707,316	\$ 298,981,509
1,487,138	25,080	730,193	1,136,334	2,424,288	350,357	10,808,054	\$ 301,763,718
1,429,721	1,569	812,708	1,137,137	2,298,424	253,340	12,569,586	\$ 303,057,260

Table 7

COUNTY OF ULSTER, NEW YORK
Property Tax Levies & Collections
Last Ten Fiscal Years

Year	Taxes on Roll (2)	Home Relief (2)	Other Adjustments (2)	Net Taxes	Collections During Year	Uncollected Taxes (1)	Percent of levy Collected (1)
2002	103,107,607	(331,940)	(222,597)	102,553,070	95,730,247	7,377,360	92.84%
2003	113,176,034	(357,524)	(224,171)	112,594,339	107,834,354	5,341,680	95.28%
2004	121,326,970	(514,132)	(225,612)	120,587,226	116,406,428	4,920,542	95.94%
2005	132,241,924	(676,006)	(310,935)	131,254,983	127,855,265	4,386,659	96.68%
2006	156,341,726	(616,372)	(174,095)	155,551,259	151,565,098	4,776,628	96.94%
2007	166,199,430	(844,495)	(148,731)	165,206,204	160,722,398	5,477,032	96.70%
2008	172,212,848	(962,981)	(159,997)	171,089,870	165,852,760	6,360,088	96.31%
2009	180,342,958	(1,010,018)	(132,658)	179,200,282	172,391,436	7,951,522	95.59%
2010	188,232,693	(1,278,961)	(109,274)	186,844,458	179,323,504	8,909,189	95.27%
2011	193,884,236	(1,360,336)	(58,059)	192,465,841	184,571,901	9,312,335	95.20%

Note: Taxes on Roll includes relieved school taxes.

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

Table 8

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

Year	Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value
2002	6,772,998,611	9,599,141,336	70.56%
2003	7,154,426,806	10,356,115,419	69.08%
2004	9,130,079,900	13,761,135,352	66.35%
2005	9,105,245,785	13,708,993,530	66.42%
2006	11,192,165,536	16,583,471,592	67.49%
2007	13,599,852,966	18,988,287,662	71.62%
2008	14,042,946,120	20,935,729,372	67.08%
2009	16,341,240,966	21,484,261,701	76.06%
2010	16,246,087,904	20,945,147,626	77.56%
2011	16,335,383,709	19,938,963,280	81.93%

Source: Ulster County Real Property Tax Service Agency Annual Reports

Table 9

COUNTY OF ULSTER, NEW YORK
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	County Millage	Town Millage	School District Millage	Total
2002	29.19	44.92	156.99	\$ 231.10
2003	34.14	45.61	168.42	\$ 248.17
2004	34.44	49.01	175.18	\$ 258.63
2005	49.60	51.33	213.59	\$ 314.52
2006	42.30	36.15	146.38	\$ 224.83
2007	16.11	20.88	73.12	\$ 110.11
2008	16.48	19.60	72.47	\$ 108.55
2009	16.88	20.32	72.81	\$ 110.01
2010	17.63	19.29	75.03	\$ 111.95
2011	17.60	22.54	77.94	\$ 118.08

Rates are per thousand dollars of assessed valuation.

Source: Ulster County Real Property Tax Service Agency Annual Reports

Table 10

COUNTY OF ULSTER, NEW YORK
Principal Taxpayers (1)
December 31, 2011

Taxpayer	Type of Business	Full Valuation (2)	Percentage of Total Full Valuation
City of New York	Water Supply Facilities	\$ 1,220,765,600	7.4%
New York State	State Properties	350,594,200	2.1%
Central Hudson Gas & Electric	Public Utility	326,064,700	2.0%
PCK Enterprises	Shopping Mall	90,965,500	0.5%
Verizon	Public Utility	69,257,500	0.4%
Tech City	Business Park	65,314,600	0.4%
Hudson Valley New Co, LLC	Manufacturer	44,916,000	0.3%
Smiley Brothers, Inc.	Hotel Resort Complex	24,539,000	0.1%
Criterion Atlantic	Warehouse	17,728,000	0.1%
CSX Transportation, Inc.	Railroad	13,422,700	0.1%
Ulster Crossings, LLC	Public Utility	12,169,500	0.1%
Florida Samas Venture, Inc.	Shopping/Restaurants	11,527,000	0.1%
Ulster Acquisition	Office Building Complex	11,430,000	0.07%
		\$ 2,258,694,300	13.6%

Estimated 2011 Full Valuation (1) = \$ 16,560,944,487

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

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

Table 11

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

Year	Population (1)	Assessed Value (2)	Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2002	177,749	6,772,998,611	40,859,062	0.6033%	229.87
2003	177,749	7,154,426,806	111,313,616	1.5559%	626.24
2004	177,749	9,130,079,900	123,839,375	1.3564%	696.71
2005	177,749	9,105,245,785	122,927,632	1.3501%	691.58
2006	177,749	11,192,165,536	110,780,127	0.9898%	623.24
2007	177,749	13,599,852,966	113,187,622	0.8323%	636.78
2008	177,749	14,042,946,120	110,475,359	0.7867%	621.52
2009	177,749	16,341,240,966	109,664,734	0.6711%	616.96
2010	182,493	16,246,087,904	100,597,500	0.6192%	551.24
2011	182,493	16,335,383,709	112,820,199	0.6906%	618.22

Source: (1) Ulster County Planning Board Data Book - Schedule of Persons by Age and Sex

Accumulated from the Bureau of Census STF-1

(2) Ulster County Real Property Tax Service Agency Annual Reports

(3) Ulster County Annual Financial Reports

Table 12

COUNTY OF ULSTER, NEW YORK
Computation of Legal Debt Margin
December 31, 2011

Year	Full Valuation of Real Property
2007	18,988,287,662
2008	20,935,729,372
2009	21,484,261,701
2010	20,945,147,626
2011	19,938,963,280
Total	<u>\$ 102,292,389,641</u>

Average full valuation of taxable real property \$ 20,458,477,928

Debt Limit - 7% thereof \$ 1,432,093,455

Net Bonded Debt \$ 112,820,199

Percentage of debt - contracting power exhausted 7.88%

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

Source: Ulster County Real Property Tax Service Agency Annual Reports

Table 13

COUNTY OF ULSTER, NEW YORK
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds and Bond Anticipation Notes
December 31, 2011

Jurisdiction	Outstanding Indebtedness	Exclusions	Net Indebtedness
Direct:			
County of Ulster	\$ 157,716,687	44,896,488	\$ 112,820,199
Overlapping:			
Towns	58,784,919	16,303,123	42,481,796
Villages	20,544,276	12,640,421	7,903,855
City	31,588,235	10,175,578	21,412,657
School Districts	209,967,523	123,250,936	86,716,587
Fire Districts	7,218,122	-	7,218,122
Total Overlapping	328,103,075	162,370,058	165,733,017
Total	\$ 485,819,762	\$ 207,266,546	\$ 278,553,216

Source: Fiscal Advisors & Marketing, Inc. (Bond & BAN issuance statement 11/17/11) and Latest New York State Comptroller's Report on Municipal Affairs.

Table 14

COUNTY OF ULSTER, NEW YORK
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years

Year	Debt Service (Principal & Interest)	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2002	\$ 5,030,933	\$ 239,749,572	2.10%
2003	\$ 6,141,886	\$ 275,557,775	2.23%
2004	\$ 9,112,485	\$ 280,552,050	3.25%
2005	\$ 11,654,790	\$ 276,116,067	4.22%
2006	\$ 15,617,667	\$ 281,323,720	5.55%
2007	\$ 12,362,076	\$ 275,215,455	4.49%
2008	\$ 12,798,023	\$ 294,390,238	4.35%
2009	\$ 34,602,357	\$ 320,314,680	10.80%
2010	\$ 14,525,877	\$ 305,488,471	4.75%
2011	\$ 14,768,593	\$ 307,918,145	4.80%

Source: Ulster County Annual Financial Reports

COUNTY OF ULSTER, NEW YORK
Demographic Statistics
Last Ten Fiscal Years

Year	Population (1)	Per		
		Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2002	177,749	26,326	27,859	4.4%
2003	177,749	27,025	28,006	4.6%
2004	177,749	28,667	28,278	4.9%
2005	177,749	30,373	28,174	4.4%
2006	177,749	32,570	27,667	4.2%
2007	177,749	34,051	27,001	4.3%
2008	177,749	36,521	26,591	5.5%
2009	177,749	36,519	26,053	7.7%
2010	182,493	37,741	25,643	8.2%
2011	182,493	N/A	24,901	8.2%

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

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

Table 16

Year	Assessed Value (1)	Exemptions (1)	Total	Units of Construction (2)	Average Value (3)	Construction Value
2002	6,772,998,611	134,871,335	6,907,869,946	718	176,917	127,026,406
2003	7,154,426,806	136,189,592	7,290,616,398	694	164,439	114,120,666
2004	9,130,079,900	143,325,329	9,273,405,229	807	202,416	163,349,712
2005	9,105,245,785	129,776,073	9,235,021,858	767	199,678	153,153,026
2006	11,192,165,536	190,692,399	11,382,857,935	530	203,408	107,806,240
2007	13,599,852,966	197,345,307	13,797,198,273	418	215,469	90,066,042
2008	14,042,946,120	188,283,589	14,231,229,709	270	206,055	55,634,850
2009	16,341,240,966	219,156,780	16,560,397,746	171	237,692	40,645,332
2010	16,246,087,904	219,107,591	16,465,195,495	168	257,775	43,306,200
2011	16,335,383,709	225,560,778	16,560,944,487	146	319,017	46,576,536

Note: Assessed Values includes all classifications of taxable real property

Source: (1) Ulster County Real Property Tax Service Agency Annual Reports
(2) Schedule of Total Residential Building Permits 2002 - 2011 per the Bureau of Census Residential Construction Branch.
(3) Schedule of Average Value of Construction 2002 - 2011 per the Bureau of Census Building Permits Annual Summary

Table 17

COUNTY OF ULSTER, NEW YORK
Miscellaneous Statistics
December 31, 2011

Date Founded	November 1, 1683
Form of Government	Charter
Area in Square Miles	1,127
Miles of County Roads	425
Taxable Parcels of Property	84,870
Facilities & Services Not Included in the Reporting Entity	
Number of Cities	1
Number of School Districts	15
Number of Towns	20
Number of Villages	3
Number of Fire Districts	56
Number of Hospitals	3

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