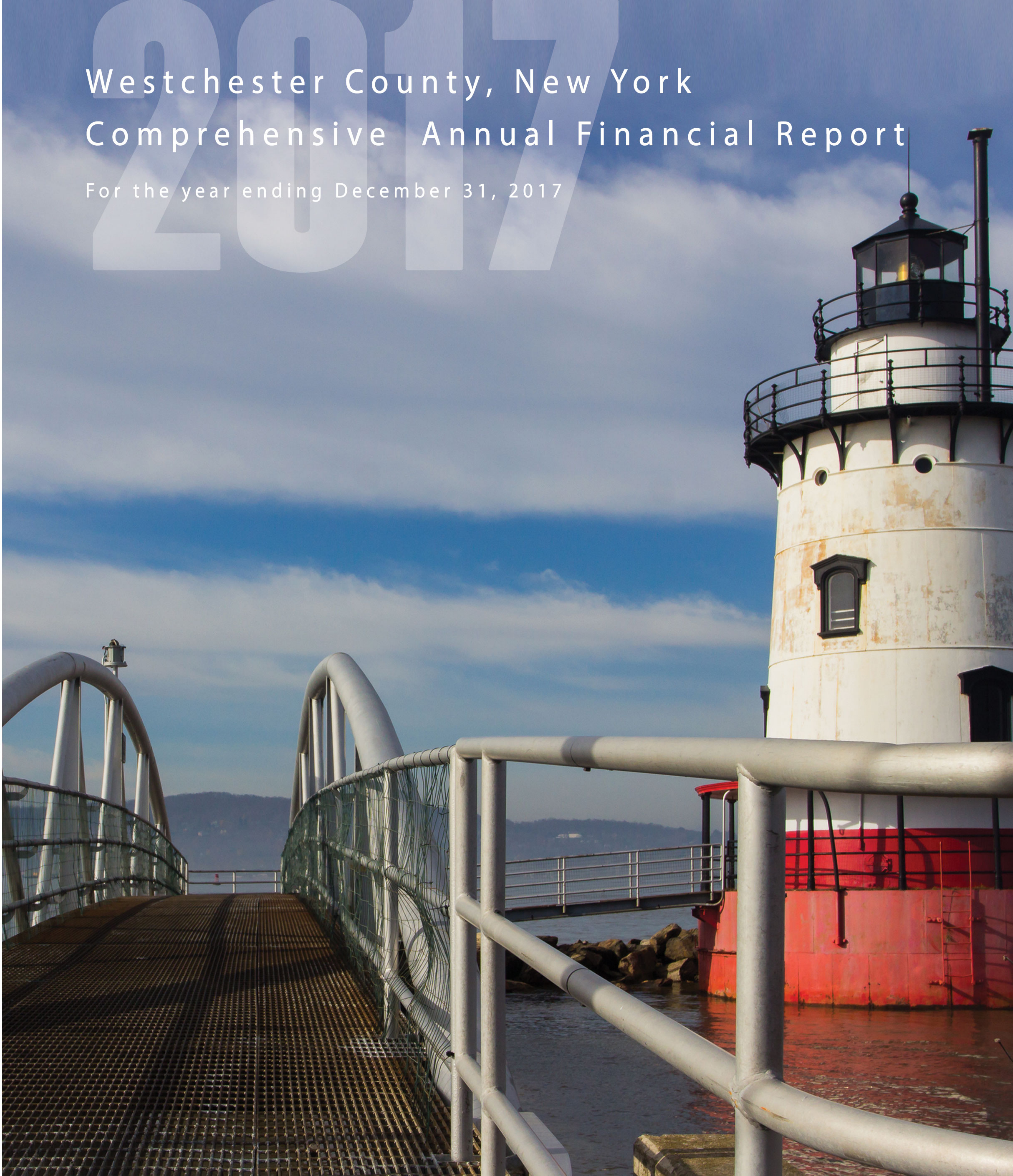


# Westchester County, New York Comprehensive Annual Financial Report

For the year ending December 31, 2017



Westchester  
gov.com

George Latimer, County Executive  
County Board of Legislators  
Ann Marie Berg, Commissioner  
Department of Finance





# 2017

Westchester County, New York  
Comprehensive Annual Financial Report  
For the year ending December 31, 2017

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**WESTCHESTER COUNTY, NEW YORK  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017**

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George Latimer  
County Executive

Department of Finance  
Ann Marie Berg  
Commissioner

June 25, 2018

**To the Taxpayers of the County of Westchester and Members of the County Board of Legislators:**

The Comprehensive Annual Financial Report (CAFR) of the County of Westchester, New York, (County) for the fiscal year ended December 31, 2017 is herewith submitted in accordance with the requirements of Chapter 119 of the County's Charter. This report is presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to the Charter requirement, we hereby issue the Comprehensive Annual Financial Report of the County for the year ended December 31, 2017.

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 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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by PKF O'Connor Davies, LLP, a firm of licensed certified public accountants. 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, 2017, 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. Based upon this audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended December 31, 2017 are fairly presented in conformity with GAAP.





The independent auditors' report is presented as the first item in 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 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 will be available in the County's separately issued Single Audit Report.

This report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the Government Finance Officers Association certificate of achievement for the County's excellence in financial reporting, a general government organization chart and a list of the County's principal officials. The financial section includes the independent auditor's report, Management's Discussion and Analysis (known as the MD&A), the basic financial statements, notes to the financial statements, required supplemental information and combining and individual fund financial statements and schedules. Finally, the statistical section includes selected financial and general information presented on a multi-year basis. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

The County was incorporated in 1683 and operates in accordance with its charter, adopted in 1937, its administrative code, enacted into State Law in 1948, the State Constitution and the various other applicable laws of the State of New York. The County functions under a County Executive/Board of Legislators form of government. The Board of Legislators is the legislative body responsible for overall operation of the County. The County Executive serves as the chief executive officer and the Commissioner of Finance serves as the chief financial officer. The County provides the following services to its residents: education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community services and general and administrative support.

The annual budget serves as the foundation for the County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the Budget Department in August each year. The Budget Department uses these requests as the starting point for developing a proposed budget. The County Executive then presents this proposed budget to the Board of Legislators for review no later than November 10th. The Board of Legislators is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 27th. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department with Budget Department approval. Transfers of appropriations between departments, however, require the approval of the Board of Legislators. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The comparison of the General Fund, Sewer Districts Fund, and Refuse Disposal District Fund is presented on as part of the basic financial statements for the governmental funds. The comparison of nonmajor governmental funds with appropriated annual budgets is presented in the governmental fund subsection of this report.



## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

### **Local Economy**

As the nation's economy continues to improve, Westchester County, as further described below, is experiencing modest improvements in gross sales tax receipts, mortgage tax receipts, and an unemployment rate that continues to be below New York State and New York City. Home foreclosure filings for 2017 decreased from 2016, as well as the first five months of 2018 versus the comparable period of 2017, which is indicative of the continued improvement of the real estate market in the region.

The County's gross sales tax receipts for the five months ended May 2018 and 2017 are \$187.6 million and \$175.2 million, respectively, an increase of \$12.4 million or 7.1%. The yearly amounts (in millions) for 2017, 2016, 2015, 2014 and 2013 were \$525.2, \$507.4, \$500.6, \$503.3 and \$489.5.

The County's mortgage tax receipts for the five months ended May 2018 and 2017 are \$7.2 million and \$8.2 million, respectively, a decrease of \$1.0 million or 12.2 %. The yearly amounts (in millions) for 2017, 2016, 2015, 2014 and 2013 were \$20.1, \$19.7, \$18.4, \$15.0 and \$17.0.

The unemployment rate for the County was 4.2% for April 2018, slightly higher than 4.1% a year earlier. Although the County's joblessness rate is higher than the national average of 3.9%, it remains below that of New York State and New York City, which posted unemployment rates for April 2018 of 4.6% and 4.3%, respectively.

In the real estate market, home foreclosure filings in the County for May year to date 2018 are 496 and for the comparable period of 2017 are 524. Yearly filings for 2017, 2016, 2015, 2014 and 2013 were 1,209, 1,411, 2,120, 2,326 and 2,697 respectively.

### **Financial Planning**

Since taking office in January 2018, the new administration has been focused on the future operating expenditures of the County. Some of the focus has been on unsettled union contracts, health care costs, Medicaid and other State mandated programs. With the County's 2018 tax levy increase, the administration is also mindful of the need to increase revenues and is exploring other revenues such as sales tax and user fees.

The combined sales and mortgage tax revenues for the first five months of 2018 are slightly higher by \$11.4 million from the prior year's comparative period as indicated in the *Local Economy* above. This modest increase in revenue further emphasizes the new administrations 2018 and 2019 concerns of expenditures in excess of revenues.



Some of the actions taken by the County in the first half of 2018 and during 2017 are as follows:

- In 2018, the County passed the Wage History Anti- Discrimination Law which prohibits employers from asking prospective employees about their previous salary history, a practice that perpetuates discrimination against women and people of color.
- In 2018, the County passed a law requiring County departments and offices to participate in contracts with Service Disabled Veteran-Owned Businesses that have been certified by New York State.
- In 2017, the South County Trailway, the final segment of a recreational pathway was opened. Connected to the North County Trailway, this recreational pathway now spans 37 miles from the New York City border to the Putnam County line.
- The County's Office of Economic Development – working in conjunction with the County's Industrial Development Agency – induced 7 projects in 2017 which will retain current jobs, create construction jobs and permanent full time jobs in the County. In addition, the County's Local Development Corporation, which provides low-cost and tax-exempt financing to nonprofit agencies, completed 2 bonding projects in 2017.

The County maintains an AAA credit bond rating from Standard and Poor's Corporation and Fitch Ratings and an Aa1 credit bond rating from Moody's Investors Service. This credit rating was reaffirmed in November 2017. The continuing benefit of the County's bond rating is lower borrowing costs.

Looking forward to the 2019 budget, the administration is committed to provide its various operations with the necessary resources for carrying out the services being provided by each department. Revenue sources as well as labor costs and related fringe benefits will also be addressed.

#### Long Term Projects

The following major capital programs for economic growth and public infrastructure were approved as part of the 2018 Capital Budget:

- \$60.6 million for various County parks and recreational facilities improvements.
- \$36.6 million for Sewer and Water Districts including upgrades at the Port Chester, Mamaroneck and Yonkers water resource recovery facilities.
- \$39.1 million of extensive renovations and rehabilitation projects for the Bronx River Parkway, Quaker Bridge Road over the Croton River in Cortlandt, as well as other roads and bridges.
- \$88.9 million for the replacement of the County's aging diesel articulated buses with new state of the art hybrid electric articulated buses.

#### Relevant Financial Policies

The County maintains separate documented policy guidelines for cash management/investments, purchasing, capital assets and a five-year capital improvement program. These policies are reviewed and updated, if warranted, on an annual basis.



### Debt Management

During 2017, the County's long-term bond debt increased by \$102.0 million. The major factor contributing to this increase was the issuance of \$197.4 million of long term debt, partially offset by debt payments of \$95.4 million.

Subsequent to year-end 2017, the County issued a tax anticipation note (TAN) for \$150.0 million on February 8, 2018. The TAN was issued at a premium of \$.4 million and yields an interest rate of 1.58%. The TAN was issued to provide cash flow assistance to the County leading up to the May 25, 2018 property tax collection. The TAN matured on May 26, 2018 and was paid in full.

### Pension Benefits

The County participates in the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System ("Systems"). The County has elected to be part of the New York State Retirement Contribution Stabilization Program and has elected to amortize over ten year periods \$25,452,590 for 2012, \$43,816,683 for 2013, \$26,773,920 for 2014, \$14,196,691 for 2015, \$4,474,546 for 2016 and \$3,894,909 for 2017. For 2018, the County estimates the use of an additional \$4.3 million of the stabilization program.

Additional information on pension arrangements can be found in Note 3, H in the Notes to Financial Statements.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the tenth year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to thank all those who have contributed to the preparation of this Comprehensive Annual Financial Report. This report could not have been possible without the diligent efforts of Finance Deputy Commissioners Cesar A. Vargas and Dennis C. Kelly, and Directors of Fiscal Operations, Mario Arena and Patricia E. Jones. Various other members of the Finance Department staff contributed as well, and much appreciated assistance was received from the Budget and Law Departments and various other County departments and agencies. I would also like to thank the County officials for their support and our independent auditor, PKF O'Connor Davies, LLP, for their efforts throughout this audit engagement.



### **A SPECIAL NOTE**

Our cover for this year's annual report features a picture of the Sleepy Hollow Lighthouse (also known as the Tarrytown Lighthouse) which was commissioned in 1883 to provide ships navigational aid in avoiding the dangerous shoals on the east side of the Hudson River. The lighthouse was decommissioned in 1961 due to navigation lights on the Tappan Zee Bridge rendering it obsolete. The lighthouse was subsequently acquired from the Federal government by the County and reopened to the public on its 100th anniversary in 1983.

Respectfully submitted,



**Ann Marie Berg**  
*Commissioner of Finance*





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

Westchester County  
New York

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

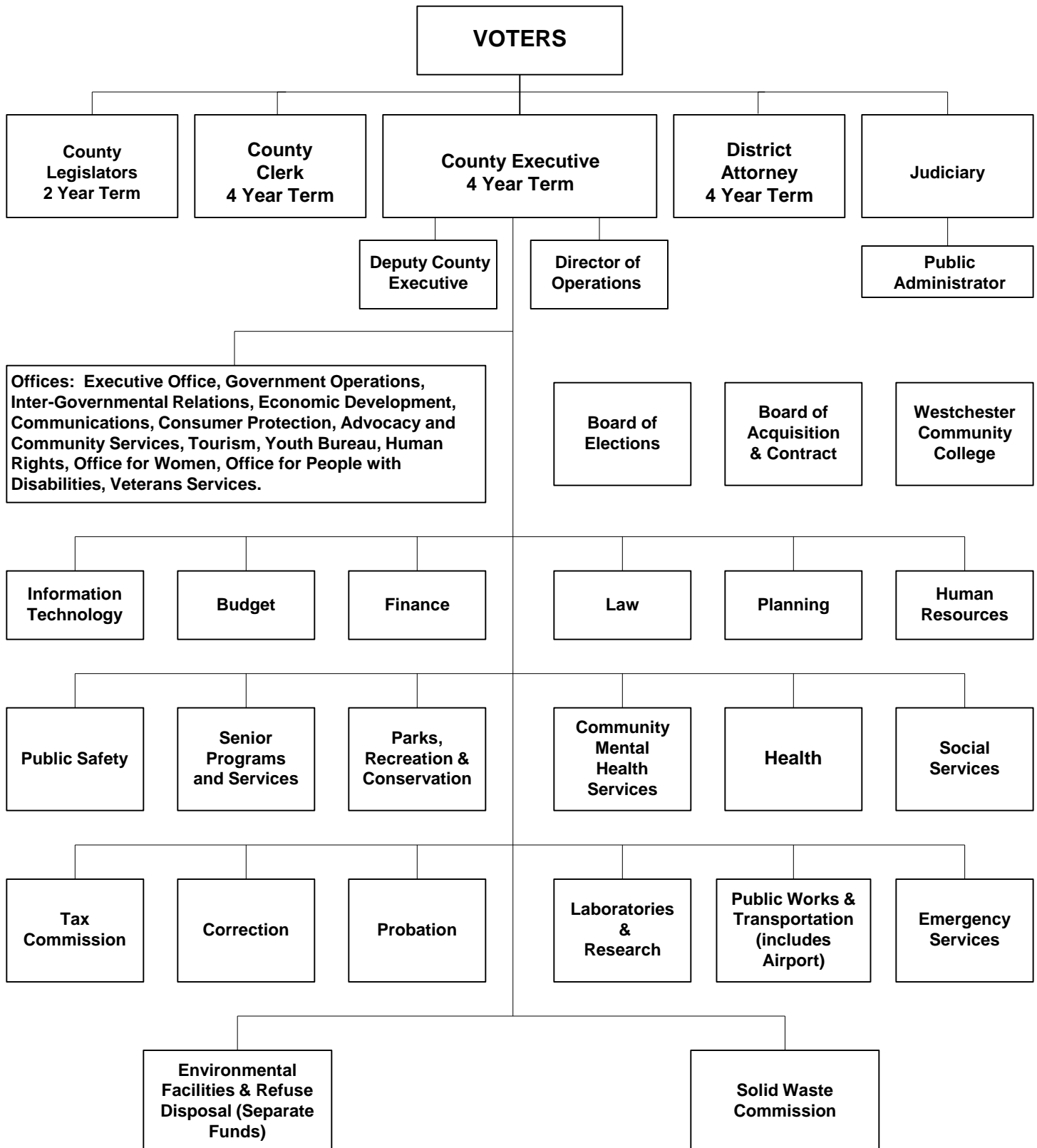
December 31, 2016

*Christopher P. Morrell*

Executive Director/CEO



# WESTCHESTER COUNTY ORGANIZATION CHART



**WESTCHESTER COUNTY, NEW YORK**  
**PRINCIPAL OFFICIALS**

**COUNTY EXECUTIVE**  
**George Latimer**

**COUNTY BOARD OF LEGISLATORS**  
**Benjamin Boykin II, Board Chair (District 5)**

	<b><u>District Number</u></b>
Alfreda A. Williams, Vice Chair	8
Nancy Barr	6
Catherine Borgia	9
Gordon A. Burrows	15
Terry Clements	11
Kitley S. Covill	2
Margaret A. Cunzio	3
Christopher Johnson	16
Michael B. Kaplowitz	4
Damon Maher	10
Catherine F. Parker	7
Virginia M. Perez	17
MaryJane C. Shimsky	12
John G. Testa	1
David J. Tubiolo	14
Lyndon D. Williams	13

**APPOINTED OFFICIALS**

**DEPUTY COUNTY EXECUTIVE**  
Kenneth W. Jenkins

**COMMISSIONER OF FINANCE**  
Ann Marie Berg

**BUDGET DIRECTOR**  
Lawrence C. Soule

**COUNTY ATTORNEY**  
John Nonna



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## **Independent Auditors' Report**

**The Honorable Board of Legislators  
of the County of Westchester, New York**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Westchester, New York ("County") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



## ***Opinions***

In our opinion, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Combined Sewer Districts and Refuse Disposal District funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As more fully disclosed in Note 5, the only significant resource of the Westchester Tobacco Asset Securitization Corporation ("WTASC"), a blended component unit, is the right to receive tobacco revenues. A reduction in these revenues would affect debt service coverage on the bonds. If the reduction were material, it could impair the ability of the WTASC to make Turbo Redemption payments or even its ability to pay required bond structuring amounts as they are due. As a result, actual payments may not conform to the required bond structuring amounts or allow the WTASC to make advance Turbo Redemption payments prior to the Subordinate Bonds maturity dates. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Supplementary and Other Information***

Our audit for the year ended December 31, 2017 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections for the year ended December 31, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2017 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2017.

We also previously audited, 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, the basic financial statements of the County as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated June 27, 2017, which contained unmodified opinions on the respective 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. The combining and individual fund financial statements and schedules for the year ended December 31, 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2016 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2016.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2017 and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2018 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 the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
June 22, 2018



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's management team offers the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the County's governmental activities exceeded its liabilities and deferred inflows of resources at the years ended December 31, 2017 and 2016 by \$525,371,500 and \$645,358,492, respectively, a decrease in total net position of \$119,986,992. The unrestricted net deficit portion at December 31, 2017 was \$1,328,488,962. The unrestricted net position decreased from the year 2016 by \$158,432,759. This was primarily due to the recording in accordance with GASB Statement No.45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (GASB 45) of an increase in the estimated post-retirement health insurance liability of \$116,513,829 for 2017 (this excludes the amount charged to the restricted Special Revenue Funds of \$3,156,171), the decrease in unrestricted net pension deferred outflows and inflows of \$136,111,535 (exclusive of restricted Special Revenue Funds amount of \$7,962,182), and the net decrease in other working capital and other non-debt long term liabilities of \$28,887,407, partially offset by GASB 68 and 71 long-term pension obligation reduction of \$112,181,099 (exclusive of the decreased amount allocated to the restricted Special Revenue Funds of \$6,817,901), the net decrease in the New York Retirement Stabilization liability of \$7,153,588 and the increase in available bond and ban proceeds of \$3,745,325. Future additions to the post-retirement health insurance liability and pension obligations will have a negative effect on the County's governmental activities net position.
- Sales Tax revenue increased by \$17,784,219 to \$525,230,119 in 2017 from \$507,445,900 in 2016, Mortgage Tax revenue increased by \$423,156 to \$20,141,856 in 2017 from \$19,718,700 in 2016, and tobacco settlement revenues (TSR's) residual payment from Westchester Tobacco Asset Securitization Corporation (WTASC) for 2017 and 2016 were \$1,734,702 and \$8,707,915, respectively, a decrease of \$6,973,213. The 2016 WTASC transfer included an additional residual payment of \$7,105,996 related to the 2016 WTASC bond refunding.
- For 2017 the County's governmental funds reported combined ending fund balances of \$211,509,054, an increase of \$28,251,817 in comparison with the 2016 balance of \$183,257,237. The governmental funds increase is composed of increases in the Capital Projects Fund of \$67,322,019, the Grants Fund of \$1,691,340 and the Nonmajor governmental funds of \$224,280, partially offset by the decreases in the General Fund of \$32,178,097, Combined Sewer Districts Fund of \$5,270,112 and Refuse Disposal Fund of \$3,537,613.
- The General Fund's unrestricted fund balance (as defined by the NYS Office of the State Comptroller as the "total of committed, assigned, and unassigned fund balance classifications" as set forth by GASB Statement No. 54) was \$108,242,679 or 6.05% of the total General Fund expenditures for 2017 and \$140,027,367 or 7.85% of the total General Fund expenditures for 2016.
- The County maintains an AAA credit bond rating from Standard and Poor's Corporation and Fitch Ratings and an Aa1 credit bond rating from Moody's Investors Service.
- The County's total long-term bond debt (exclusive of the WTASC blended component unit debt) increased \$102,054,675 (10.0%) during 2017. The major factor contributing to this increase was the issuance of \$197,439,660 of long term debt, partially offset by debt payments of \$95,384,985.



## **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;
- 3) Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements.

### **Government-Wide Financial Statements**

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

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

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (for example, earned but unused vacation leave, net pension liabilities and other postemployment benefits).

The government-wide financial statements distinguish functions of the County that are *governmental activities* (those principally supported by taxes and revenues from other governments) and functions of the County that are *business-type activities* (those that are intended to recover all or a significant portion of their costs through user fees and charges). The governmental activities of the County include general government, education, public safety, health services, transportation, economic assistance and opportunity, culture and recreation, home and community services and interest. The business-type activities of the County reflect the operations of the WTASC.

The government-wide financial statements include not only the County itself (the primary government) and a business-type activity WTASC, a blended component unit, but also legally separate discretely presented component units for which the County is financially accountable.

The discretely presented component units are comprised of the following:

- 1) County of Westchester Industrial Development Agency
- 2) Westchester Community College
- 3) Westchester County Local Development Agency

The Combining Statement of Net Position for these component units is reported separately from the financial information presented for the primary government itself, on Exhibit 1.

The government-wide financial statements can be found on Exhibit 1 of this report.

## **Fund Financial Statements**

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

### **Governmental Funds**

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

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

The County maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Combined Sewer Districts, Refuse Disposal District, Grants, and Capital Projects funds all of which are considered to be major funds. Data from the other two governmental funds (Airport and Combined Water Districts) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General, Sewer Districts, Refuse Disposal District (major funds), Airport, and Water Districts funds (nonmajor funds). Budgetary comparison statements have been provided for the major funds to demonstrate compliance with their budgets.

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

### **Proprietary Funds**

The blended component unit and the internal service funds are the proprietary funds maintained by the County. Management reviews the need for Internal Service Funds which are used to accumulate and allocate costs internally among the County's various functions. In 2017, the County used internal service funds to account for the health benefits of its employees and retirees, to provide for claims made against the County by third parties and to provide workers' compensation coverage for the employees of the County. All three of the internal service funds (individual fund data for the internal service funds are provided in the form of combining statements shown in Exhibits N-1 through N-3) benefit governmental activities and have been included within governmental activities in the government-wide financial statements.



The proprietary fund financial statements can be found in the basic financial statements section in Exhibit B-2 through B-3 of this report.

### **Fiduciary Funds**

*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 County maintains only one type of fiduciary fund that is known as an Agency fund. The County holds resources in this fund purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization or government.

The fiduciary fund financial statement can be found in the basic financial statements section in Exhibit C-1 of this report.

### **Notes to the Financial Statements**

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

### **Other Information**

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information schedules for the County's OPEB obligations and net pension liabilities, schedules of budget to actual comparisons, combining statements for the non-major governmental funds and proprietary funds, and the statistical tables.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide financial statements are being provided using the full accrual basis of accounting and a comparative analysis in accordance with GASB Statement No. 34. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Primary Governmental Activities (County), assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$525,371,500 for 2017 and \$645,358,492 for 2016.

The County's investment in capital assets (e.g., land, buildings, construction-in-progress, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding is 341% of the County's net position at December 31, 2017. The County uses these capital assets to provide services to citizens. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay these liabilities.

### **COUNTY OF WESTCHESTER NET POSITION**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current and other assets	\$ 559,791,574	\$ 658,018,889	\$ 26,895,072	\$ 25,915,304	\$ 586,686,646	\$ 683,934,193
Capital assets, net	3,185,847,113	3,001,263,813	—	—	3,185,847,113	3,001,263,813
Total assets	<u>3,745,638,687</u>	<u>3,659,282,702</u>	<u>26,895,072</u>	<u>25,915,304</u>	<u>3,772,533,759</u>	<u>3,685,198,006</u>
Deferred outflows of resources	<u>167,467,651</u>	<u>323,442,496</u>	<u>4,476,513</u>	<u>4,610,472</u>	<u>171,944,164</u>	<u>328,052,968</u>
Current liabilities	503,708,587	541,641,005	4,576,699	3,941,910	508,285,286	545,582,915
Long-term liabilities	2,825,045,904	2,724,650,283	180,847,563	183,278,041	3,005,893,467	2,907,928,324
Total liabilities	<u>3,328,754,491</u>	<u>3,266,291,288</u>	<u>185,424,262</u>	<u>187,219,951</u>	<u>3,514,178,753</u>	<u>3,453,511,239</u>
Deferred inflows of resources	<u>58,980,347</u>	<u>71,075,418</u>	<u>—</u>	<u>—</u>	<u>58,980,347</u>	<u>71,075,418</u>
Net position:						
Net investment in capital assets	1,793,471,564	1,753,165,275	—	—	1,793,471,564	1,753,165,275
Restricted	60,388,898	62,249,420	—	—	60,388,898	62,249,420
Unrestricted	(1,328,488,962)	(1,170,056,203)	(154,052,677)	(156,694,175)	(1,482,541,639)	(1,326,750,378)
Total net position	<u>\$ 525,371,500</u>	<u>\$ 645,358,492</u>	<u>\$ (154,052,677)</u>	<u>\$ (156,694,175)</u>	<u>\$ 371,318,823</u>	<u>\$ 488,664,317</u>

A portion of the County's 2017 net position of \$60,388,898 (11.5%) represents resources that are subject to external restrictions on how they may be used. The 2017 unrestricted deficit is \$1,328,488,962.

The activities of the WTASC are reflected as a business-type blended component unit. The County has no obligation for the debt of the WTASC.

The business-type activity reflected a deficit balance of \$154,052,677, a decrease of \$2,641,498 from the 2016 deficit balance of \$156,694,175.

## Governmental Activities

Governmental activities decreased the County's total net position for 2017 by \$119,986,992. A comparative analysis of the changes in net position follows:

### COUNTY OF WESTCHESTER CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 231,978,691	\$ 237,764,199	\$ —	\$ —	\$ 231,978,691	\$ 237,764,199
Operating Grants and Contributions	513,160,346	512,995,512	—	—	513,160,346	512,995,512
Capital Grants and Contributions	18,293,306	21,366,320	—	—	18,293,306	21,366,320
Total Program Revenues	763,432,343	772,126,031	—	—	763,432,343	772,126,031
General Revenues:						
Taxes on Real Property	694,597,306	694,597,306	—	—	694,597,306	694,597,306
Sales Tax	525,230,119	507,445,900	—	—	525,230,119	507,445,900
Auto Use Tax	16,168,942	15,855,777	—	—	16,168,942	15,855,777
Hotel Tax	6,449,824	6,325,138	—	—	6,449,824	6,325,138
Mortgage Tax	20,141,856	19,718,700	—	—	20,141,856	19,718,700
Payments in Lieu of Taxes	10,375,346	10,601,482	—	—	10,375,346	10,601,482
Intergovernmental Transfer	55,284,600	77,937,600	—	—	55,284,600	77,937,600
Earnings on Investments	11,474,311	11,097,588	579,510	587,886	12,053,821	11,685,474
Tobacco Revenues	—	—	12,524,923	11,566,206	12,524,923	11,566,206
Miscellaneous	44,539,433	54,776,614	—	—	44,539,433	54,776,614
Total General Revenues	1,384,261,737	1,398,356,105	13,104,433	12,154,092	1,397,366,170	1,410,510,197
Total Revenues	2,147,694,080	2,170,482,136	13,104,433	12,154,092	2,160,798,513	2,182,636,228
<b>Expenses:</b>						
General Government	288,564,954	311,773,179	120,286	133,003	288,685,240	311,906,182
Education	159,818,491	171,190,010	—	—	159,818,491	171,190,010
Public Safety	480,357,652	448,688,871	—	—	480,357,652	448,688,871
Health Services	118,089,095	116,543,351	—	—	118,089,095	116,543,351
Transportation	232,512,770	223,791,919	—	—	232,512,770	223,791,919
Economic Assistance and Opportunity	684,303,902	700,290,920	—	—	684,303,902	700,290,920
Culture and Recreation	78,834,849	73,889,592	—	—	78,834,849	73,889,592
Home and Community Services	188,991,665	189,701,196	—	—	188,991,665	189,701,196
Interest	37,942,396	37,527,890	8,607,947	9,787,960	46,550,343	47,315,850
Loss on Refunding	—	—	—	27,075,411	—	27,075,411
Cost of Issuance	—	—	—	1,600,379	—	1,600,379
Total Expenses	2,269,415,774	2,273,396,928	8,728,233	38,596,753	2,278,144,007	2,311,993,681
Increase/(Decrease)						
in Net Position Before Transfers	(121,721,694)	(102,914,792)	4,376,200	(26,442,661)	(117,345,494)	(129,357,453)
Transfers	1,734,702	8,707,915	(1,734,702)	(8,707,915)	—	—
Increase/ (Decrease) in Net Position	(119,986,992)	(94,206,877)	2,641,498	(35,150,576)	(117,345,494)	(129,357,453)
Net Position at Beginning of Year	645,358,492	739,565,369	(156,694,175)	(121,543,599)	488,664,317	618,021,770
Net Position at End of Year	\$ 525,371,500	\$ 645,358,492	\$ (154,052,677)	\$ (156,694,175)	\$ 371,318,823	\$ 488,664,317



## For the Year 2017—Governmental Activities

### Revenues:

*Program Revenues* include charges to customers or applicants who purchase, use or directly benefit from goods and services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment; and interest earned on grants that is required to be used to support a particular program.

*Program revenues* were \$8.7 million lower in 2017 than in 2016 due to increases or (decreases) in the following governmental activities:

- *General Government*: \$1.9 million decrease is due to decreases in charges for services of \$1.4 million and capital grants and contributions of \$1.6 million, partially offset by operating grants and contributions increase of \$1.1 million.

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
Charges for Services	\$ 36,009,695	\$ 37,364,775	\$ (1,355,080)
Operating Grants and Contributions	4,136,375	3,023,959	1,112,416
Capital Grants and Contributions	512,053	2,156,588	(1,644,535)
Total	<u>\$ 40,658,123</u>	<u>\$ 42,545,322</u>	<u>\$ (1,887,199)</u>

- *Education*: \$2.6 million decrease is due to operating grants and contributions decrease of \$3.1 million, partially offset by an increase in capital grants and contribution of \$.5 million.

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
Operating Grants and Contributions	\$ 66,085,792	\$ 69,216,393	\$ (3,130,601)
Capital Grants and Contributions	2,092,386	1,540,322	552,064
Total	<u>\$ 68,178,178</u>	<u>\$ 70,756,715</u>	<u>\$ (2,578,537)</u>

- *Public Safety*: \$4.1 million decrease is attributed to decreases in the charges for services of \$3.3 million and operating grants and contributions of \$.8 million.

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
Charges for Services	\$ 22,063,692	\$ 25,390,895	\$ (3,327,203)
Operating Grants and Contributions	28,622,112	29,360,501	(738,389)
Total	<u>\$ 50,685,804</u>	<u>\$ 54,751,396</u>	<u>\$ (4,065,592)</u>

- *Health Services*: \$.1 million increase is due to an increase of \$.8 million in operating grants and contributions, partially offset by a decrease in charges for services of \$.7 million.

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
Charges for Services	\$ 9,384,388	\$ 10,096,264	\$ (711,876)
Operating Grants and Contributions	63,666,722	62,813,061	853,661
Total	<u>\$ 73,051,110</u>	<u>\$ 72,909,325</u>	<u>\$ 141,785</u>

- *Transportation*: \$2.5 million increase is due to increases of \$1.8 million in transit service fees and \$4.9 million in operating grants and contributions, partially offset by a decrease of \$4.2 million in capital grants and contributions.

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
Charges for Services	\$ 84,344,080	\$ 82,500,014	\$ 1,844,066
Operating Grants and Contributions	76,051,147	71,177,707	4,873,440
Capital Grants and Contributions	10,708,968	14,950,215	(4,241,247)
Total	<u>\$ 171,104,195</u>	<u>\$ 168,627,936</u>	<u>\$ 2,476,259</u>

- *Economic Assistance and Opportunity*: \$5.9 million decrease is attributed to a decrease in operating grants and contributions of \$5.4 million primarily due to reduced Federal and State Aid for social service programs and a decrease in charges for services of \$.5 million.

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
Charges for Services	\$ 3,850,878	\$ 4,298,336	\$ (447,458)
Operating Grants and Contributions	259,621,772	265,063,068	(5,441,296)
Total	<u>\$ 263,472,650</u>	<u>\$ 269,361,404</u>	<u>\$ (5,888,754)</u>

- *Culture and Recreation*: \$2.9 million decrease is due to decreases in charges for services of \$2.3 million and capital grants and contributions of \$1.6 million, partially offset by an increase in operating grants and contributions of \$1.0 million.

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
Charges for Services	\$ 32,887,568	\$ 35,225,385	\$ (2,337,817)
Operating Grants and Contributions	1,092,998	41,993	1,051,005
Capital Grants and Contributions	42,637	1,628,814	(1,586,177)
Total	<u>\$ 34,023,203</u>	<u>\$ 36,896,192</u>	<u>\$ (2,872,989)</u>

- *Home and Community Services*: \$ 6.0 million increase is due to increases in charges for services of \$.6 million, operating grants and contributions of \$1.6 million and capital grants and contributions of \$3.8 million.

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
Charges for Services	\$ 43,438,390	\$ 42,888,530	\$ 549,860
Operating Grants and Contributions	13,883,428	12,298,830	1,584,598
Capital Grants and Contributions	4,937,262	1,090,381	3,846,881
Total	<u>\$ 62,259,080</u>	<u>\$ 56,277,741</u>	<u>\$ 5,981,339</u>

*General Revenues* are taxes and other items not identified as program revenues above. General revenues were \$14.1 million lower in 2017 than in 2016 due to increases or (decreases) as indicated in the following table:

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
Taxes on Real Property	\$ 694,597,306	\$ 694,597,306	\$ -
Sales Tax	525,230,119	507,445,900	17,784,219
Auto Use Tax	16,168,942	15,855,777	313,165
Hotel Tax	6,449,824	6,325,138	124,686
Mortgage Tax	20,141,856	19,718,700	423,156
Payments in Lieu of Taxes	10,375,346	10,601,482	(226,136)
Intergovernmental Transfer	55,284,600	77,937,600	(22,653,000)
Earnings on Investments	11,474,311	11,097,588	376,723
Miscellaneous	44,539,433	54,776,614	(10,237,181)
Total	<u>\$1,384,261,737</u>	<u>\$1,398,356,105</u>	<u>\$ (14,094,368)</u>

Sales tax (before distribution to municipalities) increased \$17.8 million, which was a 3.5% increase from the prior year. Included in general government expense below is an increase of \$4.3 million in sales tax distribution to municipalities within the County. The net sales tax increase after distribution to municipalities was \$13.5 million.

Mortgage tax increased \$.4 million, which was a 2% increase over the prior year.

Intergovernmental transfer revenue decreased \$22.7 million. Included in Economic Assistance and Opportunity expenses below is a corresponding decrease in the disproportionate share of medical assistance for Westchester County Health Care Corporation of \$22.7 million.

Miscellaneous revenues decreased by \$10.2 million primarily due to the pass through of \$15.0 million to the County in 2016 for proceeds from the sale of land held by the County of Westchester Industrial Development Agency and the \$1.3 million 2016 gain on the sale of an excess facility, partially offset by the 2017 increase of \$6.3 million for the Airport's passenger facility charges.

#### Expenses:

Major categories of expenses include cost of services, administrative expenses and benefit costs. Some of the other notable categories/adjustments the governmental activities presented also include are the post-retirement health insurance, the reversal of capital outlays as expenditures recorded at the governmental fund level, the recording of depreciation expense, the reversal of issuance of long term debt and related costs as well as the principal paid at the governmental fund level, accrual for the unpaid pension obligation being amortized over future years, the proportionate share of the net pension liability of the New York State and Local Employees Retirement System and New York State Police and Fire Retirement System, and expenses for the Internal Service Funds.



Expenses were \$4.0 million lower in 2017 than they were in 2016 due to increases or (decreases) as indicated in the table below:

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
General Government	\$ 288,564,954	\$ 311,773,179	\$ (23,208,225)
Education	159,818,491	171,190,010	(11,371,519)
Public Safety	480,357,652	448,688,871	31,668,781
Health Services	118,089,095	116,543,351	1,545,744
Transportation	232,512,770	223,791,919	8,720,851
Economic Assistance and Opportunity	684,303,902	700,290,920	(15,987,018)
Culture and Recreation	78,834,849	73,889,592	4,945,257
Home and Community Services	188,991,665	189,701,196	(709,531)
Interest	37,942,396	37,527,890	414,506
Total	<u>\$ 2,269,415,774</u>	<u>\$ 2,273,396,928</u>	<u>\$ (3,981,154)</u>

As stated in the financial highlights, the County recorded in accordance with GASB Statement No. 45, an increase in the estimated post-retirement health insurance liability of \$119.7 million in 2017, an increase of \$10.6 million over the prior year's \$109.1 million. This was largely due to increased covered lives and increased medical premium rates, partially offset by employee health insurance contributions. Both amounts are included in the governmental activities expenses in the Statement of Changes in Net Position above. Post-employment benefits are part of an exchange of current salaries and benefits for services rendered by employees. Prior to GASB Statement No. 45 being implemented in 2007, the County's post-retirement health insurance was reported on a pay-as-you-go basis. GASB Statement No. 45 requires the financial reports of governments to provide the annual other post-employment benefits (OPEB) cost on an accrual basis. Also stated in the financial highlights is a current year net increase of \$25.1 million for pension obligations in accordance with GASB Statement Nos. 68 and 71, net of the related inflow and outflow of resources, which is also included in the governmental activities expenses in the Statement of Changes in Net Position above.

*General Government* expenses decreased by \$23.2 million primarily due to decreases in net personal services costs and other employee fringe benefits of \$15.6 million, casualty and workers' compensation insurance costs of \$9.4 million, contract costs of \$3.9 million, partially offset by an increase in distribution of sales tax to municipalities of \$4.3 million (see sales tax above), an increase in certiorari expense of \$1.3 million and net increase in other expenses of \$.1 million.

*Education* expenses decreased by \$11.4 million primarily due to a decrease in children with special needs programs of \$13.1 million and a decrease in depreciation expense of \$.3 million, partially offset by additional support to community colleges within the County of \$1.4 million and increased equipment costs of \$.6 million.

*Public Safety* expenses increased by \$31.7 million primarily due to increases for personal service and other employee fringe benefit costs of \$34.1 million (inclusive of the \$12.1 million accrual for the PBA/SPBA and COBA/SOA contracts settlements in 2018), partially offset by a decrease in net other expenses of \$2.4 million.

*Health Services* expenses increased by \$1.5 million primarily due to an increase in personal services and other fringe benefit costs of \$.9 million and contract costs of \$.9 million, partially offset by net other expense decrease of \$.3 million.

*Transportation* expenses increased by \$8.7 million due to the increases in contractual costs for both the bus transportation and the Airport of \$5.1 million, equipment costs of \$2.6 million, personal service and employee fringe benefits of \$0.9 million, and net other expenses of \$0.1 million.

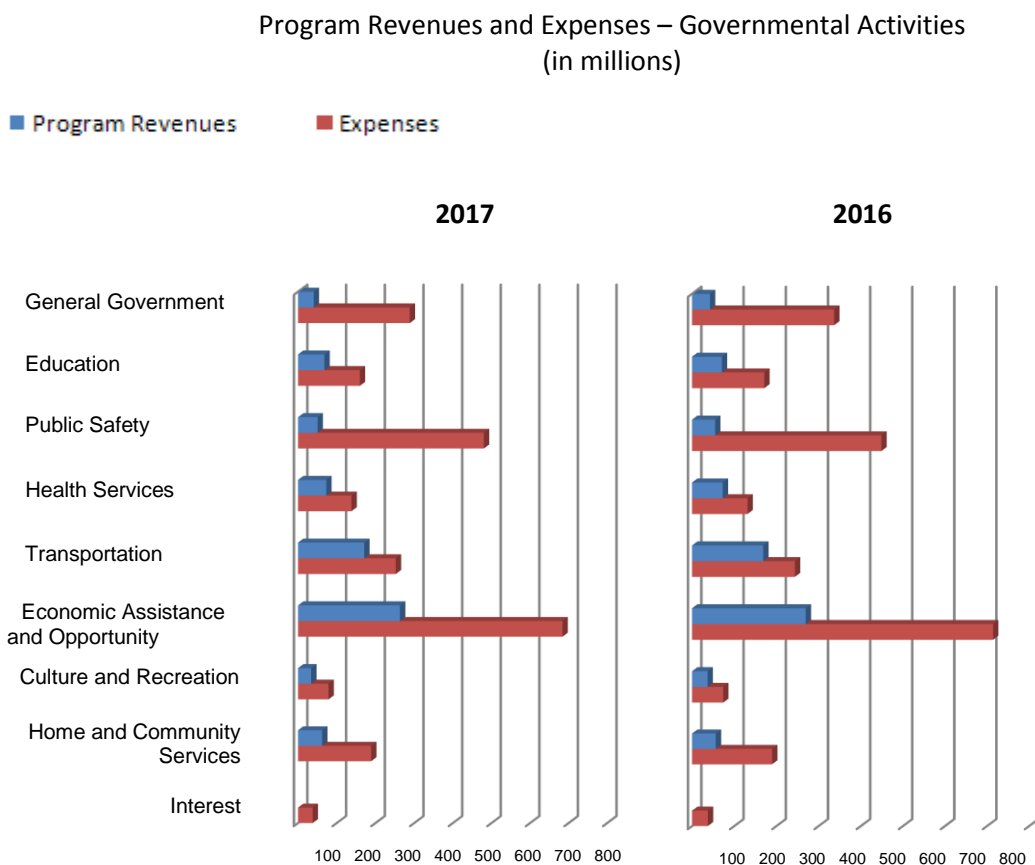
*Economic Assistance and Opportunity* expenses decreased by \$16.0 million due to the decrease in the disproportionate share of medical assistance for Westchester County Health Care Corporation of \$22.7 million, partially offset by increases in net contractual costs and aid programs of \$6.1 million and an increase in personal service and other employee fringe benefits costs of \$0.6 million.

*Culture and Recreation* expenses increased by \$4.9 million primarily due to the increases in personal service and other employee fringe benefit costs of \$1.8 million, aid program costs of \$1.0 million, and other expenses of \$2.1 million.

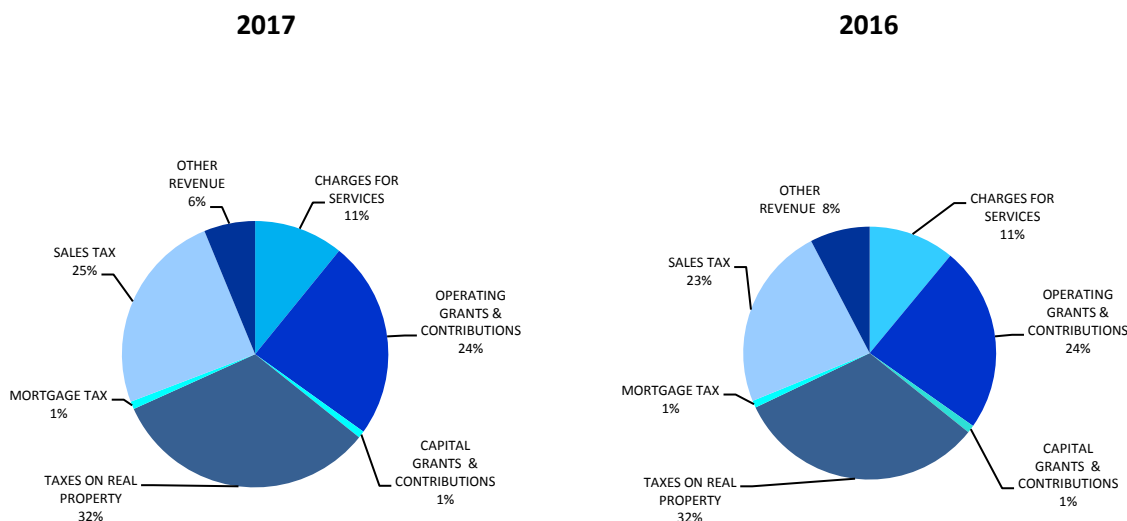
*Home and Community Services* expenses decreased by \$0.7 million due to the decreases in personal service and other employee fringe benefit costs of \$0.2 million and other net expenses of \$2.3 million, partially offset by increases in materials, supplies and equipment costs of \$1.8 million.

*Interest expense* increased by \$0.4 million in 2017 primarily due to debt service on higher levels of average debt.

The following graphs and charts were derived from the current and prior year governmental activities.



## Revenue by Source – Governmental Activities



### Financial Analysis of the Government's Funds

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

#### Governmental Funds

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2017, the County's governmental funds reported a combined ending fund balance of \$211.5 million, an increase of \$28.2 million in comparison with \$183.3 million of the prior year. The ***non-spendable*** fund balance component is \$26.6 million primarily for the collection of Federal and State receivables and prepaid retirement costs. The ***restricted*** fund balance component of \$3.7 million is for unspent bond proceeds restricted for debt service in the Capital Projects Fund. The ***assigned*** fund balance aggregates \$228.3 million and is composed of \$86.4 million in the General Fund, \$52.7 million in the Combined Sewer Districts Fund, \$46.0 million in the Refuse Disposal District Fund, \$11.6 million in the Grants Fund and \$31.6 million in the other governmental funds. The General Fund *assigned* items are composed of \$6.6 million for encumbrances, \$19.9 million for subsequent year's expenditures, \$14.8 million for NYS retirement stabilization, \$41.0 million for future OPEB funding, and \$4.1 million for Medicaid. Since the unassigned classification is reported only in the General Fund, the assigned items for the aforementioned other funds amounting to \$141.9 million are by definition "assigned" for the purposes of these funds. The remaining negative fund balance of \$47.2 million is ***unassigned*** and is composed of the deficit in the Capital Projects Fund of \$69.0 million, partially offset by \$21.8 million in the General Fund that are available for any purpose.



The General Fund is the primary operating fund of the County. At the end of the 2017 and 2016 fiscal years, the total fund balance of the General Fund was \$134.0 million (composed of non-spendable \$25.8 million, assigned \$86.4 million and unassigned \$21.8 million) and \$166.2 million (composed of non-spendable \$26.2 million, assigned \$83.1 million and unassigned \$56.9 million), respectively. The General Fund's change in 2017 fund balance, a decrease of \$32.2 million, was greater than the 2016 change in fund balance, an increase of \$1.5 million, by \$33.7 million. This decrease of \$33.7 million was primarily due to the 2016 sales proceeds of real property in the amount of \$20.4 million, an increase in personal services of \$21.5 million (inclusive of the \$12.1 million accrual for the PBA/SPBA and COBA/SOA contracts settlements in 2018), an increase in employee benefits of \$7.2 million and increased contractual costs for bus transportation and the Airport of \$5.1 million, partially offset by net sales tax revenue increase of \$13.5 million ( net of \$4.3 million related increase in sales tax distribution to municipalities), decrease in debt service costs of \$5.2 million, and other net increase of revenues and financing sources over expenses of \$1.8 million.

The Combined Sewer Districts Fund (a major fund) 2017 change in fund balance, a decrease of \$5.3 million, was more than the 2016 change in fund balance, a decrease of \$4.6 million, by \$.7 million. This \$.7 million decrease was primarily due to an increase in net operating expenditures of \$1.7 million (inclusive of a \$.8 million increase in employee benefits) and decreases in net transfers in of \$.3 million and partially offset by an increase in sewer taxes on real property of \$.2 million and an increase in other revenue of \$1.1 million.

The Refuse Disposal District Fund (a major fund) 2017 change in fund balance, a decrease of \$3.5 million, was less than the 2016 change in fund balance, a decrease of \$4.6 million, by \$1.1 million. This \$1.1 million increase was primarily due to a net decrease in transfers out of \$1.0 million and an increase in other net revenues of \$1.3 million (excluding taxes on real property), partially offset by a decrease in taxes on real property of \$.4 million and an increase in operating expenditures of \$.8 million.

The Grants Fund (a major fund) 2017 change in fund balance, an increase of \$1.7 million, was more than the 2016 change in fund balance, a decrease of \$6.9 million, by \$8.6 million. This \$8.6 million increase was primarily due to a decrease in expenditures of \$11.0 million, a net increase in Federal and State aid of \$.7 million, net transfers in of \$.1 million, partially offset by other revenue of \$3.2 million.

The Capital Projects Fund (a major fund) is used to account for capital project activity throughout the County. Major capital project activity for 2017 were the continuing improvements to the County's roads and bridges of \$27.6 million and waste water treatment plants of \$23.9 million, fair and affordable housing of \$13.3 million, improvements to the Hybrid buses of \$5.9 million and \$4.1 million for retrofitting County diesel powered vehicles, and County water system upgrades of \$3.9 million. The Capital Projects Fund 2017 change in fund balance, an increase of \$67.3 million, was more than the 2016 change in fund balance, a decrease of \$104.5 million, by \$171.8 million. This \$171.8 million increase was primarily due to the 2016 payment to refunded bond escrow agent of \$131.5 million, an increase in new debt of \$55.2 million, and an increase in bond premium of \$4.5 million, partially offset by an increase in capital outlays of \$21.2 million.

Nonmajor Governmental Funds consist of the Special Revenue Funds. The Special Revenue Funds are composed of the following individual funds: Airport Fund and Water Districts Fund. The 2017 change in fund balance, an increase of \$.2 million was less than the 2016 change in fund balance, an increase of \$.5 million, by \$.3 million. This \$.3 million decrease was due to an increase in expenses of \$2.6 million and an increase net transfer out of \$4.6 million, partially offset by the increase in revenues of \$6.9 million. The increase in revenue of \$6.9 million was primarily due to the Airport Fund's additional passenger facility charges of \$6.3 million over the prior year.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

When the fiscal 2017 budget was adopted, it anticipated the use of \$23.2 million of fund balance for the carry forward of 2016's encumbrances and amounts assigned for subsequent year's expenditures. General Fund expenditures were \$1,788.4 million, which was \$41.2 million lower than the final budget. The favorable variances are primarily the result of decreases for personal service costs of \$5.3 million, materials and supplies of \$1.9 million, contractual costs of approximately \$14.1 million, Relief program costs of \$10.9 million, employee benefits costs of \$2.6 million and appropriations of \$7.9 million, partially offset by reduced services to other departments of \$4.6 million.

The functions where spending was less than budget are general government \$15.5 million, public safety \$4.0 million, health services \$.9 million, transportation \$.8 million, economic assistance and opportunity \$15.0 million, culture and recreation \$1.3 million, home and community services \$1.1 million and employee benefits of \$2.6 million. The General Fund expenditures and other financing uses final budget was unchanged from the original budget.

During the year, the General Fund's actual revenues were less than the final budget in the amount of \$33.8 million primarily due to decreases of \$31.6 million in Federal and State Aid for social services and other, \$6.1 million in departmental income, intergovernmental transfers of \$4.7 million and \$.7 million in service revenue to WCHCC, partially offset by increases in \$7.7 million in sales tax, and \$1.1 million in mortgage tax, other-miscellaneous revenues of \$.3 million and earnings on investments of \$.2 million.

The General Fund's other financing sources were less than the final budget in the amount of \$16.5 million primarily due to not making a transfer of \$15.0 million from the Airport Fund and \$1.6 million from not issuing bonds for the certiorari to the level anticipated in the budget.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Asset**

The County's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$3,093,502,078 (net of accumulated depreciation) as compared to \$3,001,263,813 in 2016, an increase of \$92,238,265. This investment in capital assets includes land, buildings, equipment, infrastructure and construction-in-progress. The total increase in the County's investment in capital assets for the current fiscal year was 3.07%.

**COUNTY OF WESTCHESTER  
CAPITAL ASSETS  
(NET OF DEPRECIATION)**

	<b>Total Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Land	\$ 313,488,370	\$ 311,449,182
Buildings	960,063,905	957,232,749
Equipment	492,782,947	504,129,736
Construction-in-Progress	1,081,037,462	967,022,256
Infrastructure	1,667,650,591	1,629,234,119
Total	4,515,023,275	4,369,068,042
Less Accumulated Depreciation	1,421,521,197	1,367,804,229
Net Capital Assets	<u>\$ 3,093,502,078</u>	<u>\$ 3,001,263,813</u>

Additional information on the County's capital assets can be found in Note 3, D of this report.

Major capital asset expenditures during 2017 included the following:

- Buildings increased by \$2.8 million primarily for the Westchester Community College facilities.
- Equipment decrease of \$11.3 million is largely due to \$21.6 million write-off of fully depreciated equipment no longer in use, partially offset by additions of \$5.9 million for improvements to the Hybrid buses and \$4.1 million for retrofitting County diesel powered vehicles.
- Construction-in-Progress increased by a net \$114.0 million largely due to \$27.6 million continued improvements to County roads and bridges, \$23.9 million for continued improvements to the County's waste water treatment plants, \$13.3 million for fair and affordable housing throughout Westchester County, and \$17.3 million for improvements to recreational facilities throughout the County.
- Infrastructure additions of \$38.4 million included water system upgrades in the amount of \$3.9 million with the balance of the additions being mainly to the County's parks, roads and bridges as well as sewage and waste water treatment facilities.

**Long-Term Debt**

At the end of 2017, the County had a total bonded long-term debt outstanding of \$1,122,593,675 and a capital lease liability of \$63,521,240 for governmental activities.

<b>General Obligation Bonds</b>	
<b>Total Governmental Activities</b>	
<b>2017</b>	<b>2016</b>
<u>\$ 1,122,593,675</u>	<u>\$ 1,020,539,000</u>



The County's total long-term bond debt increased \$102,054,675 (10.0%) during 2017. The major factor contributing to this increase was the issuance of \$197,439,660, partially offset by debt payments of \$95,384,985.

State statutes limit the amount of general obligation debt a County may issue to 7% of its five year average full valuation of taxable real property. For 2017 the five year average full valuation is \$162,253,383,832. The current debt limitation for the County is therefore \$11,357,736,868, which is significantly in excess of the County's outstanding debt. The percentage of debt contracting power exhausted as of December 31, 2017 is 5.86%.

Additional information on the County's long-term debt can be found in Note 3, I of the report.

### **BUSINESS TYPE ACTIVITY**

The WTASC is a special purpose corporation and a subsidiary corporation of the WCHCC. The WTASC was organized under the New York State Not-for-Profit Corporation Law and pursuant to the Public Authorities Law of the State of New York. The By-Laws of WTASC specify that the Board of Directors of WTASC consists of three members; one director designated by WCHCC to be the Commissioner of Finance of the County, one director designated by WCHCC to be the WCHCC board representative selected by the Majority Leader of the County Board of Legislators, and a third director who meets certain requirements of independence and shall be designated by the other two members.

An agreement among the attorney generals of 46 states and various territories (Settling States) and the four largest United States tobacco manufacturers was entered into on November 23, 1998. The agreement, known as the Master Settlement Agreement (MSA), resolved cigarette smoking-related litigation between the Settling States and U.S. Tobacco manufacturers. Pursuant to the MSA, the Settling States and the participating manufacturers agreed to settle all past, present and future smoking related claims in exchange for an agreement by the participating manufacturers to make certain payments. Under the MSA, the State of New York is entitled to receive approximately 12.76% of the initial and annual payments. The New York Consent Decree, which was entered into in the Supreme Court of the State of New York for the County of New York in December 1998, allocated 1.926% of this State-wide share of the initial and annual payments to the County and the remainder among the State, the City of New York and all other counties within the State.

The County and its blended component unit (WTASC) follow the guidance provided by GASB Technical Bulletin 2004-1 as amended and/or superseded by GASB Statement No.48. GASB Statement No.48 provided for prospective, rather than retrospective treatment, of the intra-entity sale of future revenues. The original sale of the WTASC's future revenue stream was consummated several years prior to the effective date of GASB Statement No.48, and no additional sale of future revenues has occurred since that time. The revenue from the sale was recognized at that time based on existing guidance. Therefore, there is no deferred inflow of resources to be reported for this purpose on the County's financial statements or a deferred outflow of resources to be reported on the WTASC financial statements. The deferred outflows of resources reflected in the County's business-type activity relate to the refunding of the debt of the WTASC and not to any new monies that would fall under the guidance promulgated in GASB Statement No.48.

WTASC's accounting principles are consistent with those applicable to proprietary funds; consequently, the activities of WTASC are reflected as a business type blended component unit. The County has no obligation for the debt of WTASC.

Additional information on the WTASC debt can be found in Note 3, I of the report.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County of Westchester's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Commissioner of Finance, County of Westchester, 148 Martine Avenue, Room 720, White Plains, New York 10601.

# Westchester County

## Statement of Net Position

### December 31, 2017

Exhibit 1

	Primary Government			
	Governmental Activities	Business Type Activities	Total	Component Units
ASSETS				
Current assets				
Cash	\$ 176,663,251	\$ 107,429	\$ 176,770,680	\$ 96,665,718
Investments	34,599,063	—	34,599,063	37,806,453
Accounts Receivable, Net	100,224,664	12,646,322	112,870,986	5,413,331
Due From Federal and State Governments	231,660,896	—	231,660,896	—
Inventory	50,000	—	50,000	—
Prepaid Expenses	16,593,700	—	16,593,700	25,254
Escrow Deposit Receivable	—	—	—	115,477
Total Current Assets	559,791,574	12,753,751	572,545,325	140,026,233
Non current assets				
Restricted Cash	92,345,035	7,696	92,352,731	—
Assets Limited as to Use	—	14,133,625	14,133,625	—
Promissory Note Receivable	—	—	—	7,000,000
Net Pension Asset	—	—	—	481,901
Land	313,488,370	—	313,488,370	125,000
Buildings	960,063,905	—	960,063,905	—
Equipment	492,782,947	—	492,782,947	24,916,791
Construction-in-Progress	1,081,037,462	—	1,081,037,462	—
Infrastructure	1,667,650,591	—	1,667,650,591	—
Accumulated Depreciation	(1,421,521,197)	—	(1,421,521,197)	(23,428,388)
Other	—	—	—	1,515,030
Total Non Current Assets	3,185,847,113	14,141,321	3,199,988,434	10,610,334
Total Assets	3,745,638,687	26,895,072	3,772,533,759	150,636,567
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts on Refunding Bonds	14,573,703	4,476,513	19,050,216	—
Deferred Amounts on Pension Obligations	152,893,948	—	152,893,948	10,980,590
Total Deferred Outflows of Resources	167,467,651	4,476,513	171,944,164	10,980,590
LIABILITIES				
Current liabilities:				
Accounts Payable and Accrued Liabilities	258,499,682	741,997	259,241,679	110,281,814
Internal Balances	(1,734,702)	1,734,702	—	—
Accrued Interest Payable	11,543,316	—	11,543,316	—
Due to Other Governments	—	—	—	259,724
Bond Anticipation Notes Payable	106,246,800	—	106,246,800	—

	Governmental Activities	Business Type Activities	Total	Component Units
<b>LIABILITIES (Continued)</b>				
<b>Current liabilities (continued):</b>				
Due Within One Year:				
Bonds Payable	93,074,012	2,100,000	95,174,012	—
Compensated Absences	2,700,000	—	2,700,000	775,000
Landfill Post-Closure Costs	1,137,400	—	1,137,400	—
Capital Lease Payable	11,625,000	—	11,625,000	—
Claims Payable	9,017,443	—	9,017,443	—
Pollution Remediation	134,158	—	134,158	—
NYS Retirement Stabilization Program	11,465,478	—	11,465,478	—
Total Current Liabilities	503,708,587	4,576,699	508,285,286	111,316,538
<b>Non Current liabilities:</b>				
Due in More Than One Year:				
Due to Other Governments	—	—	—	7,000,000
Bonds Payable	1,112,592,778	180,847,563	1,293,440,341	—
Compensated Absences	44,222,232	—	44,222,232	6,974,218
Landfill Post-Closure Costs	26,668,415	—	26,668,415	—
Capital Lease Payable	51,896,240	—	51,896,240	—
Claims Payable	98,664,000	—	98,664,000	—
Pollution Remediation	366,379	—	366,379	—
Net Pension Liability	166,366,933	—	166,366,933	7,634,778
NYS Retirement Stabilization Program	69,668,927	—	69,668,927	—
Other Post Employment Benefit Obligations	1,254,600,000	—	1,254,600,000	88,010,043
Other-Custodial Funds	—	—	—	1,630,507
Total Non Current Liabilities	2,825,045,904	180,847,563	3,005,893,467	111,249,546
Total Liabilities	3,328,754,491	185,424,262	3,514,178,753	222,566,084
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Amounts from Service Concession Arrangements	23,666,078	—	23,666,078	—
Deferred Amounts on Pension Obligations	35,314,269	—	35,314,269	3,166,709
Deferred Amounts for Tuition Assistance Payments	—	—	—	2,389,711
Total Deferred Inflows of Resources	58,980,347	—	58,980,347	5,556,420
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,793,471,564	—	1,793,471,564	1,613,403
Restricted For:				
Special Revenue Funds:				
Water Districts	6,474,086	—	6,474,086	—
Refuse Disposal District	11,961,441	—	11,961,441	—
Airport	9,873,458	—	9,873,458	—
Grants	11,608,112	—	11,608,112	—
Casualty Claims	16,751,076	—	16,751,076	—
Debt Service	3,720,725	—	3,720,725	—
Component Unit - Westchester Community College	—	—	—	252,323
Unrestricted	(1,328,488,962)	(154,052,677)	(1,482,541,639)	(68,371,073)
Total Net Position	\$ 525,371,500	\$ (154,052,677)	\$ 371,318,823	\$ (66,505,347)

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



# Westchester County

## Statement of Activities

### Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General Government	\$ 288,564,954	\$ 36,009,695	\$ 4,136,375	\$ 512,053
Education	159,818,491	—	66,085,792	2,092,386
Public Safety	480,357,652	22,063,692	28,622,112	—
Health Services	118,089,095	9,384,388	63,666,722	—
Transportation	232,512,770	84,344,080	76,051,147	10,708,968
Economic Assistance and Opportunity	684,303,902	3,850,878	259,621,772	—
Culture and Recreation	78,834,849	32,887,568	1,092,998	42,637
Home and Community Services	188,991,665	43,438,390	13,883,428	4,937,262
Interest	37,942,396	—	—	—
	2,269,415,774	231,978,691	513,160,346	18,293,306
Business type activities-				
Westchester Tobacco Asset Securitization Corporation	8,728,233	—	—	—
Total Primary Government	<u>\$ 2,278,144,007</u>	<u>\$ 231,978,691</u>	<u>\$ 513,160,346</u>	<u>\$ 18,293,306</u>
<b>Component units:</b>				
County of Westchester Industrial Development Agency	\$ 2,859,332	\$ 929,220	\$ —	\$ —
Westchester Community College	147,921,933	35,334,026	101,829,050	—
Westchester County Local Development Corporation	243,357	112,789	—	—
Total Component Units	<u>\$ 151,024,622</u>	<u>\$ 36,376,035</u>	<u>\$ 101,829,050</u>	<u>\$ —</u>

#### General Revenues:

Taxes on Real Property  
 Sales Tax  
 Auto Use Tax  
 Harness Racing Admissions Tax  
 Hotel Tax  
 Mortgage Tax  
 Payments in Lieu of Taxes  
 Intergovernmental Transfer  
 Earnings on Investments  
 Tobacco Revenues  
 Miscellaneous  
 Service Concession Arrangements  
 Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - beginning

Net Position - ending

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

## Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business Type Activities	Total	Component Units
\$ (247,906,831)	\$ —	\$ (247,906,831)	\$ —
(91,640,313)	—	(91,640,313)	—
(429,671,848)	—	(429,671,848)	—
(45,037,985)	—	(45,037,985)	—
(61,408,575)	—	(61,408,575)	—
(420,831,252)	—	(420,831,252)	—
(44,811,646)	—	(44,811,646)	—
(126,732,585)	—	(126,732,585)	—
(37,942,396)	—	(37,942,396)	—
(1,505,983,431)	—	(1,505,983,431)	—
—	(8,728,233)	(8,728,233)	—
(1,505,983,431)	(8,728,233)	(1,514,711,664)	—
—	—	—	(1,930,112)
—	—	—	(10,758,857)
—	—	—	(130,568)
—	—	—	(12,819,537)
694,597,306	—	694,597,306	—
525,230,119	—	525,230,119	—
16,168,942	—	16,168,942	—
3,048	—	3,048	—
6,449,824	—	6,449,824	—
20,141,856	—	20,141,856	—
10,375,346	—	10,375,346	—
55,284,600	—	55,284,600	—
11,474,311	579,510	12,053,821	295,765
—	12,524,923	12,524,923	—
43,000,796	—	43,000,796	—
1,535,589	—	1,535,589	—
1,734,702	(1,734,702)	—	—
1,385,996,439	11,369,731	1,397,366,170	295,765
(119,986,992)	2,641,498	(117,345,494)	(12,523,772)
645,358,492	(156,694,175)	488,664,317	(53,981,575)
\$ 525,371,500	\$ (154,052,677)	\$ 371,318,823	\$ (66,505,347)

# Westchester County

## Governmental Funds—

### Balance Sheet

December 31, 2017

	General	Combined Sewer Districts	Refuse Disposal District	Grants
<b>ASSETS</b>				
Cash	\$ 33,090,293	\$ 5,000,400	\$ 8,000,000	\$ 196,735
Accounts Receivable, Net	67,385,082	1,411,816	4,493,840	27,575
Due from Federal and State Governments	209,463,103	—	—	21,148,884
Inventory	50,000	—	—	—
Due from Other Funds	102,462,461	49,999,907	38,314,127	44,226,786
Prepaid Expenditures	15,743,700	850,000	—	—
Restricted Cash	—	—	—	—
Total Assets	<u>\$ 428,194,639</u>	<u>\$ 57,262,123</u>	<u>\$ 50,807,967</u>	<u>\$ 65,599,980</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 132,444,650	\$ 3,682,720	\$ 4,829,834	\$ 53,991,868
Bond Anticipation Notes Payable	—	—	—	—
Due to Other Funds	161,713,610	—	—	—
Unearned Revenue	—	—	—	—
Total Liabilities	<u>294,158,260</u>	<u>3,682,720</u>	<u>4,829,834</u>	<u>53,991,868</u>
Fund Balances (Deficits):				
Nonspendable	25,793,700	850,000	—	—
Restricted	—	—	—	—
Assigned	86,417,318	52,729,403	45,978,133	11,608,112
Unassigned	21,825,361	—	—	—
Total Fund Balances (Deficits)	<u>134,036,379</u>	<u>53,579,403</u>	<u>45,978,133</u>	<u>11,608,112</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 428,194,639</u>	<u>\$ 57,262,123</u>	<u>\$ 50,807,967</u>	<u>\$ 65,599,980</u>

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

## Exhibit A-1

<b>Capital Projects</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental Funds</b>
\$ 70,777,780	\$ 37,620,227	\$ 154,685,435
—	12,971,969	86,290,282
1,048,909	—	231,660,896
—	—	50,000
—	733,814	235,737,095
—	—	16,593,700
92,345,035	—	92,345,035
<u>\$ 164,171,724</u>	<u>\$ 51,326,010</u>	<u>\$ 817,362,443</u>
\$ 24,067,586	\$ 8,896,331	\$ 227,912,989
106,246,800	—	106,246,800
99,131,728	—	260,845,338
—	10,848,262	10,848,262
<u>229,446,114</u>	<u>19,744,593</u>	<u>605,853,389</u>
—	—	26,643,700
3,720,725	—	3,720,725
—	31,581,417	228,314,383
(68,995,115)	—	(47,169,754)
<u>(65,274,390)</u>	<u>31,581,417</u>	<u>211,509,054</u>
<u>\$ 164,171,724</u>	<u>\$ 51,326,010</u>	<u>\$ 817,362,443</u>



# Westchester County

## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

December 31, 2017

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

Fund Balances of Governmental Funds		\$ 211,509,054
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		3,093,502,078
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either unearned or not reported in the funds:		
Receivables Related to Service Concession Arrangements	9,419,652	
Receivables Related to Parking Garage Settlement	<u>822,917</u>	10,242,569
Deferred outflows of resources are a consumption of net position that applies to a future period and so will not be recognized as an expenditure in the funds-		
Deferred Amounts on Net Pension Liabilities		152,893,948
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:		
Bonds Premium	(83,073,115)	
Loss on Refunding Bonds	<u>14,573,703</u>	(68,499,412)
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds Payable	(1,122,593,675)	
NYS Retirement Stabilization Program	(81,134,405)	
Capital Leases Payable	(63,521,240)	
Accrued Interest Payable	(11,543,316)	
Compensated Absences Payable	(46,922,232)	
Certiorari Claims Payable	(659,542)	
Landfill Post-Closure Costs	(27,805,815)	
Net Pension Liability	(166,366,933)	
Judgments and Claims	(31,445,000)	
Other Post Employment Benefit Obligations	<u>(1,254,600,000)</u>	(2,806,592,158)
Deferred inflows of resources are an acquisition of net position that applies to a future period and so will not be recognized as revenue in the funds:		
Deferred Amounts from Service Concession Arrangements	(23,666,078)	
Deferred Amounts on Net Pension Liabilities	<u>(35,314,269)</u>	(58,980,347)
Internal Service funds are used by management to charge the costs of health benefits, workers' compensation claims and general liability claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statements of net position.		(8,704,232)
Net Position of Governmental Activities		<u><u>\$ 525,371,500</u></u>

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

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# Westchester County

## Governmental Funds—

### Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2017

	General	Combined Sewer Districts	Refuse Disposal District
<b>REVENUES</b>			
Taxes on Real Property	\$ 548,423,468	\$ 100,405,391	\$ 43,556,263
Sales Tax	525,230,119	—	—
Federal Aid	168,747,850	—	—
State Aid	232,791,496	—	582,797
Departmental Income	145,267,998	4,921,716	18,510,736
Earnings on Investments	209,324	8,759,325	461,757
Miscellaneous	128,283,272	1,098,411	91,321
Total Revenues	1,748,953,527	115,184,843	63,202,874
<b>EXPENDITURES</b>			
Current:			
General Government	205,364,381	1,621,650	4,405,508
Education	149,666,455	—	—
Public Safety	263,101,474	—	—
Health Services	36,683,972	—	—
Transportation	161,901,193	—	—
Economic Assistance and Opportunity	572,959,373	—	—
Culture and Recreation	45,007,627	—	—
Home and Community Services	5,043,930	57,520,957	58,855,304
Employee Benefits	250,540,105	16,217,738	1,380,356
Debt Service:			
Principal	73,519,002	26,409,245	1,621,984
Interest	23,524,144	18,978,146	512,335
Costs of Issuance	1,077,381	—	—
Capital Outlay	—	393,777	—
Total Expenditures	1,788,389,037	121,141,513	66,775,487
Excess (Deficiency) of Revenues Over Expenditures	(39,435,510)	(5,956,670)	(3,572,613)
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds Issued	5,764,637	—	—
Bonds Premium	1,067,389	—	—
Transfers In	3,920,639	773,508	35,000
Transfers Out	(3,495,252)	(86,950)	—
Total Other Financing Sources (Uses)	7,257,413	686,558	35,000
Net Change in Fund Balances	(32,178,097)	(5,270,112)	(3,537,613)
Fund Balances (Deficits) - Beginning of year	166,214,476	58,849,515	49,515,746
Fund Balances (Deficits) - End of year	\$ 134,036,379	\$ 53,579,403	\$ 45,978,133

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

## Exhibit A-2

Grants	Capital Projects	Nonmajor Governmental	Governmental Funds
\$ —	\$ —	\$ 2,212,184	\$ 694,597,306
—	—	—	525,230,119
49,973,707	7,859,102	—	226,580,659
52,342,883	10,434,204	—	296,151,380
8,744,177	—	63,053,265	240,497,892
—	79,363	100,813	9,610,582
8,922,764	4,213,984	10,895,976	153,505,728
<u>119,983,531</u>	<u>22,586,653</u>	<u>76,262,238</u>	<u>2,146,173,666</u>
4,989,814	—	—	216,381,353
—	—	—	149,666,455
14,443,808	—	—	277,545,282
55,038,284	—	—	91,722,256
2,085,228	—	40,160,698	204,147,119
40,521,059	—	—	613,480,432
1,532,148	—	—	46,539,775
3,118,352	—	18,328,474	142,867,017
—	—	3,625,748	271,763,947
—	—	1,160,523	102,710,754
—	—	646,115	43,660,740
—	438,805	—	1,516,186
—	181,857,281	1,262,582	183,513,640
<u>121,728,693</u>	<u>182,296,086</u>	<u>65,184,140</u>	<u>2,345,514,956</u>
<u>(1,745,162)</u>	<u>(159,709,433)</u>	<u>11,078,098</u>	<u>(199,341,290)</u>
—	191,675,023	—	197,439,660
—	27,351,356	—	28,418,745
3,436,502	11,062,067	208,249	19,435,965
—	(3,056,994)	(11,062,067)	(17,701,263)
<u>3,436,502</u>	<u>227,031,452</u>	<u>(10,853,818)</u>	<u>227,593,107</u>
1,691,340	67,322,019	224,280	28,251,817
<u>9,916,772</u>	<u>(132,596,409)</u>	<u>31,357,137</u>	<u>183,257,237</u>
<u>\$ 11,608,112</u>	<u>\$ (65,274,390)</u>	<u>\$ 31,581,417</u>	<u>\$ 211,509,054</u>



# Westchester County

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2017

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

Net Change in Fund Balances—Total Governmental Funds		\$	28,251,817
--	--	----	------------

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:

Capital Outlay Expenditures	168,913,441	
Depreciation Expense	(76,675,176)	92,238,265

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

Service Concession Arrangements	1,535,589	
Parking Garage Settlement	(125,000)	1,410,589

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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Deferred Charge Related to Pension Obligation	43,489	
Bonds Issued	(225,858,405)	
Principal Paid on Bonds	95,384,985	
NYS Retirement Stabilization Program Obligation Issued	(3,894,909)	
Payment on NYS Retirement Stabilization Program	10,725,516	
Amortization of Loss on Refunding Bonds and Issuance Premium	7,535,303	
Net Principal Paid on Capital Lease	5,011,327	(111,052,694)

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

Accrued Interest	355,464	
Compensated Absences	1,959,123	
Pension Obligations	(25,074,716)	
Certiorari Claims	60,973	
Landfill Post Closure Costs	1,123,650	
Other Post Employment Benefit Obligations	(119,670,000)	(141,245,506)

Internal Service Funds are used by management to charge the cost of risk to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

10,410,537

Change in Net Position of Governmental Activities.

\$ (119,986,992)

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

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**Westchester County**  
**General, Sewer and Refuse Disposal District Funds—**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Year Ended December 31, 2017**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Taxes on Real Property	\$ 548,423,468	\$ 548,423,468	\$ 548,423,468	\$ —
Sales Tax	517,559,000	517,559,000	525,230,119	7,671,119
Federal Aid	183,611,968	183,611,968	168,747,850	(14,864,118)
State Aid	249,566,893	249,566,893	232,791,496	(16,775,397)
Departmental Income	151,405,650	151,405,650	145,267,998	(6,137,652)
Earnings on Investments	—	—	209,324	209,324
Miscellaneous	132,216,104	132,216,104	128,283,272	(3,932,832)
Total Revenues	1,782,783,083	1,782,783,083	1,748,953,527	(33,829,556)
<b>EXPENDITURES</b>				
Current:				
General Government	223,874,213	220,890,715	205,364,381	15,526,334
Education	146,895,268	149,678,096	149,666,455	11,641
Public Safety	252,584,288	267,140,776	263,101,474	4,039,302
Health Services	37,520,064	37,537,387	36,683,972	853,415
Transportation	161,842,211	162,713,683	161,901,193	812,490
Economic Assistance and Opportunity	605,638,493	587,925,693	572,959,373	14,966,320
Culture and Recreation	46,262,500	46,262,500	45,007,627	1,254,873
Home and Community Services	5,923,590	6,129,455	5,043,930	1,085,525
Employee Benefits	251,726,244	253,141,353	250,540,105	2,601,248
Debt Service:				
Principal	73,519,003	73,519,003	73,519,002	1
Interest	22,406,312	23,524,324	23,524,144	180
Costs of Issuance	1,144,077	1,078,077	1,077,381	696
Capital Outlay	—	—	—	—
Total Expenditures	1,829,336,263	1,829,541,062	1,788,389,037	41,152,025
Deficiency of Revenues				
Over Expenditures	(46,553,180)	(46,757,979)	(39,435,510)	7,322,469
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds Issued	8,500,000	8,500,000	5,764,637	(2,735,363)
Bonds Premium	—	—	1,067,389	1,067,389
Transfers In	18,728,698	18,728,698	3,920,639	(14,808,059)
Transfers Out	(3,858,708)	(3,653,909)	(3,495,252)	158,657
Total Other Financing Sources	23,369,990	23,574,789	7,257,413	(16,317,376)
Net Change in Fund Balances	(23,183,190)	(23,183,190)	(32,178,097)	(8,994,907)
Fund Balances—Beginning of year	23,183,190	23,183,190	166,214,476	143,031,286
Fund Balances—End of year	\$ —	\$ —	\$ 134,036,379	\$ 134,036,379

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

Exhibit A-3

Combined Sewer Districts Fund				Refuse Disposal District Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 100,405,391	\$ 100,405,391	\$ 100,405,391	\$ —	\$ 43,556,263	\$ 43,556,263	\$ 43,556,263	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	582,797	582,797
4,110,292	4,110,292	4,921,716	811,424	18,764,616	18,764,616	18,510,736	(253,880)
9,265,809	9,265,809	8,759,325	(506,484)	462,127	462,127	461,757	(370)
680,000	680,000	1,098,411	418,411	90,000	90,000	91,321	1,321
114,461,492	114,461,492	115,184,843	723,351	62,873,006	62,873,006	63,202,874	329,868
2,380,000	2,578,400	1,621,650	956,750	5,077,445	5,026,392	4,405,508	620,884
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
65,121,166	64,326,566	57,520,957	6,805,609	64,556,462	64,549,315	58,855,304	5,694,011
16,369,330	16,369,330	16,217,738	151,592	1,427,433	1,427,433	1,380,356	47,077
25,912,262	26,545,362	26,409,245	136,117	1,563,860	1,622,060	1,621,984	76
19,220,806	19,183,906	18,978,146	205,760	543,190	543,190	512,335	30,855
—	—	—	—	—	—	—	—
1,381,245	1,381,245	393,777	987,468	130,231	130,231	—	130,231
130,384,809	130,384,809	121,141,513	9,243,296	73,298,621	73,298,621	66,775,487	6,523,134
(15,923,317)	(15,923,317)	(5,956,670)	9,966,647	(10,425,615)	(10,425,615)	(3,572,613)	6,853,002
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
722,682	722,682	773,508	50,826	35,000	35,000	35,000	—
(86,950)	(86,950)	(86,950)	—	—	—	—	—
635,732	635,732	686,558	50,826	35,000	35,000	35,000	—
(15,287,585)	(15,287,585)	(5,270,112)	10,017,473	(10,390,615)	(10,390,615)	(3,537,613)	6,853,002
15,287,585	15,287,585	58,849,515	43,561,930	10,390,615	10,390,615	49,515,746	39,125,131
\$ —	\$ —	\$ 53,579,403	\$ 53,579,403	\$ —	\$ —	\$ 45,978,133	\$ 45,978,133



# Westchester County

## Proprietary Funds—

### Statement of Net Position

December 31, 2017

Exhibit B-1

	Business Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Westchester Tobacco Asset Securitization Corporation	
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 107,429	\$ 21,977,816
Investments	—	34,599,063
Accounts receivable	12,646,322	4,514,730
Due from other funds	—	28,229,734
Total Current Assets	12,753,751	89,321,343
<b>Non current assets:</b>		
Restricted cash	7,696	—
Assets limited as to use	14,133,625	—
Total Non Current Assets	14,141,321	—
Total Assets	26,895,072	89,321,343
<b>DEFERRED OUTLOWS OF RESOURCES</b>		
Deferred amounts on refunding bonds	4,476,513	—
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	741,997	28,110,543
Bonds payable	2,100,000	—
Due to other funds	1,734,702	1,596,032
Total Current Liabilities	4,576,699	29,706,575
<b>Noncurrent liabilities:</b>		
Accrued liabilities	—	68,319,000
Bonds payable	180,847,563	—
Total Liabilities	185,424,262	98,025,575
<b>NET POSITION</b>		
Unrestricted	\$ (154,052,677)	\$ (8,704,232)

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

# Westchester County Proprietary Funds— Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2017

Exhibit B-2

	Business Type Activities - Enterprise Fund Westchester Tobacco Asset Securitization Corporation	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES:</b>		
Charges for services	\$ —	\$ 209,877,811
Tobacco settlement revenues	12,524,923	—
Total Operating Revenues	12,524,923	209,877,811
<b>OPERATING EXPENSES:</b>		
Professional fees	60,921	—
Insurance expense	59,365	—
Claims	—	21,113,809
Claim adjustments	—	(5,787,000)
Employee benefits	—	185,372,185
Total Operating Expenses	120,286	200,698,994
Income from Operations	12,404,637	9,178,817
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Earnings on investments	579,510	1,863,728
Interest expense	(8,607,947)	—
Net change in fair value of investments	—	(632,008)
Total Nonoperating Revenues (Expenses)	(8,028,437)	1,231,720
Income Before Transfers	4,376,200	10,410,537
<b>TRANSFERS OUT</b>	(1,734,702)	—
Change in Net Position	2,641,498	10,410,537
Net Position -- beginning	(156,694,175)	(19,114,769)
Net Position -- ending	\$ (154,052,677)	\$ (8,704,232)

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

# Westchester County

## Proprietary Funds—

### Statement of Cash Flows

Year Ended December 31, 2017

Exhibit B-3

	<b>Business Type Activities - Enterprise Fund</b> <b>Westchester Tobacco Asset Securitization Corporation</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ —	\$ 210,787,943
Cash received from tobacco settlement revenues	11,566,206	—
Payments to providers and claimants	(132,446)	(206,205,895)
	<hr/>	<hr/>
Net Cash from Operating Activities	11,433,760	4,582,048
	<hr/>	<hr/>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Repayment of bonds payable	(2,210,000)	—
Interest paid	(8,180,300)	—
Transfer to Westchester County	(1,601,919)	—
Advances from other funds	—	846,710
Payments to other funds	—	(13,936,691)
	<hr/>	<hr/>
Net Cash from Noncapital Financing Activities	(11,992,219)	(13,089,981)
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Earnings on investments	577,891	1,933,153
Purchase of investments	—	(2,450,000)
Sale of investments	—	1,999,677
	<hr/>	<hr/>
Net Cash from Investing Activities	577,891	1,482,830
	<hr/>	<hr/>
Net Change in Cash	19,432	(7,025,103)
	<hr/>	<hr/>
Cash - beginning of year	95,693	29,002,919
	<hr/>	<hr/>
Cash - end of year	\$ 115,125	\$ 21,977,816
	<hr/>	<hr/>
Cash	\$ 107,429	\$ 21,977,816
Restricted cash	7,696	—
	<hr/>	<hr/>
Total Cash	\$ 115,125	\$ 21,977,816
	<hr/>	<hr/>

continued

**Westchester County**  
**Proprietary Funds—**  
**Statement of Cash Flows (cont'd)**  
Year Ended December 31, 2017

**Exhibit B-3**

	<b>Business Type Activities - Enterprise Fund</b> <b>Westchester Tobacco Asset Securitization Corporation</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES:</b>		
Income from operations	\$ 12,404,637	\$ 9,178,817
Adjustments to reconcile income from operations to net cash from operating activities:		
Changes in assets and liabilities:		
Accounts receivable	(958,717)	910,132
Accounts payable and accrued liabilities	(12,160)	(5,506,901)
Net Cash from Operating Activities	<u>\$ 11,433,760</u>	<u>\$ 4,582,048</u>
<b>Noncash Noncapital Financing Activities:</b>		
Decrease in bonds payable from amortization of original issue discount	\$ (210,478)	\$ —
Decrease in deferred outflows of resources from amortization of loss on refunding	133,959	—
<b>Noncash Investing Activities-</b>		
Change in fair value of investments	—	(632,008)

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

# Westchester County

Exhibit C-1

## Statement of Fiduciary Assets and Liabilities

December 31, 2017

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash	\$ 94,936,006
Accounts Receivable	19,873,778
Restricted Investments	6,000,602
Due from Other Funds	<u>209,243</u>
Total Assets	<u><u>\$ 121,019,629</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 37,829,992
Securities and Deposits Payable	<u>83,189,637</u>
Total Liabilities	<u><u>\$ 121,019,629</u></u>

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

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# Westchester County

## Component Units—

### Combining Statement of Net Position

December 31, 2017

	County of Westchester Industrial Development Agency	Westchester Community College
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 1,506,032	\$ 94,539,031
Investments	—	37,806,453
Accounts Receivable, Net	112,147	5,301,184
Prepaid Expenses	20,000	—
Escrow Deposit Receivable	115,477	—
Total Current Assets	1,753,656	137,646,668
<b>Non current assets:</b>		
Promissory Note Receivable	7,000,000	—
Net Pension Asset	—	481,901
Land	125,000	—
Equipment	—	24,916,791
Accumulated Depreciation	—	(23,428,388)
Other	1,515,030	—
Total Non Current Assets	8,640,030	1,970,304
Total Assets	10,393,686	139,616,972
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amounts on Pension Obligations	—	10,980,590
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts Payable and Accrued Expenses	48,544	110,214,070
Due to Other Governments	206,495	—
Total Current Liabilities	255,039	110,214,070
<b>Non current liabilities:</b>		
Due Within One Year-		
Compensated Absences	—	775,000
Due in More Than One Year:		
Due to Other Governments	7,000,000	—
Compensated Absences	—	6,974,218
Net Pension Liability	—	7,634,778
Estimated Post Retirement Health Insurance Liability	—	88,010,043
Other Custodial Funds	1,630,507	—
Total Non Current Liabilities	8,630,507	103,394,039
Total Liabilities	8,885,546	213,608,109
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Amounts on Pension Obligations	—	3,166,709
Deferred Amounts for Tuition Assistance Payments	—	2,389,711
Total Deferred Inflows of Resources	—	5,556,420
<b>NET POSITION</b>		
Net Investment in Capital Assets	125,000	1,488,403
Restricted	—	252,323
Unrestricted	1,383,140	(70,307,693)
Total Net Position	\$ 1,508,140	\$ (68,566,967)

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

## Exhibit D-1

Westchester County Local Development Corporation	Totals
\$ 620,655	\$ 96,665,718
—	37,806,453
—	5,413,331
5,254	25,254
—	115,477
625,909	140,026,233
—	7,000,000
—	481,901
—	125,000
—	24,916,791
—	(23,428,388)
—	1,515,030
—	10,610,334
625,909	150,636,567
—	10,980,590
19,200	110,281,814
53,229	259,724
72,429	110,541,538
—	775,000
—	7,000,000
—	6,974,218
—	7,634,778
—	88,010,043
—	1,630,507
—	112,024,546
72,429	222,566,084
—	3,166,709
—	2,389,711
—	5,556,420
—	1,613,403
—	252,323
553,480	(68,371,073)
\$ 553,480	\$ (66,505,347)

# Westchester County Component Units— Combining Statement of Activities

Year Ended December 31, 2017

Exhibit D-2

	County of Westchester Industrial Development Agency	Westchester Community College	Westchester County Local Development Corporation	Totals
<b>Expenses-</b>				
Program operations	\$ 2,859,332	\$ 147,921,933	\$ 243,357	\$ 151,024,622
<b>Program revenues:</b>				
Charges for services	929,220	35,334,026	112,789	36,376,035
Operating grants and contributions	—	101,829,050	—	101,829,050
Total Program Revenues	929,220	137,163,076	112,789	138,205,085
Net Program Expenses	(1,930,112)	(10,758,857)	(130,568)	(12,819,537)
<b>General revenues-</b>				
Earnings on investments	8,175	287,590	—	295,765
Change in Net Position	(1,921,937)	(10,471,267)	(130,568)	(12,523,772)
Net Position—beginning	3,430,077	(58,095,700)	684,048	(53,981,575)
Net Position—ending	\$ 1,508,140	\$ (68,566,967)	\$ 553,480	\$ (66,505,347)

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

# NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

## NOTE 1

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### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Westchester, New York (hereinafter referred to as the County) was incorporated in 1683 and operates in accordance with its charter, adopted in 1937, its administrative code, enacted into State Law in 1948, the State Constitution and the various other applicable laws of the State of New York. The County functions under a County Executive/Board of Legislators form of government. The Board of Legislators is the legislative body responsible for overall operation of the County. The County Executive serves as the chief executive officer and the Commissioner of Finance serves as the chief financial officer. The County provides the following services to its residents: education, public safety, health services, transportation, economic assistance and opportunity, culture and recreation, home and community services and general and administrative support.

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

#### A. Financial Reporting Entity

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

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the County's reporting entity was made by applying the criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, *The Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based upon the application of the above criteria, the following individual component units are included in the County's reporting entity as discretely presented component units because of their operational relationship with the County: The County of Westchester Industrial Development Agency, Westchester Community College, and the Westchester County Local Development Corporation.

The County of Westchester Industrial Development Agency (hereinafter referred to as the IDA) is a public benefit corporation created in 1977 by New York State legislation under provisions of Chapter 788 for the purpose of encouraging economic growth in the County. The IDA is a source of financial assistance available to for-profit organizations located and established in the County and for those for-profit organizations relocating to the County.

Westchester Community College (hereinafter referred to as the College) was established in 1953, with the County as the local sponsor under provisions of Article 126 of the Education Law of the State of New York. The College is administered by a board of trustees consisting of nine voting members; five are appointed by the Board of Legislators and four by the Governor. The College's budget is subject to the approval of the Board of Legislators. The County

provides one-half of the capital costs and approximately one-fifth of the operating costs for the College. Title to real property of the College rests with the County, and bonds and notes for the College's capital costs are issued by the County and are County debt. A fiscal year ending August 31<sup>st</sup> is mandated by State Law for the College. The College may also result in a financial burden to the primary government since the County is obligated for the debt of the College. The primary government has financial accountability for the College due to its ability to appoint a majority of the College's Board of Trustees and also the ability to impose its will as demonstrated by the College budget being subject to approval by the primary government.

The Westchester County Local Development Corporation (hereinafter referred to as the LDC) is a not-for-profit corporation that was created in 2012 to be an important source of financial assistance to not-for-profit organizations located or established in the County and for those not-for-profit organizations relocating to the County. Both the IDA and LDC boards of directors control the affairs, property and fiscal matters of each respective entity. All of the directors are elected and appointed by the primary government which is an indicator of financial accountability by the primary government.

Additional financial accountability is indicated by the primary governments' ability to 1) remove the appointed directors of the IDA and LDC boards at will and 2) to appoint, hire, reassign, or dismiss the County employees responsible for the daily operations of the IDA and LDC, both of which indicates that the primary government has the ability to impose its will on the IDA and LDC.

Financial statements for the component units are included as part of the basic financial statements. Complete financial statements can be obtained from their respective administrative offices at the following addresses:

County of Westchester Industrial Development Agency  
Michaelian Office Building  
148 Martine Avenue  
White Plains, New York 10601

Westchester Community College  
75 Grasslands Road  
Valhalla, New York 10595

Westchester County Local Development Corporation  
Michaelian Office Building  
148 Martine Avenue  
White Plains, New York 10601

## **B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole and its component units. Except for interfund services provided and used, the effect of interfund activity has been removed from these statements. 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 and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual government funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Internal Service Funds are charges to customers for services. Operating expenses for the Internal Service Funds include the cost of services, administrative expenses, and benefit costs. The principal operating revenues of the blended component unit, Westchester Tobacco Asset Securitization Corporation (hereinafter referred to as WTASC), are settlement revenues (see section D – Measurement Focus/Basis of Accounting), whereas operating expenses include general administrative expenses. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

## **C. Fund Financial Statements**

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

### **Fund Categories**

- a. Governmental Funds** - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. Special Revenue Funds are governmental funds established to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for certain defined purposes other than debt service or capital projects. The following are the County's major governmental funds:

**General Fund** - The General Fund constitutes the primary operating fund of the County and it includes all revenues and expenditures not required by law to be accounted for in other funds.

**Sewer Districts Fund** - The Sewer Districts Fund is a Special Revenue Fund and is provided to account for and report the operations of the County's sewer districts. The major revenues of this fund are real property taxes, departmental income and earnings on investments.

**Refuse Disposal District Fund** - The Refuse Disposal District Fund is a Special Revenue Fund provided to account for and report the operations of the County's solid waste facilities. The major revenues of this fund are real property taxes and departmental income.

**Grants Fund** - The Grants Fund is a Special Revenue Fund used to account for the assets, liabilities, revenues and expenditures of grant funds received by various County departments.

**Capital Projects Fund** - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlay, including the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The major revenues and other financing sources of this fund are federal aid, state aid and bonds issued.

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

**Airport Fund** - The Airport Fund is a Special Revenue Fund used to account for the operations of the Westchester County Airport.

**Water Districts Fund** - The Water Districts Fund is a Special Revenue Fund used to account for the operations of the County's water districts.

- b. Proprietary Funds** — Proprietary funds consist of the blended component unit and internal service funds. Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The County reports its Health Insurance, Casualty Reserve, and Workers' Compensation Reserve funds as internal service funds.

WTASC is a special purpose corporation and a subsidiary corporation of the Westchester County Health Care Corporation (hereinafter referred to as WCHCC). WTASC was organized under the provisions of Section 1411 of the New York State Not-for-Profit Corporation Law and pursuant to Section 3306(7) of the Public Authorities Law of the State of New York. The Board of Directors of WTASC consists of three members; one director designated by WCHCC to be the Commissioner of Finance of the County of Westchester, one director designated by WCHCC to be the WCHCC board representative, selected by the Majority Leader of the County Board of Legislators and a third director who meets certain requirements of independence and shall be designated by the other two members.

- c. Fiduciary Funds (Not included in Government-wide statements)** — The Fiduciary Funds are used to account for assets held by the County in an agency capacity on behalf of others and consists of the Agency Fund which is used to account for various deposits that are payable to other jurisdictions or individuals.

## **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

### **Primary Government**

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary funds. The Fiduciary Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is



incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made and recognized as revenue if collected within one year. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, landfill post-closure costs, capital leases, certain claims, pollution remediation, certain retirement costs and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The County and its blended component unit, WTASC, follow the guidance provided by GASB Technical Bulletin 2004-1 as amended and/or superseded by GASB Statement No. 48. GASB Statement No. 48 provided for prospective, rather than retrospective treatment, of the intra-entity sale of future revenues. The original sale of the WTASC's future revenue stream was consummated several years prior to the effective date of GASB Statement No. 48, and no additional sale of future revenues has occurred since that time. The revenue from the sale was recognized at that time based on existing guidance. Therefore, there is no deferred inflow of resources to be reported for this purpose on the County's financial statements or a deferred outflow of resources to be reported on the WTASC financial statements. The deferred outflows of resources reflected in the County's business-type activity relate to a refunding of the original debt of the WTASC and not to any new monies that would fall under the guidance promulgated in GASB Statement No. 48.

### **Component Units**

Component units are presented on the basis of accounting that most accurately reflects their activities. The County's component units are the IDA, College, and LDC and are accounted for on the accrual basis.

#### *Westchester Community College*

The College does not reflect land and buildings as an asset of the fund and depreciation is not reflected. These assets are owned by the County, and the debt related to these assets are obligations of the County. The College does have furniture and equipment which was purchased through its operating budget, which is capitalized and depreciated.

### **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position or Fund Balances**

#### **Cash**

Cash consists of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with maturities at the time of purchase of three months or less.

The County's deposits and investment policies are governed by State statutes. The County has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located in the State. The County is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

In accordance with the provisions of General Municipal Law of the State of New York Section 10, all deposits of the County, including certificates of deposit and special time deposits in excess of the amount insured under the provision of the Federal Deposit Insurance Act will be secured at 102%. The County has entered into custodial agreements with the various banks which hold its deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations issued or fully insured or

guaranteed by the United States, an agency thereof or a United States government sponsored corporation and obligations issued or fully guaranteed by the State of New York.

## **Investments**

Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, school districts, and authorities.

The County follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

## **Risk Disclosure**

***Interest Rate Risk*** - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

***Custodial Credit Risk*** - Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the County's name. The County's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2017.

***Credit Risk*** - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The County does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

***Concentration of Credit Risk*** - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The County's investment policy limits the amount on deposit at each of its banking institutions.

## **Real Property Taxes**

Real property taxes attach as an enforceable lien on real property and are levied on January 1st. Real property taxes are generally payable to the collecting agents in April. The County-wide real property tax levy is collected by the cities and towns within the County. Payment of each city and town's share must be made to the County's Commissioner of Finance as collected and, in any event, not less than sixty percent must be paid by May 25th and the balance of the warrant by October 15th of the year for which such taxes are levied. The various cities and towns within the County are responsible for the billing and collection of taxes and foreclosure proceedings.

## **Other Receivables**

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

## **Due From/To Other Funds**

During the course of its operations, the County has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2017, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

## **Inventory**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies, and are reported in both the government-wide and fund financial statements. The cost of such inventories is recorded as expenditures when consumed rather than when purchased (the consumption method). Amounts reported as inventories in the fund financial statements are offset by the same amount in the component of nonspendable fund balance – not in spendable form to indicate that these amounts do not constitute available spendable resources, even though they are a component of current assets.

## **Prepaid Expenses/Expenditures**

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

## **Restricted Cash**

Restricted cash in the Capital Projects Fund consists of funds held by a state agency. These funds are to be used for various sewer district upgrades.

## **Assets Limited as to Use**

### *Westchester Tobacco Asset Securitization Corporation*

On June 15, 2005, WTASC issued \$216,600,000 Tobacco Settlement Asset-Backed Bonds, Series 2005. These bonds were issued primarily to refund all of WTASC's outstanding Tobacco Settlement Asset-Backed Bonds, Series 1999, which were issued by WTASC to finance its purchase pursuant to a purchase and sale agreement, dated as of December 1, 1999, by and between WTASC and the County. The terms of the bond indenture provided for the establishment of a liquidity reserve. The Series 2005 bonds liquidity reserve requirement was \$14,133,625, the maximum annual debt service requirement based on planned structured principal payments. In addition, there is \$7,696 of cash restricted to the payment of debt obligations on WTASC bonds.

On December 22, 2016, WTASC issued \$180,990,000 of Tobacco Settlement Asset-Backed Bonds Series 2016 ("Series 2016") composed of Senior Bonds (federally taxable) of \$7,165,000, Senior Bonds of \$91,300,000 and Subordinate Bonds of \$82,525,000, the proceeds of which were used to 1) refund the outstanding Series 2005 bonds, 2) pay certain costs of issuance related to the Series 2016 bonds and 3) distribute to the Residual Certificate Holder the remaining proceeds. As part of the 2016 bond indenture, the same liquidity reserve balance was required but separated into two components; \$7,645,487.50 for the "Senior Liquidity Reserve Account" and \$6,488,137.50 for the "Subordinate Liquidity Reserve Account".

## **Capital Assets**

Capital assets, which include property, plant, and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$50,000

and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Land and construction in progress are not depreciated. Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings	25-50
Equipment	10-25
Infrastructure	50

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

**Unearned Revenues**

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The County has reported unearned revenues of \$10,848,262 for passenger facility charges, rent and remediation revenue received in advance in the Airport special revenue fund. Such amounts have been deemed to be measurable but not “available” pursuant to generally accepted accounting principles.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The County has reported deferred outflows of resources of \$14,573,703 and \$4,476,513 for a deferred loss on refunding bonds in the government-wide Statement of Net Position for governmental activities and business-type activities, respectively. These amounts result from the difference in the carrying value of the refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

The County has reported deferred inflows of resources of \$23,666,078 resulting from service concession arrangements to operate a parking garage and four hangars at the Westchester County Airport. This amount results from the difference between the original cost of the buildings and the rent receivable less the accumulated amortization of the cost of the building and rental payments received to date. These amounts are amortized over the shorter of the life of the asset or the term of the rental agreement.

The College (component unit) has reported deferred inflow of resources of \$2,389,711 resulting from tuition assistance payments.

The County and College (component unit) also reported deferred outflows of resources and deferred inflows of resources in relation to their pension obligations. These amounts are detailed in the discussion of the County's and College's pension plans in Note 3, H.

### **Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

### **Compensated Absences**

The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon retirement and, for certain bargaining units, upon separation from service. The liability for such accumulated leave is reflected in the government-wide and component unit financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee termination or retirement. The liability for compensated absences includes salary related payments, where applicable.

### **Net Pension Liability**

The net pension liability represents the proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System, the New York State and Local Police and Fire Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date"*.

### **Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the government-wide and proprietary funds includes net investment in capital assets, restricted for special revenue funds, casualty claims, debt service, and component units. The balance is classified as unrestricted.

### **Fund Balance**

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

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact.

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Legislators (Board) is the decision-making authority that can, by adoption of an Act prior to the end of the year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Board removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board.

Assigned fund balance represents amounts constrained by the Finance Commissioner, who is authorized by the laws of the County contained in the County Charter, to assign amounts for a specific purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance. Assignments generally only exist temporarily, that is, no additional action needs to be taken for removal of an assignment.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. In governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: committed, assigned, and unassigned.

## **F. Encumbrances**

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally utilized as an extension of formal budgetary integration in the General and certain Special Revenue Funds. Encumbrances outstanding at year end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

## **G. Use of Estimates**

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

## **H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 22, 2018.

## NOTE 2

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### STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgetary Data

The Department of Budget is responsible by County Charter for the internal formulation of the budget and for its execution. The Department also assists the County Executive in duties relating to formulation of the budget and presentation to the Board of Legislators.

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

- a) Budget formulation commences in August of each year with the submission of expenditure requirements for the next fiscal year by the administrative head of each department in the County.
- b) The departmental estimates are reviewed and modified by the Department of Budget and the County Executive. The County Executive's Capital Projects Fund budget is presented to the Board of Legislators no later than October 15<sup>th</sup> while the proposed operating budget (General, Sewer, Refuse, Airport and Water funds) are published and is then presented to the Board of Legislators by November 10<sup>th</sup>.
- c) Subsequent to November 10<sup>th</sup>, the Board's Committee on Budget and Appropriations holds various public hearings and makes recommendations to amend the budget. The budget is adopted no later than December 27<sup>th</sup>.
- d) Formal budgetary integration is employed during the year as a management control device for General, Sewer, Airport, Water and Refuse funds.
- e) Budgets for General, Sewer, Airport, Water and Refuse funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for Internal Service or Grants funds.
- f) Legal budgetary control is maintained at the departmental level. Transfers between appropriation accounts, at the department level, require approval by the Board of Legislators. Any modification to appropriations resulting from increases in revenue estimates or appropriations also requires a majority vote by the Board.
- g) Appropriations in General, Sewer, Airport, Water and Refuse funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-appropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Board of Legislators. An amendment to the Sewer Districts Fund appropriation budget in the amount of \$188,719 was passed for debt service, and was recorded in the bond principal expenditure line of the debt service function.

#### B. Property Tax Limitation

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

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a County in a particular year. This original legislation was set to expire on June 16, 2016, but was renewed. The new expiration date is June 15, 2020.

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



The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the County to increase its overall real property tax levy over the tax levy of the prior year by no more than the “Allowable Levy Growth Factor,” which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The “Inflation Factor” is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The County is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the County, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the County. The Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Board first enacts, by a vote of at least sixty percent of the total voting power of the Board, a local law to override such limit for such coming fiscal year.

The amount that may be raised by the Primary Government tax levy on real estate in any fiscal year for purposes other than for debt service on County indebtedness is limited to one and one-half per centum (subject to increase up to two per centum by State legislative enactment) of the average full valuation of taxable real estate of the County. In accordance with this definition, the maximum which could have been raised in 2017 was \$2,369,173,405 which exceeded the actual levy by \$1,674,576,099.

**C. Expenditure in Excess of Budget**

The following category of expenditure exceeded its budgetary provision by the amount indicated:

Airport Fund-	
Other Financing Uses-	
Transfers Out	\$ 6,338,567

**D. Fund Deficits**

The following have unassigned/unrestricted deficits at December 31, 2017:

	<b>Unassigned/ Unrestricted Deficits December 31, 2017</b>
Capital Projects Fund	\$ 68,995,115
Water District No. 2	516
WTASC	154,052,677
Workers' Compensation Reserve Fund	38,538,415
College (Component Unit)	70,307,693

The deficit in the Capital Projects Fund arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of Bond Anticipation Notes (BANS) issued to finance construction of capital projects are not recognized as an “other financing source”. Liabilities for BANS payable are accounted for in the Capital Projects Fund. BANS are recognized as revenue only to the extent that they are redeemed. The Capital Projects Fund deficit will be reduced and eliminated as the BANS are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

The deficit in the Workers’ Compensation Reserve Fund is attributable to the accrual of claims including incurred but not reported claims which will be satisfied in subsequent years. This deficit will be addressed in future periods.

The deficit in the WTASC will be reduced annually with the receipt of tobacco revenues.

**NOTE 3****DETAILED NOTES ON ALL FUNDS****A. Investments**

Details of the County's investment portfolio by fund as of December 31, 2017 were:

<b>Investments</b>	<b>Total</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Other Unobservable Inputs (Level 3)</b>	<b>Other (Cost)</b>
Internal Service Fund:					
Revenue Anticipation Note	\$ 2,450,000	\$ 2,450,000	\$ —	\$ —	\$ —
US Treasuries	32,149,063	32,149,063	—	—	—
Total Internal Service Fund:	34,599,063	34,599,063	—	—	—
Fiduciary Fund:					
Equity Securities	2,412,154	2,412,154	—	—	—
Bond Mutual Funds	632,943	632,943	—	—	—
Certificates of Deposit	2,955,505	-	—	—	2,955,505
Total Fiduciary Fund	6,000,602	3,045,097	—	—	2,955,505
Total Primary Government:	\$ 40,599,665	\$ 37,644,160	\$ —	\$ —	\$ 2,955,505
Component Unit:					
US Treasuries	\$ 37,806,453	\$ 37,806,453	\$ —	\$ —	\$ —

The Casualty Reserve Internal Service Fund includes an investment in a local school district's Revenue Anticipation Note held for one year, maturing on November 27, 2018.

The Fiduciary Fund restricted investments of \$6,000,602 consist of certificates of deposit, stocks, real estate investment trusts, mutual funds, and bond mutual funds. Of the total restricted investments, \$1,558,150 is held in an agency capacity for the East of Hudson Watershed Corporation.

The certificates of deposit are fixed rate investments that have maturities greater than three months and are secured by FDIC coverage and collateral posted by the respective depository.

The fair values of the stocks and mutual funds fluctuate in response to changes in market rates. Since these investments constitute a small portion of the County's overall investments, the risk to the County is not significant.

**B. Assets Limited As To Use****WTASC**

WTASC assets limited as to use at December 31, 2017 consisted of the following:

Security Benefit Life Insurance Company	
Fixed Annuity due April 2045;	
Interest at 4.1%	\$ 14,133,625
Restricted cash	7,696
	<u>\$ 14,141,321</u>

## C. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2017 were as follows:

	<b>Due From</b>	<b>Due To</b>
General Fund	\$ 102,462,461	\$ 161,713,610
Combined Sewer Districts Fund	49,999,907	—
Refuse Disposal District Fund	38,314,127	—
Grants Fund	44,226,786	—
Capital Projects Fund	—	99,131,728
Water Districts Fund	733,814	—
WTASC	—	1,734,702
Health Insurance Fund	28,229,734	—
Casualty Reserve Fund	—	909,966
Workers' Compensation Reserve Fund	—	686,066
Agency Fund	209,243	—
	<u>\$ 264,176,072</u>	<u>\$ 264,176,072</u>

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

## D. Capital Assets

Changes in the primary government's capital assets are as follows:

<b>Class</b>	<b>Balance January 1, 2017</b>	<b>Additions (Transfers)</b>	<b>Deletions</b>	<b>Balance December 31, 2017</b>
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 311,449,182	\$ 3,161,064	\$ 1,121,876	\$ 313,488,370
Construction-in-progress	967,022,256	120,096,039	6,080,833	1,081,037,462
Total Capital Assets, not being depreciated	<u>1,278,471,438</u>	<u>123,257,103</u>	<u>7,202,709</u>	<u>1,394,525,832</u>
Capital Assets, being depreciated:				
Buildings	957,232,749	2,831,156	-	960,063,905
Equipment	504,129,736	10,212,131	21,558,920	492,782,947
Infrastructure	1,629,234,119	39,815,760	1,399,288	1,667,650,591
Total Capital Assets, being depreciated	<u>3,090,596,604</u>	<u>52,859,047</u>	<u>22,958,208</u>	<u>3,120,497,443</u>
Less Accumulated Depreciation for:				
Buildings	363,253,335	23,298,716	-	386,552,051
Equipment	351,748,273	20,632,688	21,558,920	350,822,041
Infrastructure	652,802,621	32,743,772	1,399,288	684,147,105
Total Accumulated Depreciation	<u>1,367,804,229</u>	<u>76,675,176</u>	<u>22,958,208</u>	<u>1,421,521,197</u>
Total Capital Assets, being depreciated, net	<u>1,722,792,375</u>	<u>(23,816,129)</u>	<u>-</u>	<u>1,698,976,246</u>

Depreciation expense was charged to the primary government's functions and programs as follows for the year ended December 31, 2017:

Governmental Activities:	
General Government	\$ 7,776,122
Education	5,877,368
Public Safety	14,014,331
Health Services	1,101,806
Transportation	19,453,690
Economic Assistance	863,511
Culture and Recreation	6,597,216
Home and Community Services	<u>20,991,132</u>
Total Depreciation Expense—Governmental Activities	<u>\$ 76,675,176</u>

## E. Capital Assets — Component Units

### *College*

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

<u>Class</u>	<u>Balance September 1, 2016</u>	<u>Additions</u>	<u>Balance August 31, 2017</u>
Capital Assets, being depreciated:			
Furniture and Equipment	\$ 24,200,325	\$ 716,466	\$ 24,916,791
Total Accumulated Depreciation	<u>22,644,931</u>	<u>783,457</u>	<u>23,428,388</u>
Capital Assets, net	<u>\$ 1,555,394</u>	<u>\$ (66,991)</u>	<u>\$ 1,488,403</u>

### *IDA*

The IDA has land as its only capital asset, which is carried at \$125,000.

## F. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at December 31, 2017 were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Component Units</u>
Payroll and employee benefits	\$ 24,597,791	\$ —	\$ 11,198,202
Unpaid Claims	233,901,890	20,000	72,992,528
Other	<u>—</u>	<u>721,997</u>	<u>26,091,084</u>
Total Accounts Payable and Accrued Liabilities	<u>\$ 258,499,681</u>	<u>\$ 741,997</u>	<u>\$ 110,281,814</u>

## G. Short-Term Financing

### Tax Anticipation Notes Payable (Non-Capital Financing)

The schedule below details short-term non-capital borrowings. The tax anticipation note (TAN) was issued to provide cash flow leading up to the collection of the County's property tax levy of which 60% was collected on May 25, 2017. The County received the balance (40%) of the property tax levy on October 16, 2017.

Type	Date Issued	Maturity Date	Net Interest Rate	Balance January 1, 2017	New Issue	Redemptions	Balance December 31, 2017
TAN	2/3/2017	5/26/2017	0.75%	\$ —	\$ 140,000,000	\$ 140,000,000	\$ —

Interest expenditure/expense of \$659,167 was recorded in the General Fund in the fund financial statements and in the government-wide financial statements for governmental activities relative to this TAN in 2017.

### Bond Anticipation Notes Payable

The following table summarizes the changes in the County's short-term capital financing for the year ended December 31, 2017. The bond anticipation notes (BANS) for the financing of sewer improvements were issued by the New York State Environmental Facilities Corporation (EFC) for accepted, eligible sewer projects.

Purpose	Original Issue	Maturity	Interest Rate	Balance January 1, 2017	New Issues	Redemptions	Balance December 31, 2017
<i>Capital Projects Fund</i>							
Sewer Improvements *	2014	2019	1.06%	\$ 1,000,000	\$ —	\$ —	\$ 1,000,000
Sewer Improvements *	2014	2019	—	1,000,000	—	—	1,000,000
Sewer Improvements *	2014	2019	1.06%	2,350,000	—	—	2,350,000
Sewer Improvements *	2014	2019	—	2,350,000	—	—	2,350,000
Sewer Improvements *	2015	2020	—	357,200	—	—	357,200
Sewer Improvements *	2015	2018	0.47%	19,389,800	—	(9,265,000)	10,124,800
Sewer Improvements *	2015	2018	—	19,389,800	—	(9,265,000)	10,124,800
Sewer Improvements *	2016	2019	0.90%	3,508,000	—	(3,508,000)	—
Sewer Improvements *	2016	2019	—	3,508,000	—	(3,508,000)	—
Sewer Improvements *	2017	2020	1.06%	—	4,765,000	—	4,765,000
Sewer Improvements *	2017	2020	—	—	4,765,000	—	4,765,000
Various Capital Proj.	2016	2017	1.15%	64,660,000	—	(64,660,000)	—
Various Capital Proj.	2016	2017	1.69%	7,750,000	—	(7,750,000)	—
Various Capital Proj.	2017	2018	1.44%	—	60,500,000	—	60,500,000
Various Capital Proj.	2017	2018	0.86%	—	8,910,000	—	8,910,000
				<u>\$ 125,262,800</u>	<u>\$ 78,940,000</u>	<u>\$ (97,956,000)</u>	<u>\$ 106,246,800</u>

\*\$5,933,799 of the Sewer Improvements has been drawn at December 31, 2017. The County has a liability to repay only the amount drawn from the EFC.

Liabilities for BANS are generally accounted for in the Capital Projects Fund. Principal payments on BANS must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditure/expense of \$1,133,845 and \$917 was paid and recorded in the General Fund and Sewer Districts Fund, respectively, in the fund financial statements and in the government-wide financial statements for governmental activities.

## H. Pension Plans – Primary Government and Component Unit

The County and College (component unit) participate in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as the New York State and Local Retirement System (System). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The County and College (component unit) also participate in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, 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 between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2018 are as follows:

	<b>Tier</b>	<b>Rates</b>
<b>ERS</b>	1	21.7%
	2	19.7%-24.4%
	3	16.0%-16.1%
	4	16.0%-25.1%
	5	13.1%-22.7%
	6	9.3%-18.3%
<b>PFRS</b>	1	26.2%-29.7%
	2	24.6%
	3	24.3%
	5	19.9%
	6	14.8%

At December 31, 2017, the County and the College (component unit) reported liabilities as follows for their proportionate share of the net pension liability:

	<b>ERS</b>	<b>PFRS</b>	<b>TOTAL</b>
Primary Government- Governmental Activities	<u>\$ 145,134,069</u>	<u>\$ 21,232,864</u>	<u>\$ 166,366,933</u>
Component Unit- College	<u>\$ 7,634,778</u>	<u>\$ —</u>	<u>\$ 7,634,778</u>

The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County and the College (component unit) proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2017 and 2016, the County and College's (component unit) proportions were as follows:

	<b>ERS</b>		<b>PFRS</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Primary Government- Governmental Activities	1.5446506 %	1.5786907 %	1.02443 %	1.080175 %
Component Unit- College	0.0812947	0.0825644	-	-

For the year ended December 31, 2017, the County and College (component unit) recognized pension expense in the government-wide financial statements of \$85,566,908 for ERS and \$13,606,206 for PFRS. Pension expenditures of \$55,207,104 for ERS and \$10,542,438 for PFRS were recorded in the primary government's fund financial statements. \$4,453,946 was recognized as pension expense in the College's (component unit) financial statements.

At December 31, 2017, the County and the College (component unit) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Primary Government</b>			
	<b>ERS</b>		<b>PFRS</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,636,923	\$ 22,039,430	\$ 2,785,386	\$ 3,668,569
Changes in assumptions	49,583,114	—	10,460,539	—
Net differences between projected and actual earnings on pension plan investments	28,989,156	—	3,171,097	—
Changes in proportion and differences between County contributions and proportionate share of contributions	67,004	7,983,318	4,226,470	1,622,952
County contributions subsequent to the measurement date	42,285,167	—	7,689,092	—
	<u>\$ 124,561,364</u>	<u>\$ 30,022,748</u>	<u>\$ 28,332,584</u>	<u>\$ 5,291,521</u>

	Primary Government		College (Component Unit)	
	Totals		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,422,309	\$ 25,707,999	\$ 191,320	\$ 1,159,384
Changes in assumptions	60,043,653	—	2,608,320	—
Net differences between projected and actual earnings on pension plan investments	32,160,253	—	1,524,975	—
Changes in proportion and differences between County contributions and proportionate share of contributions	4,293,474	9,606,270	3,525	419,962
County contributions subsequent to the measurement date	49,974,259	—	1,136,153	—
	<u>\$ 152,893,948</u>	<u>\$ 35,314,269</u>	<u>\$ 5,464,293</u>	<u>\$ 1,579,346</u>

The amounts reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the County's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plans' year ended March 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Years Ended March 31,	ERS		PFRS
	Primary Government	College (Component Unit)	Primary Government
2018	\$ 24,358,132	\$ 1,282,007	\$ 5,078,830
2019	24,358,132	1,282,007	5,078,830
2020	23,616,298	1,242,963	4,842,152
2021	(20,079,113)	(1,058,183)	(341,680)
2022	—	—	693,839

The total pension liability for the March 31, 2017 measurement date was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liabilities to March 31, 2017. Significant actuarial assumptions used in the April 1, 2016 valuation were as follows:

Inflation	2.5%
Salary scale	3.8% in ERS, 4.5% in PFRS, indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

Annuitant mortality rates are based on the April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment



expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

<b>Asset Type</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.89
Real Assets	3	5.54
Bond and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.50
	<u>100 %</u>	

\* The real rate of return is net of the long-term inflation assumption of 2.5%

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

The following presents the primary government's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the primary government's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<b>1% Decrease (6.0%)</b>	<b>Current Assumption (7.0%)</b>	<b>1% Increase (8.0%)</b>
Primary Government's proportionate share of the ERS net pension liability (asset)	<u>\$ 463,541,783</u>	<u>\$ 145,134,069</u>	<u>\$ (124,071,933)</u>
Primary Government's proportionate share of the PFRS net pension liability (asset)	<u>\$ 60,193,938</u>	<u>\$ 21,232,864</u>	<u>\$ (11,445,939)</u>
College's (component unit) proportionate share of the ERS net pension liability (asset)	<u>\$ 24,383,968</u>	<u>\$ 7,634,778</u>	<u>\$ (6,526,631)</u>

The components of the collective net pension liability as of the March 31, 2017 measurement date were as follows:

	<b>ERS</b>	<b>PFRS</b>	<b>Total</b>
Total pension liability	\$ 177,400,586,000	\$ 31,670,483,000	\$ 209,071,069,000
Fiduciary net position	168,004,363,000	29,597,831,000	197,602,194,000
Employers' net position liability	<u>\$ 9,396,223,000</u>	<u>\$ 2,072,652,000</u>	<u>\$ 11,468,875,000</u>
Fiduciary net position as a percentage of total pension liability	<u>94.7%</u>	<u>93.5%</u>	<u>94.5%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31<sup>st</sup>. Retirement contributions as of December 31, 2017 represent the employer contribution for the period of April 1, 2017 through December 31, 2017 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions for the primary government to ERS and PFRS for the nine months ended December 31, 2017 were \$42,285,167 and \$7,689,092, respectively. Retirement contributions for the College (component unit) to ERS for the five months ended August 31, 2017 were \$1,136,153.

### Voluntary Defined Contribution Plan

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

### NYS Retirement Stabilization Program

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

The County has elected to amortize the maximum allowable ERS and PFRS contribution in each of the fiscal years outlined in the table below:

	<b>Original Amount Amortized</b>	<b>Current Year Installment Payments</b>	<b>Balance Due</b>	<b>Due Within One Year*</b>
2012-2013 ERS	\$ 23,578,507	\$ 2,314,906	\$ 12,658,862	\$ 2,384,354
2012-2013 PFRS	1,874,083	183,995	1,006,160	189,515
2013-2014 ERS	41,062,415	3,869,369	26,387,586	4,011,375
2013-2014 PFRS	2,754,268	259,539	1,769,951	269,064
2014-2015 ERS	19,205,535	1,770,238	14,055,349	1,826,000
2014-2015 PFRS	7,568,385	697,604	5,538,836	719,578
2015-2016 ERS	14,087,528	1,261,064	11,660,368	1,301,543
2015-2016 PFRS	109,163	9,772	90,356	10,086
2016-2017 ERS	4,295,325	386,396	3,908,929	395,399
2016-2017 PFRS	179,221	16,122	163,099	16,498
2017-2018 ERS	3,894,909	—	3,894,909	342,266
	<u>\$ 118,609,339</u>	<u>\$ 10,769,005</u>	<u>\$ 81,134,405</u>	<u>\$ 11,465,678</u>

\*Amount included in 2018 Adopted Budget.

The current year payments were charged to retirement expenditures in the General, Sewer District, and Refuse Disposal District funds and the government-wide financial statements for governmental activities.

## Pension Plans – Component Unit

### College

#### *Teachers' Retirement System*

The College, in addition to ERS, participates in the New York State Teachers' Retirement System (TRS). This is a cost sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at [www.nystrs.org](http://www.nystrs.org) or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

The TRS is noncontributory except for employees who joined after July 27, 1976, 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 between 3% and 6% depending on salary levels for their entire length of service. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rate for the plan's year ending in 2017 was 11.72%.

At August 31, 2017, the College reported a net pension asset of \$481,901 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The College's proportion of the net pension asset was based on the College's contributions to the pension plan relative to the contributions of all participating members. At June 30, 2017, the College's proportion was .06340%, which was a decrease of .00033% from its proportion measured as of June 30, 2016.

For the year ended August 31, 2017, the College recognized pension expense of \$1,372,574. At August 31, 2017, the College reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 396,486	\$ 187,888
Changes in assumptions	4,903,440	—
Net differences between projected and actual earnings on pension plan investments	—	1,135,017
Changes in proportion and differences between College contributions and proportionate share of contributions	20,124	264,458
College contributions subsequent to the measurement date	196,247	—
	<u>\$ 5,516,297</u>	<u>\$ 1,587,363</u>

\$196,247 reported as deferred outflows of resources related to TRS resulting from the College's accrued contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to TRS will be recognized in pension expense as follows:

<b>Year Ended June 30,</b>		
2018	\$	68,868
2019		1,254,651
2020		885,719
2021		187,818
2022		883,018
Thereafter		452,613

The total pension liability for the June 30, 2017 measurement date was determined by using an actuarial valuation as of June 30, 2016, with update procedures used to roll forward the total pension liability to June 30, 2017. The actuarial valuation used the following actuarial assumptions:

Inflation	2.5%										
Projected salary increase	Rates of increase differ based on service. They have been calculated based upon recent NYTRS member experience										
	<table> <tr> <th>Service</th><th>Rate</th></tr> <tr> <td>5.00</td><td>4.72%</td></tr> <tr> <td>15.00</td><td>3.46%</td></tr> <tr> <td>25.00</td><td>2.37%</td></tr> <tr> <td>35.00</td><td>1.90%</td></tr> </table>	Service	Rate	5.00	4.72%	15.00	3.46%	25.00	2.37%	35.00	1.90%
Service	Rate										
5.00	4.72%										
15.00	3.46%										
25.00	2.37%										
35.00	1.90%										
Projected COLAs	1.5% compounded annually										
Investment rate of return	7.25% compounded annually, net of pension plan investment expense, including inflation										

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2014, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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

of return for each major asset class included in TRS's target asset allocation as of the valuation date of June 30, 2017 are summarized in the following table:

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equities	35 %	5.90 %
International Equities	18	7.40
Real Estate	11	4.30
Private Equities	8	9.00
Domestic Fixed Income Securities	16	1.60
Global Fixed Income Securities	2	1.30
High-Yield Income Securities	1	3.90
Mortgages	8	2.80
Short-Term	1	0.60
	<u>100 %</u>	

\*Real rates of return are net of long-term inflation assumption of 2.2% for 2017.

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the College's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25%, as well as what the College's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
College's proportionate share of the net pension liability (asset)	\$ 8,301,734	\$ (481,901)	\$ (7,837,760)

The components of the collective net pension asset of TRS as of the June 30, 2017 measurement date were as follows:

Total pension liability	\$ 114,708,261,032
TRS fiduciary net position	<u>115,468,360,316</u>
Employers' net pension asset	<u>\$ (760,099,284)</u>
TRS fiduciary net position as a percentage of total pension liability	<u>100.66%</u>

Employer and employee contributions for the year ended June 30, 2017 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the College to TRS. Accrued retirement contributions as of August 31, 2017 represent employee and employer contributions for the fiscal year ended August

31, 2017 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS. Accrued retirement contributions to TRS as of August 31, 2017 were \$196,247.

*Teachers' Insurance and Annuity Association College Retirement Equities Fund*

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

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

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

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

For the year ended August 31, 2017, employee contributions totaled \$195,134 and the College recognized pension expense of \$2,945,927. At August 31, 2017, the College reported payables to the defined contribution pension plan of \$154,489 for legally required employer contributions and \$11,675 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA-CREF.

## I. Long-term Liabilities

The following table summarizes changes in the County's long-term indebtedness for the year ended December 31, 2017.

	Balance January 1, 2017	New Issues/ Additions	Amortization, Defeasance and/or Payments	Balance December 31, 2017	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 1,020,539,000	\$ 197,439,660	\$ (95,384,985) *	\$ 1,122,593,675	\$ 93,074,012
Add: Unamortized premium on bonds	64,627,947	28,418,745	(9,973,577)	83,073,115	—
	<u>1,085,166,947</u>	<u>225,858,405</u>	<u>(105,358,562)</u>	<u>1,205,666,790</u>	<u>93,074,012</u>
Compensated Absences	48,881,355	1,547,546	(3,506,669)	46,922,232	2,700,000
Landfill Post-Closure Costs	28,929,465	—	(1,123,650)	27,805,815	1,137,400
Capital Lease Payable (see Note 4)	68,532,567	—	(5,011,327)	63,521,240	11,625,000
Claims Payable	113,440,496	15,326,809	(21,085,862)	107,681,443	9,017,443
Pollution Remediation	500,537	—	—	500,537	134,158
Net Pension Liability (see Note 3H)	285,365,934	—	(118,999,001)	166,366,933	—
NYS Retirement Stabilization Program (see Note 3H)	88,008,501	3,894,909	(10,769,005)	81,134,405	11,465,478
Other Post Employment Benefit Obligation	<u>1,134,930,000</u>	<u>192,150,000</u>	<u>(72,480,000)</u>	<u>1,254,600,000</u>	<u>—</u>
Governmental Activities Long-term Liabilities	<u>\$ 2,853,755,802</u>	<u>\$ 438,777,669</u>	<u>\$ (338,334,076)</u>	<u>\$ 2,954,199,395</u>	<u>\$ 129,153,491</u>
<b>Business-type Activities:</b>					
Bonds Payable	\$ 180,990,000	\$ —	\$ (2,210,000)	\$ 178,780,000	\$ 2,100,000
Add: Unamortized premium on bonds	4,378,041	—	(210,478)	4,167,563	—
Business-type Activities Long-term Liabilities	<u>\$ 185,368,041</u>	<u>\$ —</u>	<u>\$ (2,420,478)</u>	<u>\$ 182,947,563</u>	<u>\$ 2,100,000</u>
<b>Component Units:</b>					
Compensated Absences	\$ 8,956,132	\$ —	\$ (1,206,914)	\$ 7,749,218	\$ 775,000
Net Pension Liability (see Note 3H)	13,934,389	—	(6,299,611)	7,634,778	—
Other Post Employment Benefit Obligation	<u>74,249,043</u>	<u>17,492,228</u>	<u>(3,731,228)</u>	<u>88,010,043</u>	<u>—</u>
Component Units Long-term Liabilities	<u>\$ 97,139,564</u>	<u>\$ 17,492,228</u>	<u>\$ (11,237,753)</u>	<u>\$ 103,394,039</u>	<u>\$ 775,000</u>

\*Includes debt payments related to the College for which the General Fund has been reimbursed

Governmental fund liabilities for bonds are primarily liquidated by the General Fund and the Sewer Districts Fund. The liabilities for landfill post-closure, capital leases and pollution remediation are liquidated by the Refuse Disposal District Fund, General Fund and Airport Fund, respectively.

Each governmental fund's liability for compensated absences, claims payable, net pension liability, the retirement stabilization program and other post employment benefit obligations is liquidated by the respective fund.

## Bonds Payable

The primary government issues general obligation bonds to provide funds for major capital projects. Bonds payable at December 31, 2017 are comprised of the following individual issues:

Year/Name of Issue	EFC Designation (if applicable)	Original Issue	Final Maturity	Range of Interest Rates*		Outstanding December 31, 2017
2002B	EFC 2002A	\$ 8,900,000	October , 2021	4.862%	4.982%	\$ 1,780,000
2003A	EFC 2003F	38,454,487	January, 2033	3.920%	4.612%	20,300,000
2004A	EFC 2004D	43,491,552	August, 2033	4.586%	5.150%	23,825,000
2005A	EFC 2005A	27,033,150	November, 2034	3.951%	4.569%	15,145,000
2005B	EFC 2005B	5,163,580	October, 2023	3.739%	3.939%	1,620,000
2006A	EFC 2006C	223,215	October, 2035	4.477%	4.861%	95,000
2006B	EFC 2006C	4,211,710	October, 2036	4.477%	4.731%	2,600,000
2008A	EFC 2008 DIRECT	15,212,688	April, 2038	4.000%		11,055,000
2009A		108,405,000	January, 2024	3.000%	4.500%	26,395,000
2009B		8,925,000	January, 2029	5.000%		2,230,000
2009C		50,880,000	November, 2019	4.270%		7,100,012
2009D	EFC 2009 DIRECT	2,991,715	April, 2034	3.000%	4.000%	2,030,000
2010A		94,005,000	October, 2022	3.000%	4.000%	32,055,003
2010B		121,885,000	June, 2019	5.000%		20,315,000
2010C-1		18,665,000	June, 2019	2.500%	3.000%	2,330,000
2010C-2		23,135,000	June, 2040	4.500%	6.100%	23,135,000
2010D	EFC 2010C	4,293,666	April, 2037	2.586%	4.603%	3,175,000
2010E	EFC 2010C	27,976,578	October, 2039	2.586%	4.603%	20,500,000
2011A		46,780,000	October, 2024	3.000%	5.000%	21,035,000
2011B		126,900,000	July, 2023	2.750%	5.000%	45,175,000
2011C		29,390,000	July, 2031	2.000%	4.000%	22,730,000
2011E	EFC 2011 DIRECT	100,470,000	June, 2040	2.106%	4.746%	79,595,000
2011F	EFC 2011 A	15,445,000	July, 2020	3.301%	3.829%	1,965,000
2011G	EFC 2011 C	17,185,000	October, 2021	2.656%	3.207%	4,910,000
2012A		22,360,000	October 2027	4.000%	5.000%	18,510,000
2012B		55,410,000	July, 2026	2.000%	5.000%	41,125,000
2012C		14,425,000	July, 2030	2.000%	4.000%	11,570,000
2012D	EFC 2012E	8,317,595	May, 2042	0.879%	4.098%	6,890,000
2013A	EFC 2013B	127,039,000	May, 2043	1.743%	4.756%	108,495,000
2013B		52,650,000	July, 2027	3.000%	5.000%	38,570,000
2013C		4,305,000	July, 2024	5.000%		3,220,000
2014A		9,245,000	October, 2015	1.210%	2.690%	2,685,000
2014B	EFC 2014B	85,957,000	May, 2044	0.952%	4.293%	74,420,000
2015A	EFC 2015B	14,525,000	September, 2044	0.860%	4.267%	13,445,000
2015B		81,530,000	November, 2027	2.500%	5.000%	73,220,000
2015C		4,260,000	November, 2020	2.000%		3,225,000
2015D		3,660,000	November, 2032	2.250%	5.000%	3,500,000
2016A		109,980,000	January, 2029	5.000%		109,660,000
2016B	EFC 2016B	26,494,000	February, 2044	0.608%	3.351%	25,524,000
2017A		135,870,000	July, 2029	4.000%	5.000%	135,870,000
2017B		23,090,000	July, 2029	2.250%	3.100%	23,090,000
2017C		18,930,000	July, 2034	4.000%	5.000%	18,930,000
2017D	EFC 2017C	19,549,660	February, 2047	0.961%	3.976%	19,549,660
						<u>\$ 1,122,593,675</u>
						Bonds Sold to EFC 436,918,660
						Bonds Sold to Other 685,675,015
						<u>\$ 1,122,593,675</u>

\*The interest rates in the above table are the coupon rates. The coupon rates do not reflect interest subsidies that may be applicable to EFC Bonds and Build America Bonds. Bonds may have been sold at a premium or a discount.



Interest expenditures of \$40,895,749, were recorded in the fund financial statements in the funds identified below. Interest expense of \$33,004,982 was recorded in the government-wide financial statements for governmental activities.

<u>Fund</u>	<u>Amount</u>
Governmental Fund:	
General	\$ 20,760,070
Combined Sewer Districts	18,977,229
Refuse Disposal District	512,335
Airport Fund	267,511
Combined Water Districts	378,604
	<u>\$ 40,895,749</u>

## Blended Component Unit Debt

### WTASC

The WTASC debt is an obligation of WTASC and is not County debt. This debt is payable from future tobacco revenues.

A schedule of WTASC planned structured principal maturities is below:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,100,000	\$ 8,636,400	\$ 10,736,400
2019	1,975,000	8,577,978	10,552,978
2020	3,155,000	8,475,119	11,630,119
2021	3,295,000	8,320,744	11,615,744
2022	3,435,000	8,152,493	11,587,493
2023-2051	164,820,000	138,041,072	302,861,072
	<u>\$ 178,780,000</u>	<u>\$ 180,203,806</u>	<u>\$ 358,983,806</u>
Unamortized Original Issue Net Premium	4,167,563		
	<u>\$ 182,947,563</u>		

The annual requirements to amortize all issued bond debt outstanding as of December 31, 2017 are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 93,074,012	\$ 42,073,654	\$ 2,100,000	\$ 8,636,400	\$ 95,174,012	\$ 50,710,054
2019	101,224,663	42,216,756	1,975,000	8,577,978	103,199,663	50,794,734
2020	97,699,998	38,118,721	3,155,000	8,475,119	100,854,998	46,593,840
2021	97,355,006	34,092,303	3,295,000	8,320,744	100,650,006	42,413,047
2022	94,840,006	29,637,807	3,435,000	8,152,494	98,275,006	37,790,301
2023-2027	335,184,990	99,988,827	20,055,000	37,927,469	355,239,990	137,916,296
2028-2032	158,110,000	47,266,888	22,935,000	32,490,969	181,045,000	79,757,857
2033-2037	92,130,000	21,670,325	17,915,000	26,840,238	110,045,000	48,510,563
2038-2042	45,455,000	5,424,383	39,685,000	21,290,031	85,140,000	26,714,414
2043-2047	7,520,000	391,454	27,325,000	12,872,531	34,845,000	13,263,985
2048-2051	—	—	36,905,000	6,619,834	36,905,000	6,619,834
	<u>\$ 1,122,593,675</u>	<u>\$ 360,881,118</u>	<u>\$ 178,780,000</u>	<u>\$ 180,203,807</u>	<u>\$ 1,301,373,675</u>	<u>\$ 541,084,925</u>

## Interest Expenditures/Expense (Bonds, BANS, TANS and Capital Leases)

Interest expenditures/expense for governmental funds on a fund basis and for governmental activities on the Statement of Net Position were as follows:

General Fund	\$ 23,524,144	
Sewer Districts	18,978,146	
Refuse Disposal District	<u>512,335</u>	
Total Major Funds		\$ 43,014,625
Airport Fund	267,511	
Water Districts	<u>378,604</u>	
Total Non-Major Funds		<u>646,115</u>
Total Governmental Funds		43,660,740
Statement of Activities:		
Additional Interest on Capital Lease	2,172,423	
Change in Accrued Interest Payable	(355,464)	
Amortization of Bond Premium and Loss on Refunding	<u>(7,535,303)</u>	<u>(5,718,344)</u>
Total Statement of Activities		<u>\$ 37,942,396</u>

The above general obligation bonds, bond anticipation notes, tax anticipation notes and capital leases are direct obligations of the County for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the County.

## Prior Years Defeasance of Debt

In prior years, the County had advance refunded various County bonds by placing the proceeds of the refunding bonds in irrevocable trusts to provide for all future debt service payments on the refunded bonds. The County considers these refunded bonds to be defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. As of December 31, 2017, \$109,615,000 of refunded bonds outstanding is considered defeased.

## Compensated Absences

County employees earn sick and vacation leave at various rates subject to certain maximum limitations based upon the terms of the respective collective bargaining agreements. At December 31, 2017, the value of the accumulated sick and vacation leave was \$38,102,476 and \$8,819,756 respectively. These amounts have been reflected in the Statement of Net Position. Accumulated sick and vacation leave of the component units has been recorded as an expense, as the benefits accrue to those employees.

## Landfill Post-Closure Costs

State and Federal laws and regulations require the Refuse Disposal District to cover its Sprout Brook Ash Landfill and Croton Point Landfill as both areas have been filled for quite some time. Current estimates for the costs to close and cover all areas at the landfill are \$7,421,032. The County anticipates funding this cost through the issuance of bonds. The revised estimated post-closure maintenance and monitoring functions will cost approximately \$20,384,783 over the years 2018 through 2037. The Refuse Disposal District will fund the post-closure operating costs through tipping fees and tax levies. The current cost of landfill closure and post-closure care is an estimate based on landfill capacity used to date and is subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

Croton Point Landfill has estimated capital closure costs of \$5,295,058, with revised estimated post-closure costs of \$9,575,183 for the years 2018 through 2031.

Sprout Brook Ash Landfill has estimated capital closure costs of \$2,125,974, with revised estimated post-closure costs of \$10,809,600 for the years 2018 through 2037.

## Claims Payable

### Judgements

In 2009, the County entered into a settlement with the United States Department of Housing and Urban Development that obligated the County to provide funds for the construction of 750 fair and affordable housing units. The original amount of the County's total commitment was \$64,275,000. The balance remaining on this commitment is \$31,445,000 at December 31, 2017. Accordingly, this amount has been recorded in the government-wide Statement of Net Position as a long-term liability.

### Unpaid Claim Liabilities

The Internal Service Funds reflect health benefit liabilities, workers' compensation benefit liabilities and general liability claims. The Health Insurance Fund estimates are accrued based on actuarial computations. The Casualty Reserve and Workers' Compensation Reserve funds establish claim liabilities based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience. The County accrued pre-1998 open claims, which had been transferred to WCHCC, as part of the transfer of the County's Department of Hospitals to the Corporation.

Claim liabilities, at December 31, 2017 are reported at their present value using an expected future investment rate of return of 4% for the Casualty Reserve Fund and 3% for the Workers' Compensation Reserve Fund. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. An analysis of the activity of unpaid claim liabilities is as follows:

	<b>Health Insurance*</b>	<b>Casualty Reserve</b>	<b>Workers' Compensation</b>
<b><u>Fiscal 2017</u></b>			
Unpaid claims - Beginning of Year	\$ 19,940,947	\$ 41,009,406	\$ 40,986,090
Incurred claims including IBNR's	185,372,185	1,233,698	14,093,111
Claims paid	(185,120,033)	(9,218,135)	(11,867,727)
Unpaid claims - End of Year	<u>\$ 20,193,099</u>	<u>\$ 33,024,969</u>	<u>\$ 43,211,474</u>
Due within one year	<u>\$ 20,193,099</u>	<u>\$ 3,315,969</u>	<u>\$ 4,601,474</u>
	<b>Health Insurance</b>	<b>Casualty Reserve</b>	<b>Workers' Compensation</b>
<b><u>Fiscal 2016</u></b>			
Unpaid claims - Beginning of Year	\$ 20,752,077	\$ 35,405,667	\$ 37,606,290
Incurred claims including IBNR's	190,551,057	10,519,867	14,136,214
Claims paid	(191,362,187)	(4,916,128)	(10,756,414)
Unpaid claims - End of Year	<u>\$ 19,940,947</u>	<u>\$ 41,009,406</u>	<u>\$ 40,986,090</u>
Due within one year	<u>\$ 19,940,947</u>	<u>\$ 4,489,883</u>	<u>\$ 4,099,000</u>

\*Health Insurance is included within accounts payable and accrued liabilities in the Statement of Net Position.

## Pollution Remediation

In accordance with GASB Statement No. 49 “*Accounting and Financial Reporting for Pollution Remediation Obligations*”, the County, in 2012, recorded liabilities totaling \$1,834,036, which have been fully recovered from a prior tenant, in the government-wide financial statements primarily for the remediation and monitoring of soil pollution related to a fuel spill within a hangar at the County Airport. This liability represents an estimated amount based on the professional judgment of an environmental consultant company. The actual scope of the monitoring and associated costs will be determined by the appropriate regulatory agencies, New York State Department of Environmental Conservation, New York State Department of Health or a delegate agency. The actual costs may differ from the estimate due to inflation, changes in technology, or changes in regulation. As of December 31, 2017, as a result of costs incurred, the balance has been reduced to \$500,537.

## Other Post Employment Benefit Obligation

The County and College (component unit) provide certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the County and College (component unit) may vary according to length of service. Substantially all employees may become eligible for those benefits if they reach normal retirement age while working for either of the entities. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid at the fund level.

The County’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, which is an actuarially determined amount. GASB Statement No. 45 established standards for the measurement, recognition and display of the expenses and liabilities for retirees’ medical insurance. As a result, reporting of expenses and liabilities will no longer be recognized under the “pay-as-you-go” approach. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For the calendar year ended December 31, 2017, the County’s annual OPEB cost was \$192,150,000 and the Annual Required Contribution was \$207,710,000.

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

### Primary Government

The County is required to accrue on the government-wide financial statements the amounts necessary to finance the Plan as actuarially determined, which is equal to the balance not paid by plan members.

The number of participants as of January 1, 2017 was as follows:

Active Employees	4,301
Retired Employees	<u>4,426</u>
Total	<u><u>8,727</u></u>

Funding for the Plan has been established on a pay-as-you-go basis. The healthcare cost trend rate of increase employed begins at 8% for the first year, and then decreases by 0.5% per year through the 7<sup>th</sup> year to 5%. It then continues at 5% in the years thereafter.

The amortization basis is the level percentage of projected payroll method with an open amortization approach with 21 years remaining in the amortization period. The actuarial assumptions included a 4.5% investment rate of return and a 3% inflation rate. While the County currently has not set aside any assets for the purpose of paying postemployment benefits, an assignment of fund balance has been established. The actuarial cost method utilized was the entry age normal method.

**Amortization Component:**

Actuarial Accrued Liability as of January 1, 2017	\$ 2,333,940,000
Assets at Market Value	—
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 2,333,940,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active Plan Members)	<u>\$ 419,000,000</u>
UAAL as a Percentage of Covered Payroll	<u>557.03%</u>
Annual Required Contribution	\$ 207,710,000
Interest on Net OPEB Obligation	50,940,000
Adjustment to Annual Required Contribution	<u>(66,500,000)</u>
Annual OPEB Cost	192,150,000
Contributions Made	<u>(72,480,000)</u>
Increase in Net OPEB Obligation	119,670,000
Net OPEB Obligation - January 1, 2017	<u>1,134,930,000</u>
Net OPEB Obligation - December 31, 2017	<u>\$ 1,254,600,000</u>

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

<b>Fiscal Year Ended December 31,</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2017	\$ 192,150,000	37.7%	\$ 1,254,600,000
2016	183,490,000	40.6%	1,134,930,000
2015	169,580,000	39.8%	1,025,860,000

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

*College – Component Unit*

The College is required to accrue on the statement of revenues, expenses and changes in net position the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis, as this is the only funding plan allowed by the State. GASB does not require funding of OPEB and there is no State statute authorizing the establishment of an OPEB trust so it can be funded. Amounts cannot be accumulated in a reserve fund for OPEB obligations. The pay-

as-you-go method will result in annually increasing net OPEB obligations for GASB Statement No. 45 reporting purposes as the ARC will likely exceed the pay-as-you-go amount. The assumed rate of increase in post-retirement benefits is presented below:

**Assumed pre-65 medical trend rates at August 31**

Health care cost trend assumed for next fiscal year	7.250 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.886
Fiscal year that the rate reaches the ultimate trend rate	2075

**Assumed post-65 medical trend rates at August 31**

Health care cost trend assumed for next fiscal year	6.250 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.886
Fiscal year that the rate reaches the ultimate trend rate	2075

**Assumed prescription drug trend rates at August 31**

Prescription cost trend assumed for next fiscal year	10.500 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.886
Fiscal year that the rate reaches the ultimate trend rate	2075

**Assumed Medicare Part B trend rates at August 31**

Health care cost trend assumed for next fiscal year	5.700 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.886
Fiscal year that the rate reaches the ultimate trend rate	2075

The amortization basis is the level dollar of payroll method with an open amortization approach. The actuarial assumptions included a 4.5% investment return and a 2.25% inflation rate. The College currently has no assets set aside for the purpose of paying post-employment benefits. The actuarial cost method utilized was the unit credit method.

The number of participants as of September 1, 2016 was as follows:

Active Employees	532
Retired Employees	<u>487</u>
Total	<u>1,019</u>

**Amortization Component:**

Actuarial Accrued Liability as of September 1, 2016	\$ 173,683,141
Assets at Market Value	—
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 173,683,141</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active Plan Members)	<u>\$ 47,759,287</u>
UAAL as a Percentage of Covered Payroll	<u>363.66%</u>
Annual Required Contribution	\$ 18,709,284
Interest on Net OPEB Obligation	3,341,207
Adjustment to Annual Required Contribution	<u>(4,558,263)</u>
Annual OPEB Cost	17,492,228
Contributions Made	<u>(3,731,228)</u>
Increase in Net OPEB Obligation	13,761,000
Net OPEB Obligation - September 1, 2016	<u>74,249,043</u>
Net OPEB Obligation - August 31, 2017	<u>\$ 88,010,043</u>

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

<b>Fiscal Year Ended August 31,</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2017	\$ 17,492,228	21.33%	\$ 88,010,043
2016	14,678,107	22.85%	74,249,043
2015	14,019,403	25.06%	62,925,248

**J. Transfers**

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

<b>Transfers Out</b>	<b>Transfers In</b>						<b>Total</b>
	<b>General</b>	<b>Sewer Districts</b>	<b>Refuse Disposal District</b>	<b>Grants Fund</b>	<b>Capital Projects</b>	<b>Non- Major Governmental</b>	
General	\$ —	\$ 23,750	\$ 35,000	\$ 3,436,502	\$ —	\$ —	\$ 3,495,252
Sewer Districts	86,950	—	—	—	—	—	86,950
Capital Projects	2,098,987	749,758	—	—	—	208,249	3,056,994
Non-Major Governmental	—	—	—	—	11,062,067	—	11,062,067
Business-type WTASC	1,734,702	—	—	—	—	—	1,734,702
	<u>\$ 3,920,639</u>	<u>\$ 773,508</u>	<u>\$ 35,000</u>	<u>\$ 3,436,502</u>	<u>\$ 11,062,067</u>	<u>\$ 208,249</u>	<u>\$ 19,435,965</u>

Transfers are used to: 1) move amounts earmarked in the operating funds to fulfill commitments for the Sewer Districts Fund, the Refuse District Fund, and the Capital Projects Fund expenditures and other fund expenditures, 2) move unexpended Capital Projects Fund balances to the operating funds that originally provided the funding, and 3) move funds due to the General Fund from WTASC.

## K. Encumbrances

As discussed in Note 1 (F) encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 6,636,802
Sewer Districts	2,155,106
Refuse Disposal District	143,343
Non-Major Governmental Funds	2,198,808
	<u>\$ 11,134,059</u>

## L. Net Position

*Net Investment in Capital Assets:* the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

*Restricted for Special Revenue Funds:* the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

*Restricted for Casualty Claims:* the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6N of the General Municipal Law of the State of New York.

*Restricted for Debt Service:* the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the Local Finance Law of the State of New York.

*Restricted for Component Units:* the component of net position of the County's Component Units that are restricted as to their use.

*Unrestricted:* all other amounts of net position that do not meet the definition of "restricted" or "net investment in capital assets."



## M. Fund Balances (Deficits)

Certain elements of fund balance are described in Note 3, L. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described on the following pages.

	2017						
	General	Combined	Refuse	Grants	Capital	Nonmajor	
	Fund	Sewer Districts	Disposal District	Fund	Projects	Governmental	Total
	Fund	Fund	Fund	Fund	Fund	Funds	
<b>Non spendable:</b>							
Inventory	\$ 50,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 50,000
Federal and State Receivables	10,000,000	—	—	—	—	—	10,000,000
Prepaid Expenditures	15,743,700	850,000	—	—	—	—	16,593,700
Total Nonspendable	25,793,700	850,000	—	—	—	—	26,643,700
<b>Restricted:</b>							
Debt service	—	—	—	—	3,720,725	—	3,720,725
<b>Assigned:</b>							
Purchases on order:							
Information Technology	1,196,192	—	—	—	—	—	1,196,192
Public Works Operations	1,556,576	—	—	—	—	—	1,556,576
Department of Corrections	351,229	—	—	—	—	—	351,229
Department of Public Safety	220,077	—	—	—	—	—	220,077
Social Services Operations	145,426	—	—	—	—	—	145,426
Labs & Research	161,857	—	—	—	—	—	161,857
Sewer Districts Operations	—	2,155,106	—	—	—	—	2,155,106
Other	3,005,445	—	143,343	—	—	2,198,808	5,347,596
	6,636,802	2,155,106	143,343	—	—	2,198,808	11,134,059
NYS Retirement Stabilization	14,800,000	—	—	—	—	—	14,800,000
GASB 45	41,000,000	—	—	—	—	—	41,000,000
Medicaid	4,100,000	—	—	—	—	—	4,100,000
For subsequent year's expenditures, reported in:							
General Fund	19,880,516	—	—	—	—	—	19,880,516
Special Revenue Funds	—	12,437,428	10,453,208	—	—	2,438,389	25,329,025
Major Funds	—	38,136,869	35,381,582	11,608,112	—	—	85,126,563
Non-major Funds:							
Airport	—	—	—	—	—	20,939,955	20,939,955
Water Districts	—	—	—	—	—	6,004,265	6,004,265
Total Assigned	86,417,318	52,729,403	45,978,133	11,608,112	—	31,581,417	228,314,383
<b>Unassigned</b>	21,825,361	—	—	—	(68,995,115)	—	(47,169,754)
Total Fund Balances	\$ 134,036,379	\$ 53,579,403	\$ 45,978,133	\$ 11,608,112	\$ (65,274,390)	\$ 31,581,417	\$ 211,509,054

2016

General Fund	Combined Sewer Districts Fund	Refuse Disposal District Fund	Grants Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
\$ 50,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 50,000
10,000,000	—	—	—	—	—	10,000,000
16,137,109	850,000	—	—	—	—	16,987,109
26,187,109	850,000	—	—	—	—	27,037,109
—	—	—	—	6,138,844	—	6,138,844
1217,284	—	—	—	—	—	1217,284
1376,104	—	—	—	—	—	1376,104
506,740	—	—	—	—	—	506,740
231,638	—	—	—	—	—	231,638
607,703	—	—	—	—	—	607,703
193,403	—	—	—	—	—	193,403
—	2,115,619	—	—	—	—	2,115,619
4,050,318	—	209,824	—	—	1,583,614	5,843,756
8,183,190	2,115,619	209,824	—	—	1,583,614	12,092,247
14,800,000	—	—	—	—	—	14,800,000
41,000,000	—	—	—	—	—	41,000,000
4,100,000	—	—	—	—	—	4,100,000
15,000,000	—	—	—	—	—	15,000,000
—	13,171,966	10,180,791	—	—	11,356,899	34,709,656
—	42,711,930	39,125,131	9,916,772	—	—	91,753,833
—	—	—	—	—	11,714,233	11,714,233
—	—	—	—	—	6,702,391	6,702,391
83,083,190	57,999,515	49,515,746	9,916,772	—	31,357,137	231,872,360
56,944,177	—	—	—	(138,735,253)	—	(81,791,076)
\$ 166,214,476	\$ 58,849,515	\$ 49,515,746	\$ 9,916,772	\$ (132,596,409)	\$ 31,357,137	\$ 183,257,237

## **Nonspendable fund balances**

*Inventory:* Inventory represents funds authorized by the Board to be invested in inventory type items.

*Federal and State Receivables:* represents the Administration's estimate of Federal and State aid amounts which will not be remitted to the County within the period "available" for income recognition by the County in 2017 and other Federal and State aid that may not be remitted within the "available" period. These funds are not "available" for appropriation or expenditure even though they are a component of current assets.

*Prepaid Expenditures:* has been established to account for retirement payments made in advance. The amount is classified as nonspendable to indicate that the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

## **Assigned fund balances**

*Purchases on order:* Represent the County's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

*NYS Retirement Stabilization:* The County has assigned \$14,800,000 to provide funding for the New York State Retirement System billing to protect the County from market volatility in the New York State Retirement System investment portfolio.

*Other Post-Employment Benefits (GASB 45):* The County has assigned \$41,000,000 to provide funding for post-retirement health care employee benefits effective for the fiscal year 2017.

*Medicaid Claims:* The County has assigned \$4,100,000 of the fund balance of the General Fund to provide future funding on Medicaid expenditures.

*Subsequent Year's Expenditures:* At December 31, 2017, the County has assigned \$19,880,516 of the General Fund, \$12,437,428 of the Sewer Districts Fund, \$10,453,208 of the Refuse Disposal District Fund, \$1,934,835 of the Water Districts Fund and \$503,554 of the Airport Fund to be used to fund 2018 operations.

The components of fund balance for the Sewer Districts and Water Districts funds are as follows:

	Assigned				
	Nonspendable	Available	Purchases on Order	Subsequent Year's Expenditures	Total
SEWER DISTRICTS FUND					
Blind Brook .....	\$ 72,885	\$ 3,469,504	\$ 184,793	\$ 633,424	\$ 4,360,606
Bronx Valley.....	222,492	8,475,747	564,106	3,656,266	12,918,611
Central Yonkers.....	12,274	1,215,766	31,122	127,604	1,386,766
Hutchinson Valley.....	59,148	4,236,641	149,965	939,606	5,385,360
Mamaroneck Valley .....	142,837	5,468,087	362,151	2,452,848	8,425,923
New Rochelle .....	64,712	2,375,682	164,073	239,456	2,843,923
North Yonkers .....	41,030	1,469,286	104,027	612,884	2,227,227
Ossining .....	26,206	1,505,016	66,444	70,992	1,668,658
Peekskill .....	32,992	860,870	83,650	322,099	1,299,611
Port Chester .....	16,173	594,276	41,007	254,849	906,305
Saw Mill Valley .....	129,609	6,700,482	328,616	2,965,873	10,124,580
South Yonkers .....	15,467	973,002	39,210	95,333	1,123,012
Upper Bronx Valley.....	14,175	792,510	35,942	66,194	908,821
	<u>\$ 850,000</u>	<u>\$ 38,136,869</u>	<u>\$ 2,155,106</u>	<u>\$ 12,437,428</u>	<u>\$ 53,579,403</u>
WATER DISTRICTS FUND					
Water District No. 1	\$ —	\$ 2,259,810	\$ 162,967	\$ 1,050,598	\$ 3,473,375
Water District No. 2	—	(516)	—	—	(516)
Water District No. 3	—	3,423,262	78,690	884,237	4,386,189
Water District No. 4	—	321,709	—	—	321,709
	<u>\$ —</u>	<u>\$ 6,004,265</u>	<u>\$ 241,657</u>	<u>\$ 1,934,835</u>	<u>\$ 8,180,757</u>

## NOTE 4

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### LEASES

#### Operating Lease Commitments

The County has commitments under various operating leases for equipment and facilities with rentals totaling \$114,979,048 with various expiration dates through December 31, 2036. Annual required payments on existing leases are payable as follows:

2018	\$	10,564,487
2019		10,298,847
2020		8,734,462
2021		8,293,303
2022		7,757,588
2023-2027		24,791,197
2028-2032		25,677,460
2033-2036		18,861,704
	\$	<u>114,979,048</u>

#### Operating Lease Rental Revenue

The County leases to others real property under operating leases which expire at various dates through 2027. The following schedule presents the future minimum lease rentals to be received as of December 31, 2017.

2018	\$	14,685,986
2019		12,570,855
2020		12,151,520
2021		11,317,997
2022		9,556,316
2023-2027		32,411,610
	\$	<u>92,694,284</u>

## Capital Lease Commitment

In 1998, the County entered into a lease agreement with the New York State Dormitory Authority (hereinafter referred to as DASNY) to rehabilitate the County's Courthouse, replace the Courthouse's façade, and to construct a three story annex. Using DASNY as the conduit issuer, bonds were issued for the Courthouse construction. On April 12, 2006, the County refunded a portion of the 1998 bonds, in conjunction with the issuance of \$21 million of new money to complete the Courthouse project. In October 2016, DASNY issued \$22,485,000 of refunding bonds. The proceeds of the 2016 bonds, together with other available moneys were used (i) to refund certain DASNY bonds and (ii) to pay the cost of issuance of the bonds. The issuance of the 2016 bonds will reduce County lease payments by approximately \$3.9 million through 2023.

The terms of the lease provide for annual payments as follows:

2018	\$	12,255,875
2019		12,406,750
2020		12,406,625
2021		12,405,750
2022		12,406,500
2023		<u>6,203,625</u>
		68,085,125
Less amounts representing interest		<u>(4,563,885)</u>
Present Value of Lease Payments	\$	<u><u>63,521,240</u></u>

Interest expenditures of \$971,062, were recorded in the fund financial statements in the General Fund. Interest expense of \$3,143,485 was recorded in the government-wide financial statements for governmental activities.

## NOTE 5

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### SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

#### Litigation

The County, its officers and employees are defendants in a number of lawsuits. The County is self-insured for general negligence, public officials' liability losses and workers' compensation. The Department of Law, headed by the County Attorney, has reviewed the status of pending lawsuits and reports that an adverse decision in the following cases could have the potential for expenditure in excess of any applicable insurance or has not been provided for in the self-insurance reserves.

Management has reviewed the outstanding lawsuits and has determined that all claims, except those noted below, have been reviewed by the various claims administrators and actuary and has indicated that the appropriate reserve has been established within the risk retention program included in the financial statements.

Westchester County Correction Officers Benevolent Association, Inc. v. County of Westchester Retired Police Officer Caldara, et al. v. County of Westchester. These two related/similar claims were filed on February 7, 2011. Each of these claims consists of retired police and/or correction officers who are receiving disability retirement benefits (some receive 1/3 salary, others receive 3/4 salary). Plaintiffs claim they are entitled to additional Workers' Compensation equivalent benefits pursuant to the collective bargaining agreements that were in effect at the time of their respective retirements. On April 1, 2011, the County filed its responses to each of the complaints. Motions to dismiss were granted and the actions were dismissed. Motions for reargument and Notices of Appeal have been filed by Plaintiff and are pending. Due to the inherent uncertainty of this type of proceeding, the County is unable to express an opinion on the probable outcome of the case at this stage.

United States of America ex rel. Anti-Discrimination Center of Metro New York, Inc. v. Westchester County, New York. This action was commenced in 2006 under 31 U.S.C. Section 3729 et seq. ("the False Claims Act"), alleging violations thereof during the period of April 1, 2000 to April 1, 2006 in connection with its receipt of federal funding for housing and community development. In 2009, the federal government intervened. After extensive negotiations, the County and the federal government agreed to settle the litigation as set forth in a Stipulation and Order of Settlement and Dismissal, a copy of which was previously provided. There has been no material change in the terms of the Stipulation and Order of Settlement and Dismissal.

United States of America v. County of Westchester. In 2013, Plaintiff, United States of America, on behalf of the Environmental Protection Agency, filed a complaint in this action, alleging that Westchester County Water District No. 1 (District No. 1) is a "public water system and community water system" as defined in the Safe Drinking Water Act (SDWA) and its implementing regulations, and has failed to comply with the Long Term 2 and Enhanced Surface Water Treatment Rule (LT2). After extensive negotiations, the County and the federal government agreed to settle the litigation as set forth in a Consent Decree, a copy of which was previously provided. There has been no material change in the terms of the Consent Decree.

Connecticut Fund for the Environment et al. v. County of Westchester et al. Plaintiffs commenced this action in 2015 against the County of Westchester and local municipalities, alleging violations of the Clean Water Act with respect to four sanitary sewer districts maintained by the County and the local sewer infrastructure maintained by the municipalities. The District Court has given the parties an adjournment subject to periodic reports while all involved discuss potential settlement. Due to the inherent uncertainty of this proceeding, the County is unable to express an opinion on the probable outcome of the case at this stage.

Yonkers Contracting Corp. v. County of Westchester et al. This is a claim for recovery of monetary losses of approximately \$38,000,000 by a County hired contractor who claims alleged construction delays, inefficiencies, non-payment of materials and labor expenses related to the County project identified as the Composite Performance Implementation and Expansion at the New Rochelle Wastewater Treatment Plant (Contract 08-540) and the construction of the Biological Nutrient Removal Facilities at the New Rochelle Wastewater Treatment Plant (Contract 09-514).

In August 4, 2015, Plaintiff commenced an action against the County and eight (8) other defendants seeking said alleged construction damages. The parties have been attempting to negotiate a settlement of plaintiff's claims. The County's answer to the complaint was filed on May 23, 2016. This case is being handled by outside counsel. Due to the inherent uncertainty of this proceeding, the County is unable to express an opinion on the probable outcome of the case at this stage.

Airport Deicing and Retention Basins. On or about December 6, 2016, the County received a proposed consent order issued by the Department of Environmental Conservation ("DEC") with respect to alleged permit violations at the Westchester County Airport. Following negotiations, the County entered into a Consent Order with the DEC regarding the completion of a pre-existing plan setting forth the timeline and requirements for completion of the already in progress deicing pad, restoration of existing storm water retention basins, conducting of a study of the system and the payment of a fine. A portion of the fine in the amount of \$11,400 has been held in abeyance pending completion and compliance with the directives of the Consent Order.

White Plains Transfer Station/ Brockway Place. On or about December 28, 2016, the United States Environmental Protection Agency ("EPA") issued an order alleging violations of the Clean Water Act in excess of State Pollutant Discharge Elimination System ("SPDES") permit limits. Following negotiations, a revised order was received on or about May 12, 2018. The County is currently working closely with EPA on continuing investigations into potential remedies and alterations to the facility.

Yonkers Materials Recycling Facility/Transfer Station. On or about May 4, 2017, DEC issued a Notice of Violation alleging Multi- Sector General permit violations stemming from concerns regarding leachate controls. A proposed consent order was subsequently received and is currently being negotiated. Interim measures of control are being utilized and the design of the proposed long-term measure is being investigated.

PFAS. The County has been contacted by the DEC with respect to the recent classification of PFOA and PFOS as hazardous substances. The County has been advised through on-site testing that these chemical compounds may have impacted the groundwater of certain portions of the airport and surrounding properties. DEC has requested and the County has agreed to install a filter system and provide bottled water to one adjacent property identified as having PFOA and PFOS contamination above the EPA guideline for water safety. Additionally, we have been contacted by Connecticut's Department of Energy and Environmental Protection ("CT DEEP") with respect to a property located in Greenwich, CT that is alleged to have PFAS contamination. At this time, the source of the contamination is unconfirmed, but appears to be linked to the use of Aqueous Fire-Fighting Foam by the New York State Air National Guard, which was formerly located at the airport. DEC has issued a proposed consent order, and CT DEEP has requested the installation of a filter system at the Greenwich residence. Negotiations with respect to both requests are ongoing.

Old Crompond Road, LLC v. County of Westchester. This case was filed on or about May 27, 2016. Plaintiff, Old Crompond Road, LLC, was retained by the County to develop affordable housing units in the Town of Yorktown. Plaintiff claims that the County breached a contract that the County had with Bradhurst Construction under which Plaintiff claims it was a third-party beneficiary. In addition, Plaintiff claims that the County breached a contract related to the marketing and financing of the affordable housing units. Claimed damages are in excess of \$600,000.

The County filed a motion to dismiss on April 3, 2018. Plaintiff opposed and moved to amend its Complaint. The parties await the Court's decision. In the interim, discovery has closed and a Trial Readiness Order was issued on June 14, 2018. Plaintiff has yet to file the Note of Issue. The County intends to defend the case vigorously and, in the event that the motion to dismiss is denied, file a motion for summary judgment. Due to the inherent uncertainty of this proceeding, the County is unable to express an opinion on the probable outcome of the case at this stage.



## **Risk Management**

Since 1986, the County has self-insured its exposure for general negligence, auto and public official's liability losses and in 1989 included workers' compensation as a self-insurance program. The County established self-insurance funds, pursuant to Sections 6n and 6j of General Municipal Law of the State of New York. The provisions of the law provide for unencumbered general liability reserve contributions not to exceed 1-2/3% of the respective operating budgets and a maximum accumulation of not more than 5% of such operating budgets. The County has retained the services of an independent actuary to evaluate its loss history and provide data to be used in establishing ultimate losses to be incurred. The actuary has certified as to the adequacy of the amount accrued as of December 31, 2017 for claims arising from 1986 through 2017 occurrences.

## **Other Contingencies**

a) The County participates in numerous Federal Grant programs, principal of which are programs of the Department of Health and Human Services. These programs are subject to program compliance audits pursuant to the Uniform Grant Guidance. This audit is currently in progress and the report will be issued under separate cover. Accordingly, the County's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The County anticipates such amounts, if any, to be immaterial.

b) The primary government has nine labor organizations which represent most of the County work force for collective bargaining purposes. Five of the contracts were settled in 2017.

The status of the remaining four union contracts is as follows:

The New York State Nurses Association - The agreement has been ratified by the union and is pending legislative approval;

The District Attorney Investigators PBA - Currently in negotiations;

The Civil Service Employees Association - Negotiations are ongoing.

The Civil Service Employees Association, Local 1000, American Federation of State, County and Municipal Employees Union, AFL-CIO, Westchester County Local 860, Westchester H.O.U.R Unit is in mediation;

The County's financial statements do not include a provision for any salary increases for these four bargaining units as of December 31, 2017.

c) The College (component unit) has two labor organizations which represent most of the College's work force for collective bargaining purposes. The status of the union contracts is as follows:

The Westchester Community College Federation of Teachers - The agreement has been ratified by the union;

The Civil Service Employees Association unit representing non-faculty administration employees of WCC (excluding non-represented management) - The agreement has been ratified by the union.

d) *Westchester Tobacco Asset Securitization Corporation*

The enforceability of the rights and remedies of the State (and thus the bondholders) and of the obligations of a participating manufacturer under the Master Settlement Agreement (MSA) are subject to the Bankruptcy Code and the other applicable insolvency, moratorium or similar laws relating to or affecting the enforcement of creditors' rights. Some of the risks include risks of delay in or reduction of amounts of payment or of non-payment under the MSA and the risk that the State (and thus the County and/or WTASC) may be stayed for an extended time from enforcing any rights under the MSA and the Consent Decree or with respect to the payments owed by the bankrupt

participating manufacturer or from commencing legal proceedings against the bankrupt participating manufacturer. As a result, if a participating manufacturer becomes a debtor in a bankruptcy case and defaults in making payment, funds available to WTASC to pay bondholders may be reduced or eliminated.

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

e) *Wastewater Services*

The County, through its Department of Environmental Facilities, operates a wastewater collection and treatment system consisting of seven water resource recovery facilities, 42 pumping stations, and 194 miles of trunk sewers serving 13 County Sanitary Sewer Districts.

On December 9, 2008, the Westchester County Board of Legislators (the "Board") by Act No. 240-2008, authorized the County to enter into a new Order on Consent (the "2008 Consent Order") with the State of New York Department of Environmental Conservation ("NYSDEC"), which was fully executed on December 30, 2008. The 2008 Consent Order is in place of and in order to adjust the County's obligations under an existing Order on Consent, which was entered into on December 24, 2004 ("2004 Consent Order"). The 2004 Consent Order was executed in settlement of the administrative claims of the NYSDEC relating to, among other things, the County's anticipated noncompliance with state and federally mandated nitrogen removal standards to be imposed in the State Pollutant Discharge Elimination System ("SPDES") permits for the four County-owned water resource recovery facilities ("WRRFs") which discharge into the Long Island Sound ("LIS"), namely: (1) the New Rochelle WRRF; (2) the Mamaroneck Valley WRRF; (3) the Blind Brook WRRF; and (4) the Port Chester WRRF. The 2004 Consent Order was the result of a multi-year study of nitrogen-based pollution in the Long Island Sound, known as the Long Island Sound Study ("LISS") which began in 1985, and the subsequent agreement of the United States Environmental Protection Agency ("USEPA"), and the States of New York and Connecticut to impose mandatory nitrogen reductions on all municipal WRRFs which discharge into the Long Island Sound and require them to reduce nitrogen discharges. The 2008 Consent Order requires improvements be undertaken at only two of the four LIS WRRFs, namely the Mamaroneck Valley and New Rochelle WRRFs (the "BNR Project") to meet nitrogen discharge standards set forth in the NYSDEC-issued SPDES permits for all four Long Island Sound WRRFs, in the aggregate, by 2017. This substantially reduces the overall cost of compliance, because it is more efficient to reduce aggregate nitrogen discharges by making more comprehensive improvements at the two selected WRRFs, which are also the two largest facilities in the County that discharge to the LIS than it would be to achieve the same reductions by making improvements at all four WRRFs. It further requires the equitable apportionment of all the costs associated with the BNR Project among the four (4) Long Island Sound Sanitary Sewer Districts ("SSDs"), namely: (1) the New Rochelle SSD; (2) the Mamaroneck Valley SSD; (3) the Blind Brook SSD; and (4) the Port Chester SSD, as the Board has determined that all of the properties in the four LIS SSDs are benefited thereby. This is anticipated to have a substantial financial impact on those SSDs. The 2008 Consent Order extends the date for compliance from 2014 to 2017. It should be noted that, during construction to upgrade the Mamaroneck Valley WRRF (the "Plant") there were unintended releases of plastic media disks from the Plant into the Long Island Sound, which constituted violations of Environmental Conservation Law Section 17-0803. As a consequence of the violations, and subsequent work to prevent future occurrences, the Plant suffered setbacks with respect to implementation of its plan to upgrade the treatment facilities in accordance with the 2008 Consent Order. In October 2012, the 2008 Consent Order was modified to extend interim deadlines to "Complete construction at the Mamaroneck WRRF" and to "Operate to Meet the 12 M[onth] R[olling] A[verage]" in addition to a "Green Beaches, Clean Beaches Media Disk Recovery Program" (the 2004 Consent Order and 2008 Consent Order, as modified are collectively referred to as the "Consent Order"), noting that said amendment does not change the termination date of the Consent Order. The County has met its obligations for total nitrogen removal under the Consent Order by achieving the 12-month rolling average limit since May, 2015 ahead of the required August, 2017 deadline.

The County had originally authorized approximately \$407.7 million in Bond Acts in order to meet its obligations under the 2008 Consent Order. Pursuant to the American Recovery and Reinvestment Act of 2009,

Westchester County applied for and was chosen to receive an award of \$29,944,000. As such, the New York State Environmental Facilities Corporation which administered and financed the subject debt has now forgiven the outstanding debt in this amount. Due to this forgiveness of debt the authorized amount was reduced by \$22.9 million to \$384.8 million on November 6, 2014. To date the County has issued \$343.7 million of which \$22.9 million was forgiven as described above.

On May 28, 2013, the Board, by Act No. 113-2013, authorized the County to enter into an Order on Consent with the NYSDEC regarding force main breaks in 2010 and 2012 on the Tarrytown Pumping Station Force Main, which resulted in discharge of partially treated sewage into the Hudson River. The Consent Order, executed on August 22, 2013, included a Schedule of Compliance, which required submission of an approvable schedule for upgrade of the Tarrytown Pumping Station and construction of a new Force Main (the "Force Main Project"). Said schedule was delivered in a timely manner and subsequently approved by the NYSDEC. On March 10, 2014, the Board, by Act No. 18-2014, authorized the County to issue \$14,600,000 in bonds to finance the Force Main Project and by Act No. 19-2014, authorized the County to acquire all property rights necessary to construct the Force Main Project. The entire \$14,600,000 was sold to the New York State Environmental Facilities Corporation as a Bond Anticipation Note on July 10, 2014. In 2016, this note was refinanced to long term with the New York State Environmental Facilities Corporation in the amount of \$14,146,528 (the expected cost). The Construction of the Force Main project is now complete. A Letter of Substantial Completion was sent to the NYSDEC on January 30, 2018 and the Consent Order is now closed.

On August 10, 2015, the Board, by Act No. 142-2015, authorized the County to enter into an Order on Consent with the NYSDEC to settle administrative claims concerning alleged violations of SPDES Permit No. NY 0026697 (the "Permit") for the New Rochelle WRRF. The Permit, in relevant part, required the County to eliminate discharges from Overflow Retention Facilities ("ORF") or to comply with the effluent limitation specified in 40 CFR Part 133 by August 1, 2014. The NYSDEC alleged that, from August 1, 2014 on, the County did not eliminate discharges from the ORFs, nor did it comply with the effluent limitation, in violation of the Permit. The Order on Consent contains a Compliance Schedule which was agreed to between the County and NYSDEC. Further, on August 10, 2015, the Board, by Act No. 141-2015, authorized the County to enter into intermunicipal agreements with the four municipalities that discharge wastewater to the New Rochelle WRRF for the development and implementation of studies and plans so that the County can comply with the Compliance Schedule contained in the Order on Consent. On September 3, 2015, the County Board of Acquisition and Contract authorized the County to enter into the inter-municipal agreements and all four of these inter-municipal agreements have been fully executed. The four municipalities in the New Rochelle SSD delivered their report to the County and NYSDEC on October 31, 2017 as required.

On December 28, 2016, the USEPA issued an Administrative Order under various provisions of the Clean Water Act for compliance with the Multi-Sector General Permit ("MSGP") (Order No.: CWA-02-2017-3022) establishing deadlines for various compliance initiatives. The Administrative Order was revised on or about May 12, 2017, under Order No.: CWA-02-2017-3050. The Order requires the implementation of certain reporting requirements, interim measures to control leachate, and the investigation, construction, and operation of a long-term solution for the control of leachate at the White Plains Solid Waste Transfer Station. As required by this Administrative Order, the County, through its contractor, has completed a pre-design investigation which recommends options available for a leachate collection system at the White Plains transfer station

## NOTE 6

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### TAX ABATEMENTS

The County, through its IDA and LDC programs, to attract and/or maintain companies in the County, has the ability to induce developers with a sales tax and/or mortgage tax abatement as part of a payment in lieu of taxes (PILOT). These programs stimulate economic growth and are seen as a benefit to all the residents and business owners of the County. Some of the factors considered are the jobs created during the development of the project, the permanent jobs that will remain after the completion of the project, the cost of the improvements to the property and the amount of sales tax that is expected to be abated.

Each PILOT agreement entered into by the IDA and LDC contains very detailed sections of the remedies in the event of a default and the recapture provisions of benefits given to the developer. The recapture provisions include annual reporting of the number of jobs created and the cost of materials that would be subject to sales tax. The recapture provision also includes an interest component.

#### *Mortgage Tax Abatement*

In 2017 there were two projects that received mortgage tax abatements. The tax is specific to the local municipality where the property is located. The breakdown of the abatement is as follows:

<b>County share</b>	\$	<b>81,250</b>
New York State share		178,750
Local municipality share		162,500
		<hr/>
	\$	<u>422,500</u>

#### *Sales Tax Abatement*

In 2017 there were eighteen projects that received sales tax abatements. Sales tax is shared by the County with the local municipalities and school districts except those that are in the Cities of Yonkers, New Rochelle, Mount Vernon and White Plains. The breakdown of the abatement is as follows:

<b>County share</b>	\$	<b>2,379,807</b>
New York State share		4,642,841
Metropolitan Transit Authority share		435,266
Local municipality share		560,874
Local school district share		202,569
City of White Plains share		564,800
		<hr/>
	\$	<u>8,786,157</u>

**NOTE 7**

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**SUBSEQUENT EVENTS**

On February 8, 2018 the County issued a \$150 million tax anticipation note. The TAN was issued at a premium of \$389,250 and yields an interest rate of 1.58%. The TAN was issued to provide cash flow assistance to the County leading up to the May 25, 2018 property tax collection. It matured on May 26, 2018 and was paid in full.

**Westchester County**  
**Required Supplementary Information—**  
**Schedule of Funding Progress**  
**Other Post Employment Benefits**  
**Last Three Fiscal Years**

**Exhibit E-1**

<b>Actuarial</b>			<b>Unfunded</b>				<b>Unfunded</b>
<b>Valuation</b>	<b>Value of</b>	<b>Accrued</b>	<b>Actuarial</b>	<b>Funded</b>	<b>Covered</b>	<b>Liability as a</b>	
<b>Date</b>	<b>Assets</b>	<b>Liability</b>	<b>Accrued</b>	<b>Ratio</b>	<b>Payroll</b>	<b>Percentage</b>	
			<b>Liability</b>			<b>of Covered</b>	<b>Payroll</b>
December 31, 2015	\$ —	\$ 1,988,880,000	\$ 1,988,880,000	— %	\$ 425,000,000	467.97 %	
December 31, 2016	—	2,198,390,000	2,198,390,000	—	416,000,000	528.46	
December 31, 2017	—	2,333,940,000	2,333,940,000	—	419,000,000	557.03	

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**Westchester County**  
**Required Supplementary Information—**  
**Schedule of the Primary Government's Share**  
**of the Net Pension Liability**  
**New York State and Local Employees'**  
**Retirement System**  
**Last Ten Fiscal Years(1)**

**Exhibit E-2**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Primary Government's proportion of the net pension liability	<u>1.5446506%</u>	<u>1.5786907%</u>	<u>1.5655805%</u>
Primary Government's proportionate share of the net pension liability	<u>\$ 145,134,069</u>	<u>\$ 253,384,265</u>	<u>\$ 52,889,142</u>
Primary Government's covered payroll	<u>\$ 353,251,620</u>	<u>\$ 361,751,213</u>	<u>\$ 352,591,208</u>
Primary Government's proportionate share of the net pension liability as a percentage of its covered payroll	<u>41.09%</u>	<u>70.04%</u>	<u>15.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Note- The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

See independent auditors' report

**Westchester County**  
**Required Supplementary Information—**  
**Schedule of Contributions**  
**New York State and Local Employees'**  
**Retirement System**

**Exhibit E-3**

**Last Ten Fiscal Years(1)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 57,432,735	\$ 59,639,210	\$ 65,106,276
Contributions in relation to the contractually required contribution	<u>57,432,735</u>	<u>59,639,210</u>	<u>65,106,276</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Primary Government's covered payroll	<u>356,638,853</u>	<u>353,887,652</u>	<u>364,517,126</u>
Contributions as a percentage of covered payroll	<u>16.10%</u>	<u>16.85%</u>	<u>17.86%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

See independent auditors' report



**Westchester County**  
**Required Supplementary Information—**  
**Schedule of the Primary Government's Share**  
**of the Net Pension Liability**  
**New York State and Local Police and Fire**  
**Retirement System**

**Exhibit E-4**

**Last Ten Fiscal Years(1)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Primary Government's proportion of the net pension liability	<u>1.0244298%</u>	<u>1.0801746%</u>	<u>1.3178962%</u>
Primary Government's proportionate share of the net pension liability	<u>\$ 21,232,864</u>	<u>\$ 31,981,669</u>	<u>\$ 3,627,635</u>
Primary Government's covered payroll	<u>\$ 42,259,950</u>	<u>\$ 41,671,605</u>	<u>\$ 40,037,004</u>
Primary Government's proportionate share of the net pension liability as a percentage of its covered payroll	<u>50.24%</u>	<u>76.75%</u>	<u>9.06%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>

Note- The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

See independent auditors' report

**Westchester County**  
**Required Supplementary Information—**  
**Schedule of Contributions**  
**New York State and Local Police and Fire**  
**Retirement System**

**Exhibit E-5**

**Last Ten Fiscal Years(1)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 10,245,241	\$ 9,892,964	\$ 6,793,549
Contributions in relation to the contractually required contribution	<u>10,245,241</u>	<u>9,892,964</u>	<u>6,793,549</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Primary Government's covered payroll	<u>42,265,356</u>	<u>42,469,381</u>	<u>40,604,890</u>
Contributions as a percentage of covered payroll	<u>24.24%</u>	<u>23.29%</u>	<u>16.73%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

See independent auditors' report

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# Westchester County

## General Fund—

## Comparative Balance Sheet

December 31, 2017 and 2016

Exhibit F-1

	2017	2016
<b>ASSETS</b>		
Cash	\$ 33,090,293	\$ 29,808,967
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$3,251,248 in 2017 and 2016	67,385,082	100,223,902
Due from Federal and State Governments	209,463,103	212,687,039
Inventory	50,000	50,000
Due from Other Funds	102,462,461	109,942,640
Due from Component Unit	—	7,458,343
Prepaid Expenditures	15,743,700	16,137,109
Total Assets	<u>\$ 428,194,639</u>	<u>\$ 476,308,000</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts Payable and Accrued Liabilities	\$ 132,444,650	\$ 150,204,285
Due to Other Funds	161,713,610	159,574,332
Deposits in Escrow	—	314,907
Total Liabilities	<u>294,158,260</u>	<u>310,093,524</u>
<b>Fund Balance:</b>		
Nonspendable	25,793,700	26,187,109
Assigned	86,417,318	83,083,190
Unassigned	21,825,361	56,944,177
Total Fund Balance	<u>134,036,379</u>	<u>166,214,476</u>
Total Liabilities and Fund Balance	<u>\$ 428,194,639</u>	<u>\$ 476,308,000</u>

See independent auditors' report

# Westchester County

## General Fund—

### Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Years Ended December 31, 2017 and 2016

	2017			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES:</b>				
Taxes:				
Taxes on Real Property	\$ 548,423,468	\$ 548,423,468	\$ 548,423,468	\$ —
Sales Tax	517,559,000	517,559,000	525,230,119	7,671,119
	<u>1,065,982,468</u>	<u>1,065,982,468</u>	<u>1,073,653,587</u>	<u>7,671,119</u>
Federal Aid:				
Social Services	167,330,746	167,330,746	152,176,392	(15,154,354)
Other	16,281,222	16,281,222	16,571,458	290,236
	<u>183,611,968</u>	<u>183,611,968</u>	<u>168,747,850</u>	<u>(14,864,118)</u>
State Aid:				
Social Services	100,282,912	100,282,912	86,486,313	(13,796,599)
Other	149,283,981	149,283,981	146,305,183	(2,978,798)
	<u>249,566,893</u>	<u>249,566,893</u>	<u>232,791,496</u>	<u>(16,775,397)</u>
Departmental Income	<u>151,405,650</u>	<u>151,405,650</u>	<u>145,267,998</u>	<u>(6,137,652)</u>
Earnings on Investments	<u>—</u>	<u>—</u>	<u>209,324</u>	<u>209,324</u>
Miscellaneous Revenues:				
Auto Use Tax	16,452,000	16,452,000	16,168,942	(283,058)
Harness Racing Admissions Tax	6,000	6,000	3,048	(2,952)
Hotel Tax	6,681,000	6,681,000	6,449,824	(231,176)
Mortgage Tax	19,014,000	19,014,000	20,141,856	1,127,856
Payments in Lieu of Taxes	10,700,000	10,700,000	10,375,346	(324,654)
Services to WCHCC	7,933,480	7,933,480	7,266,477	(667,003)
Intergovernmental Transfer	60,000,000	60,000,000	55,284,600	(4,715,400)
Other	11,429,624	11,429,624	12,593,179	1,163,555
	<u>132,216,104</u>	<u>132,216,104</u>	<u>128,283,272</u>	<u>(3,932,832)</u>
Total Revenues	<u>1,782,783,083</u>	<u>1,782,783,083</u>	<u>1,748,953,527</u>	<u>(33,829,556)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Board of Legislators	4,523,468	4,523,468	4,496,686	26,782
County Executive	6,542,136	6,532,685	5,550,619	982,066
Board of Acquisition and Contract	269,116	269,116	267,564	1,552
Board of Elections	15,616,573	15,616,573	14,043,873	1,572,700
Department of Human Resources	4,192,358	4,192,358	3,873,918	318,440
Department of Budget	1,598,919	1,598,919	1,595,664	3,255
Department of Finance	5,257,692	5,257,692	4,980,886	276,806
Department of Information Technology	4,632,622	4,632,623	2,403,849	2,228,774
Department of Law	281,214	281,214	1,199,998	(918,784)
Department of Planning	4,159,012	4,159,012	4,038,355	120,657
County Clerk	6,765,628	6,765,628	6,013,716	751,912
Tax Commission	205,674	205,674	179,488	26,186
Public Administrator	719,394	719,394	701,886	17,508
Department of Public Works	9,966,553	9,968,561	9,300,401	668,160
Solid Waste Commission	1,863,378	1,863,378	1,591,439	271,939
Other	157,280,476	154,304,420	145,126,039	9,178,381
	<u>223,874,213</u>	<u>220,890,715</u>	<u>205,364,381</u>	<u>15,526,334</u>

## Exhibit F-2

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 548,423,468	\$ 548,423,468	\$ 548,423,468	\$ —
524,507,733	524,507,733	507,445,900	(17,061,833)
1,072,931,201	1,072,931,201	1,055,869,368	(17,061,833)
168,985,171	168,985,171	162,362,158	(6,623,013)
13,740,741	13,740,741	15,092,789	1,352,048
182,725,912	182,725,912	177,454,947	(5,270,965)
92,964,525	92,964,525	78,690,845	(14,273,680)
148,213,359	148,213,359	150,201,961	1,988,602
241,177,884	241,177,884	228,892,806	(12,285,078)
152,958,810	153,032,695	148,813,543	(4,219,152)
—	—	77,005	77,005
15,942,000	15,942,000	15,855,777	(86,223)
6,000	6,000	4,153	(1,847)
6,280,000	6,280,000	6,325,138	45,138
19,089,000	19,089,000	19,718,700	629,700
10,721,000	10,721,000	10,601,482	(119,518)
9,506,315	9,506,315	6,269,372	(3,236,943)
65,000,000	65,000,000	77,937,600	12,937,600
10,311,416	10,311,416	14,259,005	3,947,589
136,855,731	136,855,731	150,971,227	14,115,496
1,786,649,538	1,786,723,423	1,762,078,896	(24,644,527)
4,480,364	4,554,249	4,484,604	69,645
6,425,908	6,416,622	5,244,298	1,172,324
271,735	271,735	266,369	5,366
16,843,948	16,843,948	16,081,775	762,173
4,856,956	4,856,956	4,190,613	666,343
1,572,765	1,572,765	1,522,376	50,389
5,234,107	5,234,106	5,004,750	229,356
4,838,463	4,987,974	3,633,106	1,354,868
452,403	452,403	756,812	(304,409)
4,876,856	4,876,856	4,739,087	137,769
7,004,193	7,004,193	6,344,164	660,029
185,828	185,828	174,326	11,502
650,957	650,957	632,468	18,489
15,765,020	9,226,037	9,161,853	64,184
1,768,611	1,768,611	1,633,261	135,350
147,159,222	140,624,932	140,498,530	126,402
222,387,336	209,528,172	204,368,392	5,159,780

continued

**Westchester County**  
**General Fund—**  
**Comparative Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance—Budget and Actual (cont'd)**  
**Years Ended December 31, 2017 and 2016**

	2017			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Education:				
Department of Health	\$ 110,711,897	\$ 112,259,893	\$ 112,253,621	\$ 6,272
Other	36,183,371	37,418,203	37,412,834	5,369
	146,895,268	149,678,096	149,666,455	11,641
Public Safety:				
Department of Corrections	123,299,679	132,134,122	131,556,514	577,608
District Attorney	27,576,485	27,576,485	27,182,109	394,376
Department of Public Safety	40,153,647	45,550,643	45,086,245	464,398
Department of Emergency Services	5,820,880	5,820,880	5,110,645	710,235
Department of Probation	25,157,427	25,157,427	23,874,537	1,282,890
Other	30,576,170	30,901,219	30,291,424	609,795
	252,584,288	267,140,776	263,101,474	4,039,302
Health Services:				
Community Mental Health Services	6,527,808	6,527,808	6,376,205	151,603
Department of Health	17,551,159	17,568,482	17,333,528	234,954
Department of Laboratories and Research	13,441,097	13,441,097	12,974,239	466,858
	37,520,064	37,537,387	36,683,972	853,415
Transportation:				
Department of Transportation	157,682,434	158,555,914	158,406,516	149,398
County Road Maintenance	4,159,777	4,157,769	3,494,677	663,092
	161,842,211	162,713,683	161,901,193	812,490
Economic Assistance and Opportunity:				
County Executive	2,079,855	2,089,306	1,996,932	92,374
Department of Social Services	603,558,638	585,836,387	570,962,441	14,873,946
Other	—	—	—	—
	605,638,493	587,925,693	572,959,373	14,966,320
Culture and Recreation:				
Department of Parks, Recreation and Conservation	42,763,063	42,763,063	41,527,277	1,235,786
Other	3,499,437	3,499,437	3,480,350	19,087
	46,262,500	46,262,500	45,007,627	1,254,873
Home and Community Services:				
Senior Programs and Services	640,727	845,526	845,525	1
Weights, Measures, Consumer Protection	2,033,802	2,033,802	1,801,628	232,174
Other	3,249,061	3,250,127	2,396,777	853,350
	5,923,590	6,129,455	5,043,930	1,085,525

## Exhibit F-2

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 122,952,472	\$ 125,340,017	\$ 125,336,315	\$ 3,702
35,429,234	36,014,428	36,014,428	—
158,381,706	161,354,445	161,350,743	3,702
123,204,575	123,204,575	119,640,126	3,564,449
28,617,892	28,617,892	24,864,864	3,753,028
38,716,144	39,088,607	38,905,562	183,045
5,523,387	5,523,387	4,970,214	553,173
25,205,232	25,205,232	24,419,780	785,452
41,872,156	28,305,716	28,285,857	19,859
263,139,386	249,945,409	241,086,403	8,859,006
6,279,643	6,279,643	6,074,073	205,570
18,406,946	16,380,455	16,381,848	(1,393)
13,438,041	13,438,041	12,674,898	763,143
38,124,630	36,098,139	35,130,819	967,320
155,880,558	155,880,558	154,717,488	1,163,070
4,072,277	4,063,393	3,391,026	672,367
159,952,835	159,943,951	158,108,514	1,835,437
2,100,456	2,109,744	1,977,601	132,143
594,922,130	594,922,122	587,569,317	7,352,805
206,040	40	—	40
597,228,626	597,031,906	589,546,918	7,484,988
41,792,330	41,792,330	40,776,498	1,015,832
3,422,087	3,345,087	3,294,737	50,350
45,214,417	45,137,417	44,071,235	1,066,182
713,635	713,635	685,682	27,953
1,805,446	1,805,446	1,766,773	38,673
3,079,713	3,079,713	1,832,242	1,247,471
5,598,794	5,598,794	4,284,697	1,314,097

continued



**Westchester County**  
**General Fund—**  
**Comparative Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance—Budget and Actual (cont'd)**  
**Years Ended December 31, 2017 and 2016**

	2017			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Employee Benefits:				
State Retirement System	\$ 66,861,483	\$ 67,286,438	\$ 67,286,437	\$ 1
Social Security	25,717,343	26,678,918	26,678,918	—
Metropolitan Commuter Transportation Mobility Tax	1,302,034	1,330,613	1,330,612	1
Employee Health Insurance	152,992,897	152,992,897	150,745,294	2,247,603
Other	4,852,487	4,852,487	4,498,844	353,643
	<u>251,726,244</u>	<u>253,141,353</u>	<u>250,540,105</u>	<u>2,601,248</u>
Debt Service:				
Principal	73,519,003	73,519,003	73,519,002	1
Interest	22,406,312	23,524,324	23,524,144	180
Costs of Issuance	1,144,077	1,078,077	1,077,381	696
	<u>97,069,392</u>	<u>98,121,404</u>	<u>98,120,527</u>	<u>877</u>
Total Expenditures	<u>1,829,336,263</u>	<u>1,829,541,062</u>	<u>1,788,389,037</u>	<u>41,152,025</u>
Deficiency of Revenues Over Expenditures	<u>(46,553,180)</u>	<u>(46,757,979)</u>	<u>(39,435,510)</u>	<u>7,322,469</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real Property	—	—	—	—
Bonds Issued	8,500,000	8,500,000	5,764,637	(2,735,363)
Bonds Premium	—	—	1,067,389	1,067,389
Transfers In	18,728,698	18,728,698	3,920,639	(14,808,059)
Transfers Out	(3,858,708)	(3,653,909)	(3,495,252)	158,657
Total Other Financing Sources	<u>23,369,990</u>	<u>23,574,789</u>	<u>7,257,413</u>	<u>(16,317,376)</u>
Net Change in Fund Balance	<u>(23,183,190)</u>	<u>(23,183,190)</u>	<u>(32,178,097)</u>	<u>(8,994,907)</u>
Fund Balance—Beginning of Year	<u>23,183,190</u>	<u>23,183,190</u>	<u>166,214,476</u>	<u>143,031,286</u>
Fund Balance—End of Year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 134,036,379</u>	<u>\$ 134,036,379</u>

See independent auditors' report

## Exhibit F-2

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 66,449,922	\$ 66,709,279	\$ 66,709,279	\$ —
25,264,528	25,701,404	25,701,403	1
1,303,340	1,303,340	1,297,387	5,953
135,070,288	144,909,719	144,909,718	1
5,116,000	4,710,000	4,708,749	1,251
233,204,078	243,333,742	243,326,536	7,206
67,220,583	81,246,388	80,776,461	469,927
20,840,202	22,304,067	22,260,110	43,957
459,266	303,314	303,314	—
88,520,051	103,853,769	103,339,885	513,884
1,811,751,859	1,811,825,744	1,784,614,142	27,211,602
(25,102,321)	(25,102,321)	(22,535,246)	2,567,075
5,400,000	5,400,000	20,400,000	15,000,000
11,500,000	11,500,000	—	(11,500,000)
—	—	—	—
3,303,000	3,303,000	9,742,652	6,439,652
(6,291,237)	(6,291,237)	(6,136,070)	155,167
13,911,763	13,911,763	24,006,582	10,094,819
(11,190,558)	(11,190,558)	1,471,336	12,661,894
11,190,558	11,190,558	164,743,140	153,552,582
\$ —	\$ —	\$ 166,214,476	\$ 166,214,476

# Westchester County

## General Fund—

### Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2017

Exhibit F-3

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>TAXES:</b>				
Taxes on Real Property	\$ 548,423,468	\$ 548,423,468	\$ 548,423,468	\$ —
Sales Tax	517,559,000	517,559,000	525,230,119	7,671,119
Total Taxes	1,065,982,468	1,065,982,468	1,073,653,587	7,671,119
<b>FEDERAL AID:</b>				
Department of Social Services:				
Medical Assistance	1,454,000	1,454,000	814,914	(639,086)
Family Assistance	38,862,000	38,862,000	28,897,669	(9,964,331)
Safety Net	—	—	239,635	239,635
Child Care	13,643,000	13,643,000	10,298,069	(3,344,931)
Purchase of Services	30,178,000	30,178,000	36,489,006	6,311,006
Emergency Assistance to Families	23,901,000	23,901,000	11,049,899	(12,851,101)
Salaries and Administration	59,292,746	59,292,746	64,387,200	5,094,454
Total Department of Social Services	167,330,746	167,330,746	152,176,392	(15,154,354)
Other:				
Emergency Services	360,526	360,526	399,438	38,912
Community Mental Health	936,716	936,716	934,905	(1,811)
Corrections	1,171,693	1,171,693	1,137,693	(34,000)
District Attorney	133,500	133,500	102,704	(30,796)
Public Safety	330,356	330,356	247,132	(83,224)
Transportation	13,348,431	13,348,431	13,749,586	401,155
Total Other	16,281,222	16,281,222	16,571,458	290,236
Total Federal Aid	183,611,968	183,611,968	168,747,850	(14,864,118)
<b>STATE AID:</b>				
Department of Social Services:				
Medical Assistance	1,454,000	1,454,000	819,375	(634,625)
Family Assistance	1,977,000	1,977,000	65,456	(1,911,544)
Safety Net	15,818,000	15,818,000	13,199,215	(2,618,785)
Child Care	20,945,000	20,945,000	15,995,479	(4,949,521)
Special Items	74,000	74,000	—	(74,000)
Purchase of Services	6,871,000	6,871,000	11,082,739	4,211,739
Emergency Assistance to Families	—	—	60,000	60,000
Emergency Assistance to Adults	519,000	519,000	781,724	262,724
Salaries and Administration	52,624,912	52,624,912	44,482,325	(8,142,587)
Total Department of Social Services	100,282,912	100,282,912	86,486,313	(13,796,599)

continued

# Westchester County

## General Fund—

### Schedule of Revenues and Other Financing Sources Compared to Budget (cont'd)

Year Ended December 31, 2017

Exhibit F-3

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>STATE AID: (cont'd)</b>				
Other:				
County Executive:				
Youth Bureau	\$ 133,132	\$ 133,132	\$ 132,811	\$ (321)
Office for Women	39,134	39,134	31,851	(7,283)
Community Mental Health	1,575,365	1,575,365	1,564,189	(11,176)
Corrections	67,784	67,784	68,715	931
District Attorney	746,881	746,881	705,200	(41,681)
Health - Operations	3,848,607	3,848,607	3,931,035	82,428
Health - Services for Children with Disabilities	61,042,438	61,042,438	59,503,594	(1,538,844)
Indigent Reimbursement	6,428,604	6,428,604	3,632,604	(2,796,000)
Laboratories and Research	1,049,538	1,049,538	1,185,002	135,464
Miscellaneous Budget-				
Court Facilities Aid	2,573,000	2,573,000	3,583,071	1,010,071
Parks, Recreation and Conservation	60,000	60,000	50,000	(10,000)
Planning	60,000	60,000	60,000	—
Probation	8,024,261	8,024,261	7,766,955	(257,306)
Public Safety	3,106,723	3,106,723	2,819,645	(287,078)
Public Works	2,728,914	2,728,914	3,511,660	782,746
Transportation	57,799,600	57,799,600	57,758,851	(40,749)
Total Other	149,283,981	149,283,981	146,305,183	(2,978,798)
Total State Aid	249,566,893	249,566,893	232,791,496	(16,775,397)
<b>DEPARTMENTAL INCOME:</b>				
Acquisition and Contract	3,000	3,000	5,250	2,250
Board of Elections	1,492,382	1,492,382	1,498,537	6,155
Board of Legislators	—	—	2,745	2,745
Budget	647,651	647,651	647,651	—
Community Mental Health	10,000	10,000	23,132	13,132
Corrections	6,903,600	6,903,600	6,976,033	72,433
County Clerk	9,031,725	9,031,725	9,096,975	65,250
County Executive:				
Office for People with Disabilities	12,500	12,500	12,500	—
Office of Economic Development	424,372	424,372	250,574	(173,798)
Office of Economic Development-Tourism	957,150	957,150	764,278	(192,872)
Emergency Services	81,401	81,401	81,401	—
Finance:				
Fiscal Management	1,909,348	1,909,348	1,845,351	(63,997)
Bureau of Purchase and Supply	341,500	341,500	366,816	25,316

continued

**Westchester County**  
**General Fund—**  
**Schedule of Revenues and Other Financing**  
**Sources Compared to Budget (cont'd)**  
**Year Ended December 31, 2017**

**Exhibit F-3**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>DEPARTMENTAL INCOME: (cont'd)</b>				
Health:				
Operations	\$ 5,300,100	\$ 5,300,100	\$ 5,221,691	\$ (78,409)
Services for Children with Disabilities	2,500,000	2,500,000	1,684,497	(815,503)
Human Resources	251,600	251,600	372,183	120,583
Information Technology:				
Records Center	8,000	8,000	5,968	(2,032)
Information Technology	3,083,853	3,083,853	2,829,757	(254,096)
Support Services	31,229	31,229	45,023	13,794
E911	2,150,000	2,150,000	2,021,053	(128,947)
Wireless Cellphone	2,650,000	2,650,000	2,700,122	50,122
Laboratories and Research	2,857,000	2,857,000	2,455,814	(401,186)
Law:				
Law	2,788,632	2,788,632	1,977,732	(810,900)
Risk Management	796,177	796,177	796,176	(1)
Parks, Recreation and Conservation	35,631,878	35,631,878	32,887,568	(2,744,310)
Planning	634,460	634,460	658,358	23,898
Probation	367,000	367,000	302,653	(64,347)
Public Administrator	250,000	250,000	380,580	130,580
Public Safety:				
Sheriff—Civil Division	1,050,000	1,050,000	987,824	(62,176)
Parkway Police	10,975,988	10,975,988	11,077,148	101,160
Taxi and Limousine Commission	2,286,850	2,286,850	2,638,254	351,404
Public Works:				
Engineering	3,551,270	3,551,270	2,024,378	(1,526,892)
White Plains	587,000	587,000	651,430	64,430
Leased and Owned Property	2,864,063	2,864,063	4,150,280	1,286,217
Valhalla Campus	524,377	524,377	375,435	(148,942)
Transportation	100,100	100,100	141,051	40,951
Central County Garage	523,874	523,874	412,301	(111,573)
Fleet Management	42,176	42,176	68,492	26,316
Social Services	4,300,000	4,300,000	3,850,878	(449,122)
Solid Waste Commission	1,843,745	1,843,745	1,874,897	31,152
Tax Commission	200	200	158	(42)
Transportation:				
Administration	64,949	64,949	64,949	—
Bus Operations	38,497,500	38,497,500	38,020,933	(476,567)
Weights, Measures, Consumer Protection	3,079,000	3,079,000	3,019,172	(59,828)
 Total Departmental Income	 151,405,650	 151,405,650	 145,267,998	 (6,137,652)
 <b>EARNINGS ON INVESTMENTS</b>	 —	 —	 209,324	 209,324

continued

**Westchester County**  
**General Fund—**  
**Schedule of Revenues and Other Financing**  
**Sources Compared to Budget (cont'd)**  
**Year Ended December 31, 2017**

**Exhibit F-3**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>MISCELLANEOUS REVENUES:</b>				
Auto Use Tax	\$ 16,452,000	\$ 16,452,000	\$ 16,168,942	\$ (283,058)
Harness Racing Admissions Tax	6,000	6,000	3,048	(2,952)
Hotel Tax	6,681,000	6,681,000	6,449,824	(231,176)
Mortgage Tax	19,014,000	19,014,000	20,141,856	1,127,856
Payments in Lieu of Taxes	10,700,000	10,700,000	10,375,346	(324,654)
Services to WCHCC	7,933,480	7,933,480	7,266,477	(667,003)
Intergovernmental Transfer	60,000,000	60,000,000	55,284,600	(4,715,400)
Other	11,429,624	11,429,624	12,593,179	1,163,555
<b>Total Miscellaneous Revenues</b>	<b>132,216,104</b>	<b>132,216,104</b>	<b>128,283,272</b>	<b>(3,932,832)</b>
<b>Total Revenues</b>	<b>1,782,783,083</b>	<b>1,782,783,083</b>	<b>1,748,953,527</b>	<b>(33,829,556)</b>
<b>OTHER FINANCING SOURCES:</b>				
Bonds Issued	8,500,000	8,500,000	5,764,637	(2,735,363)
Bonds Premium	—	—	1,067,389	1,067,389
	<b>8,500,000</b>	<b>8,500,000</b>	<b>6,832,026</b>	<b>(1,667,974)</b>
<b>Transfers In:</b>				
Sewer Districts Fund	86,950	86,950	86,950	—
Tobacco Settlement Revenues	2,000,000	2,000,000	1,734,702	(265,298)
Capital Projects Fund	1,641,748	1,641,748	2,098,987	457,239
Airport Fund	15,000,000	15,000,000	—	(15,000,000)
	<b>18,728,698</b>	<b>18,728,698</b>	<b>3,920,639</b>	<b>(14,808,059)</b>
<b>Total Other Financing Sources</b>	<b>27,228,698</b>	<b>27,228,698</b>	<b>10,752,665</b>	<b>(16,476,033)</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 1,810,011,781</b>	<b>\$ 1,810,011,781</b>	<b>\$ 1,759,706,192</b>	<b>\$ (50,305,589)</b>

See independent auditors' report

**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget**  
Year Ended December 31, 2017

**Exhibit F-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>GENERAL GOVERNMENT:</b>				
<b>Board of Legislators:</b>				
Personal services	\$ 4,012,187	\$ 4,012,187	\$ 4,004,688	\$ 7,499
Equipment	3,600	3,600	3,600	—
Materials and supplies	167,851	167,851	166,689	1,162
Contractual	339,830	339,830	321,709	18,121
	<u>4,523,468</u>	<u>4,523,468</u>	<u>4,496,686</u>	<u>26,782</u>
<b>County Executive:</b>				
<b>Office of the County Executive, Governmental Relations and Communications:</b>				
Personal services	1,983,101	1,903,286	1,844,349	58,937
Materials and supplies	55,862	84,429	83,122	1,307
Contractual	191,583	212,618	133,341	79,277
	<u>2,230,546</u>	<u>2,200,333</u>	<u>2,060,812</u>	<u>139,521</u>
Less services to other departments	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>—</u>
	<u>2,120,546</u>	<u>2,090,333</u>	<u>1,950,812</u>	<u>139,521</u>
<b>Office for People with Disabilities:</b>				
Personal services	704,848	704,848	704,472	376
Materials and supplies	7,500	7,500	6,799	701
Contractual	207,478	212,819	211,360	1,459
	<u>919,826</u>	<u>925,167</u>	<u>922,631</u>	<u>2,536</u>
Less services to other departments	<u>228,301</u>	<u>228,301</u>	<u>357,266</u>	<u>128,965</u>
	<u>691,525</u>	<u>696,866</u>	<u>565,365</u>	<u>131,501</u>
<b>Office of Economic Development:</b>				
Personal services	263,075	263,075	212,186	50,889
Materials and supplies	10,658	7,158	2,315	4,843
Contractual	151,721	131,561	36,073	95,488
	<u>425,454</u>	<u>401,794</u>	<u>250,574</u>	<u>151,220</u>
<b>Office of Economic Development-Tourism:</b>				
Personal services	358,902	358,902	301,639	57,263
Materials and supplies	16,650	11,150	10,190	960
Contractual	594,749	580,620	452,448	128,172
	<u>970,301</u>	<u>950,672</u>	<u>764,277</u>	<u>186,395</u>
	<u>1,395,755</u>	<u>1,352,466</u>	<u>1,014,851</u>	<u>337,615</u>
<b>Advocacy and Community Services:</b>				
Personal services	721,823	781,423	764,746	16,677
Materials and supplies	9,858	9,858	7,244	2,614
Contractual	30,572	27,941	12,729	15,212
	<u>762,253</u>	<u>819,222</u>	<u>784,719</u>	<u>34,503</u>
Less services to other departments	<u>49,868</u>	<u>49,868</u>	<u>—</u>	<u>(49,868)</u>
	<u>712,385</u>	<u>769,354</u>	<u>784,719</u>	<u>(15,365)</u>

continued

**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
Year Ended December 31, 2017

**Exhibit F-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>County Executive: (cont'd)</b>				
<b>Office for Women:</b>				
Personal services	\$ 448,687	\$ 448,687	\$ 382,330	\$ 66,357
Materials and supplies	4,000	4,000	3,598	402
Contractual	1,465,453	1,465,546	1,086,197	379,349
	1,918,140	1,918,233	1,472,125	446,108
Less services to other departments	372,231	372,231	302,103	(70,128)
	1,545,909	1,546,002	1,170,022	375,980
<b>Office of Energy Conservation:</b>				
Personal services	61,800	63,448	63,448	—
Materials and supplies	100	100	—	100
Contractual	14,116	14,116	1,402	12,714
	76,016	77,664	64,850	12,814
Total County Executive	6,542,136	6,532,685	5,550,619	982,066
<b>Board of Acquisition and Contract:</b>				
Personal services	221,722	222,215	222,215	—
Materials and supplies	1,400	1,400	1,299	101
Contractual	45,994	45,501	44,050	1,451
	269,116	269,116	267,564	1,552
<b>Board of Elections:</b>				
Personal services	7,345,014	7,345,014	7,101,959	243,055
Equipment	72,000	72,000	6,430	65,570
Materials and supplies	1,820,525	1,820,525	1,714,258	106,267
Contractual	6,379,034	6,379,034	5,221,226	1,157,808
	15,616,573	15,616,573	14,043,873	1,572,700
<b>Department of Human Resources:</b>				
Personal services	3,392,033	3,392,033	3,248,170	143,863
Materials and supplies	39,442	39,442	22,791	16,651
Contractual	1,270,410	1,270,410	1,115,398	155,012
	4,701,885	4,701,885	4,386,359	315,526
Less services to other departments	509,527	509,527	512,441	2,914
	4,192,358	4,192,358	3,873,918	318,440
<b>Department of Budget:</b>				
Personal services	1,363,729	1,363,729	1,363,728	1
Materials and supplies	3,650	3,650	2,856	794
Contractual	231,540	231,540	229,080	2,460
	1,598,919	1,598,919	1,595,664	3,255
<b>Department of Finance:</b>				
<b>Administration:</b>				
Personal services	2,817,444	2,765,815	2,654,874	110,941
Materials and supplies	33,327	33,327	30,547	2,780
Contractual	995,130	995,052	848,868	146,184
	3,845,901	3,794,194	3,534,289	259,905

continued



**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
**Year Ended December 31, 2017**

**Exhibit F-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Department of Finance: (cont'd)</b>				
<b>Bureau of Purchase and Supply:</b>				
Personal services	\$ 974,273	\$ 974,273	\$ 965,240	\$ 9,033
Materials and supplies	7,625	7,625	5,262	2,363
Contractual	95,035	95,113	92,114	2,999
	<u>1,076,933</u>	<u>1,077,011</u>	<u>1,062,616</u>	<u>14,395</u>
<b>Financial Compliance:</b>				
Personal services	332,353	383,982	383,981	1
Contractual	2,505	2,505	—	2,505
	<u>334,858</u>	<u>386,487</u>	<u>383,981</u>	<u>2,506</u>
Total Department of Finance	<u>5,257,692</u>	<u>5,257,692</u>	<u>4,980,886</u>	<u>276,806</u>
<b>Department of Information Technology:</b>				
<b>E911:</b>				
Personal services	407,876	407,877	327,702	80,175
Equipment	35,625	35,625	9,625	26,000
Contractual	2,086,268	1,634,268	1,526,412	107,856
	<u>2,529,769</u>	<u>2,077,770</u>	<u>1,863,739</u>	<u>214,031</u>
Less transfer to debt service	261,802	261,802	261,802	—
	<u>2,267,967</u>	<u>1,815,968</u>	<u>1,601,937</u>	<u>214,031</u>
<b>Wireless Cellphone:</b>				
Personal services	5,916,870	5,916,870	5,596,006	320,864
Equipment	88,972	88,972	59,902	29,070
Materials and supplies	12,200	11,200	8,485	2,715
Contractual	1,977,266	2,043,405	1,775,978	267,427
	<u>7,995,308</u>	<u>8,060,447</u>	<u>7,440,371</u>	<u>620,076</u>
Less transfer to debt service	47,457	47,457	47,457	—
	<u>7,947,851</u>	<u>8,012,990</u>	<u>7,392,914</u>	<u>620,076</u>
<b>Records Center:</b>				
Personal services	486,794	487,794	487,276	518
Materials and supplies	18,406	17,406	15,029	2,377
Contractual	847,522	855,022	824,316	30,706
	<u>1,352,722</u>	<u>1,360,222</u>	<u>1,326,621</u>	<u>33,601</u>
Less services to other departments	1,740,720	1,740,720	1,699,913	(40,807)
	<u>(387,998)</u>	<u>(380,498)</u>	<u>(373,292)</u>	<u>(7,206)</u>
<b>Information Technology:</b>				
Personal services	9,593,686	9,592,686	9,485,870	106,816
Equipment	40,222	40,222	—	40,222
Materials and supplies	242,434	244,434	199,727	44,707
Contractual	18,859,959	19,124,270	18,050,109	1,074,161
	<u>28,736,301</u>	<u>29,001,612</u>	<u>27,735,706</u>	<u>1,265,906</u>
Less transfer to debt service	2,372,273	2,372,273	2,372,273	—
Less services to other departments	31,859,961	31,859,961	31,949,144	89,183
	<u>(5,495,933)</u>	<u>(5,230,622)</u>	<u>(6,585,711)</u>	<u>1,355,089</u>

continued

**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
Year Ended December 31, 2017

**Exhibit F-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Department of Information Technology: (cont'd)</b>				
<b>Support Services:</b>				
Personal services	\$ 513,146	\$ 513,146	\$ 500,787	\$ 12,359
Equipment	500	500	—	500
Materials and supplies	4,500	4,500	4,144	356
Contractual	17,000	131,050	128,483	2,567
	535,146	649,196	633,414	15,782
Less services to other departments	234,411	234,411	265,413	31,002
	300,735	414,785	368,001	46,784
Total Department of Information Technology	4,632,622	4,632,623	2,403,849	2,228,774
<b>Department of Law:</b>				
<b>Law:</b>				
Personal services	8,158,953	8,158,952	7,919,348	239,604
Equipment	46,658	46,658	40,901	5,757
Materials and supplies	67,339	67,339	42,605	24,734
Contractual	1,950,576	1,950,576	1,344,411	606,165
	10,223,526	10,223,525	9,347,265	876,260
Less services to other departments	10,467,380	10,467,380	8,616,416	(1,850,964)
	(243,854)	(243,855)	730,849	(974,704)
<b>Risk Management:</b>				
Personal services	424,780	424,781	424,780	1
Materials and supplies	2,330	2,330	1,013	1,317
Contractual	97,958	97,958	43,356	54,602
	525,068	525,069	469,149	55,920
Total Department of Law	281,214	281,214	1,199,998	(918,784)
<b>Department of Planning:</b>				
Personal services	2,197,873	2,197,873	2,166,066	31,807
Materials and supplies	11,450	11,450	7,767	3,683
Contractual	1,989,689	1,989,689	1,904,544	85,145
	4,199,012	4,199,012	4,078,377	120,635
Less services to other departments	40,000	40,000	40,022	22
	4,159,012	4,159,012	4,038,355	120,657
<b>County Clerk:</b>				
Personal services	4,514,559	4,514,559	4,155,544	359,015
Equipment	5,810	5,810	5,635	175
Materials and supplies	137,500	137,500	102,359	35,141
Contractual	2,107,759	2,107,759	1,750,178	357,581
	6,765,628	6,765,628	6,013,716	751,912
<b>Tax Commission:</b>				
Personal services	168,982	168,928	146,456	22,472
Materials and supplies	500	554	553	1
Contractual	36,192	36,192	32,479	3,713
	205,674	205,674	179,488	26,186

continued

**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
Year Ended December 31, 2017

**Exhibit F-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Public Administrator:</b>				
Personal services	\$ 562,646	\$ 562,646	\$ 558,962	\$ 3,684
Equipment	1,000	1,000	-	1,000
Materials and supplies	5,127	5,127	1,878	3,249
Contractual	150,621	150,621	141,046	9,575
	<u>719,394</u>	<u>719,394</u>	<u>701,886</u>	<u>17,508</u>
<b>Department of Public Works:</b>				
<b>Administration:</b>				
Personal services	838,899	838,899	827,326	11,573
<b>Engineering:</b>				
Personal services	5,340,505	5,309,233	4,669,853	639,380
Equipment	—	4,000	3,750	250
Materials and supplies	23,000	25,208	24,971	237
Contractual	983,267	1,067,267	1,066,808	459
	<u>6,346,772</u>	<u>6,405,708</u>	<u>5,765,382</u>	<u>640,326</u>
<b>Operations—White Plains:</b>				
Personal services	2,099,827	2,078,559	1,952,288	126,271
Equipment	6,480	5,178	5,178	—
Materials and supplies	3,368,000	3,367,487	3,334,228	33,259
Contractual	5,031,815	4,950,615	3,694,893	1,255,722
	<u>10,506,122</u>	<u>10,401,839</u>	<u>8,986,587</u>	<u>1,415,252</u>
Less services to other departments	<u>7,065,576</u>	<u>7,065,576</u>	<u>7,230,906</u>	<u>165,330</u>
	<u>3,440,546</u>	<u>3,336,263</u>	<u>1,755,681</u>	<u>1,580,582</u>
<b>Leased and Owned Property:</b>				
Personal services	801,898	802,435	802,434	1
Equipment	2,975	2,975	2,389	586
Materials and supplies	1,067,912	1,067,912	1,024,600	43,312
Contractual	11,517,833	11,523,833	10,770,273	753,560
	<u>13,390,618</u>	<u>13,397,155</u>	<u>12,599,696</u>	<u>797,459</u>
Less services to other departments	<u>11,177,425</u>	<u>11,177,425</u>	<u>10,853,632</u>	<u>(323,793)</u>
	<u>2,213,193</u>	<u>2,219,730</u>	<u>1,746,064</u>	<u>473,666</u>
<b>Operations—Valhalla:</b>				
Personal services	3,227,855	3,112,258	3,082,474	29,784
Equipment	18,350	15,652	15,059	593
Materials and supplies	9,077,106	10,031,489	10,031,489	—
Contractual	2,678,095	1,837,095	1,820,467	16,628
	<u>15,001,406</u>	<u>14,996,494</u>	<u>14,949,489</u>	<u>47,005</u>
Less services to other departments	<u>18,182,268</u>	<u>18,182,268</u>	<u>16,229,635</u>	<u>(1,952,633)</u>
	<u>(3,180,862)</u>	<u>(3,185,774)</u>	<u>(1,280,146)</u>	<u>(1,905,628)</u>
<b>Garage Operations:</b>				
Personal services	1,605,430	1,659,160	1,652,572	6,588
Equipment	22,700	22,700	21,965	735
Materials and supplies	606,689	606,689	547,581	59,108
Contractual	566,081	559,081	481,298	77,783
	<u>2,800,900</u>	<u>2,847,630</u>	<u>2,703,416</u>	<u>144,214</u>
Less services to other departments	<u>2,152,094</u>	<u>2,152,094</u>	<u>1,541,118</u>	<u>(610,976)</u>
	<u>648,806</u>	<u>695,536</u>	<u>1,162,298</u>	<u>(466,762)</u>

continued

**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
**Year Ended December 31, 2017**

**Exhibit F-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Department of Public Works: (Cont'd)</b>				
<b>Fleet Operations:</b>				
Personal services	\$ 314,594	\$ 315,594	\$ 315,380	\$ 214
Equipment	3,350	3,350	2,330	1,020
Materials and supplies	105,453	105,453	102,898	2,555
Contractual	388,752	386,752	208,166	178,586
	812,149	811,149	628,774	182,375
Less services to other departments	1,152,950	1,152,950	1,304,978	152,028
	(340,801)	(341,801)	(676,204)	334,403
Total Department of Public Works	9,966,553	9,968,561	9,300,401	668,160
<b>Solid Waste Commission:</b>				
Personal services	1,224,410	1,224,410	1,093,407	131,003
Equipment	31,000	31,000	26,664	4,336
Materials and supplies	29,900	29,900	16,164	13,736
Contractual	578,068	578,068	455,204	122,864
	1,863,378	1,863,378	1,591,439	271,939
<b>Other:</b>				
Certiorari proceedings	7,000,000	7,468,562	7,468,562	—
County membership fees	99,000	99,000	87,469	11,531
Ethics Commission	7,000	7,000	—	7,000
Human Rights Commission	1,123,311	1,123,311	789,367	333,944
Independent audit and control	510,850	510,850	510,850	—
In rem proceedings	1,000	1,000	—	1,000
Insurance premiums	621,106	621,106	577,321	43,785
Municipal sales tax distribution	112,070,000	114,457,964	114,457,963	1
Public Employment Relations Board	1,000	1,000	—	1,000
Services to WCHCC	7,933,480	7,933,480	7,241,735	691,745
Statutory charges	96,079	130,013	130,012	1
Tax on County property	1,738,000	1,738,000	1,614,636	123,364
Tourism	979,650	979,650	948,124	31,526
Contingency	15,000,000	7,933,484	—	7,933,484
Workers' compensation	10,100,000	11,300,000	11,300,000	—
	157,280,476	154,304,420	145,126,039	9,178,381
Total General Government	223,874,213	220,890,715	205,364,381	15,526,334
<b>EDUCATION:</b>				
<b>Department of Health:</b>				
Education/Services for Children with Disabilities	110,711,897	112,259,893	112,253,621	6,272
<b>Other:</b>				
Employee tuition	500,000	500,000	494,631	5,369
Resident tuition—other community colleges	5,850,000	7,084,832	7,084,832	—
Westchester Community College	29,833,371	29,833,371	29,833,371	—
	36,183,371	37,418,203	37,412,834	5,369
Total Education	146,895,268	149,678,096	149,666,455	11,641

continued

**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
Year Ended December 31, 2017

**Exhibit F-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>PUBLIC SAFETY:</b>				
<b>Department of Corrections:</b>				
<b>Administration:</b>				
Personal services	\$ 7,491,660	\$ 8,644,494	\$ 8,644,492	\$ 2
Materials and supplies	218,171	225,410	208,969	16,441
Contractual	25,039,947	24,828,202	24,585,325	242,877
	<u>32,749,778</u>	<u>33,698,106</u>	<u>33,438,786</u>	<u>259,320</u>
<b>Jail Division:</b>				
Personal services	60,201,010	67,427,823	67,420,097	7,726
Equipment	282,372	282,372	155,168	127,204
Materials and supplies	961,630	798,543	772,090	26,453
Contractual	6,241,858	5,235,155	5,231,665	3,490
	<u>67,686,870</u>	<u>73,743,893</u>	<u>73,579,020</u>	<u>164,873</u>
<b>Penitentiary:</b>				
Personal services	21,424,920	23,105,158	23,105,158	—
Materials and supplies	462,190	618,038	585,931	32,107
Contractual	1,113,321	1,106,327	976,718	129,609
	<u>23,000,431</u>	<u>24,829,523</u>	<u>24,667,807</u>	<u>161,716</u>
Less services to other departments	137,400	137,400	129,099	(8,301)
	<u>22,863,031</u>	<u>24,692,123</u>	<u>24,538,708</u>	<u>153,415</u>
Total Department of Corrections	<u>123,299,679</u>	<u>132,134,122</u>	<u>131,556,514</u>	<u>577,608</u>
<b>District Attorney:</b>				
Personal services	23,821,650	23,844,178	23,837,527	6,651
Equipment	187,769	187,769	110,760	77,009
Materials and supplies	315,544	315,544	249,853	65,691
Contractual	3,251,522	3,228,994	2,983,969	245,025
	<u>27,576,485</u>	<u>27,576,485</u>	<u>27,182,109</u>	<u>394,376</u>
<b>Department of Public Safety:</b>				
<b>Services Division:</b>				
Personal services	4,611,206	4,599,252	4,599,251	1
Materials and supplies	90,288	84,288	77,845	6,443
Contractual	572,467	627,317	589,480	37,837
	<u>5,273,961</u>	<u>5,310,857</u>	<u>5,266,576</u>	<u>44,281</u>
<b>Police Division:</b>				
Personal services	31,841,205	36,836,442	36,836,441	1
Equipment	273,480	273,480	243,302	30,178
Materials and supplies	1,401,394	1,328,394	1,269,865	58,529
Contractual	5,288,047	5,094,140	4,950,406	143,734
	<u>38,804,126</u>	<u>43,532,456</u>	<u>43,300,014</u>	<u>232,442</u>
Less services to other departments	10,706,779	10,706,779	10,675,771	(31,008)
	<u>28,097,347</u>	<u>32,825,677</u>	<u>32,624,243</u>	<u>201,434</u>

continued

**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
Year Ended December 31, 2017

**Exhibit F-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>County Police Academy:</b>				
Personal services	\$ 1,391,954	\$ 1,534,230	\$ 1,534,229	\$ 1
Equipment	11,244	11,244	8,465	2,779
Materials and supplies	330,422	314,422	255,219	59,203
Contractual	832,336	790,980	691,261	99,719
	<u>2,565,956</u>	<u>2,650,876</u>	<u>2,489,174</u>	<u>161,702</u>
Less services to other departments	<u>248,092</u>	<u>248,092</u>	<u>205,787</u>	<u>(42,305)</u>
	<u>2,317,864</u>	<u>2,402,784</u>	<u>2,283,387</u>	<u>119,397</u>
<b>Parkway Patrol:</b>				
Personal services	<u>3,035,424</u>	<u>3,537,859</u>	<u>3,537,858</u>	<u>1</u>
<b>Taxi and Limousine Commission:</b>				
Personal services	934,724	990,833	990,832	1
Equipment	28,424	28,424	7,107	21,317
Materials and supplies	33,171	33,171	28,359	4,812
Contractual	432,732	421,038	347,883	73,155
	<u>1,429,051</u>	<u>1,473,466</u>	<u>1,374,181</u>	<u>99,285</u>
Total Department of Public Safety	<u>40,153,647</u>	<u>45,550,643</u>	<u>45,086,245</u>	<u>464,398</u>
<b>Department of Emergency Services:</b>				
Personal services	2,057,445	2,057,445	1,973,312	84,133
Equipment	12,000	12,000	6,103	5,897
Materials and supplies	219,770	219,770	179,698	40,072
Contractual	3,851,416	3,851,416	3,271,283	580,133
	<u>6,140,631</u>	<u>6,140,631</u>	<u>5,430,396</u>	<u>710,235</u>
Less services to other departments	<u>319,751</u>	<u>319,751</u>	<u>319,751</u>	<u>—</u>
	<u>5,820,880</u>	<u>5,820,880</u>	<u>5,110,645</u>	<u>710,235</u>
<b>Department of Probation:</b>				
Personal services	17,228,409	17,228,409	16,493,851	734,558
Equipment	24,047	24,047	19,881	4,166
Materials and supplies	188,569	188,569	109,467	79,102
Contractual	9,246,526	9,246,526	8,759,523	487,003
	<u>26,687,551</u>	<u>26,687,551</u>	<u>25,382,722</u>	<u>1,304,829</u>
Less services to other departments	<u>1,530,124</u>	<u>1,530,124</u>	<u>1,508,185</u>	<u>(21,939)</u>
	<u>25,157,427</u>	<u>25,157,427</u>	<u>23,874,537</u>	<u>1,282,890</u>
<b>Other:</b>				
Court ordered medical examinations	1,000	1,000	—	1,000
Legal Aid Society of Westchester	11,640,808	11,641,914	11,641,913	1
Legal services—Indigent defendants—Felony	4,768,248	4,768,248	4,443,868	324,380
Legal services—Indigent defendants—Misdemeanor	5,994,322	6,318,265	6,318,265	—
Legal services-Hudson Valley	600,516	600,516	590,466	10,050
Legal services-Peekskill	107,220	107,220	107,220	—
State court facilities	15,619,048	15,619,048	15,344,504	274,544
	<u>38,731,162</u>	<u>39,056,211</u>	<u>38,446,236</u>	<u>609,975</u>
Less transfer to debt service	<u>8,154,992</u>	<u>8,154,992</u>	<u>8,154,812</u>	<u>(180)</u>
	<u>30,576,170</u>	<u>30,901,219</u>	<u>30,291,424</u>	<u>609,795</u>
Total Public Safety	<u>252,584,288</u>	<u>267,140,776</u>	<u>263,101,474</u>	<u>4,039,302</u>

continued

**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
**Year Ended December 31, 2017**

**Exhibit F-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>HEALTH:</b>				
<b>Community Mental Health Services:</b>				
Personal services	\$ 2,797,601	\$ 2,797,601	\$ 2,730,178	\$ 67,423
Materials and supplies	30,750	30,750	14,965	15,785
Contractual	5,864,675	5,864,675	5,553,513	311,162
	8,693,026	8,693,026	8,298,656	394,370
Less transfers out	1,191,222	1,191,222	1,032,565	(158,657)
Less services to other departments	973,996	973,996	889,886	(84,110)
	6,527,808	6,527,808	6,376,205	151,603
<b>Department of Health:</b>				
Personal services	14,465,665	14,612,350	14,612,100	250
Equipment	24,900	24,900	19,683	5,217
Materials and supplies	446,444	446,444	415,977	30,467
Contractual	113,484,047	114,902,681	114,685,237	217,444
	128,421,056	129,986,375	129,732,997	253,378
Less transfer to education	110,711,897	112,259,893	112,253,621	(6,272)
Less services to other departments	158,000	158,000	145,848	(12,152)
	17,551,159	17,568,482	17,333,528	234,954
<b>Department of Laboratories and Research:</b>				
Personal services	8,271,396	8,271,396	8,123,394	148,002
Materials and supplies	1,209,259	1,209,259	1,089,682	119,577
Contractual	3,981,442	3,981,442	3,765,706	215,736
	13,462,097	13,462,097	12,978,782	483,315
Less services to other departments	21,000	21,000	4,543	(16,457)
	13,441,097	13,441,097	12,974,239	466,858
Total Health	37,520,064	37,537,387	36,683,972	853,415
<b>TRANSPORTATION:</b>				
<b>Department of Transportation:</b>				
Personal services	1,093,239	1,093,239	1,019,175	74,064
Materials and supplies	1,432,315	1,432,315	1,397,783	34,532
Contractual	155,601,836	156,475,316	156,421,216	54,100
	158,127,390	159,000,870	158,838,174	162,696
Less services to other departments	444,956	444,956	431,658	(13,298)
	157,682,434	158,555,914	158,406,516	149,398
<b>County Road Maintenance:</b>				
Personal services	2,212,430	2,212,430	2,088,181	124,249
Equipment	17,800	17,800	17,738	62
Materials and supplies	891,747	889,539	683,662	205,877
Contractual	1,515,774	1,515,974	1,183,250	332,724
	4,637,751	4,635,743	3,972,831	662,912
Less services to other departments	477,974	477,974	478,154	180
	4,159,777	4,157,769	3,494,677	663,092
Total Transportation	161,842,211	162,713,683	161,901,193	812,490

continued

**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
Year Ended December 31, 2017

**Exhibit F-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>ECONOMIC ASSISTANCE AND OPPORTUNITY:</b>				
<b>County Executive:</b>				
<b>Youth Bureau:</b>				
Personal services	\$ 485,859	\$ 485,859	\$ 402,864	\$ 82,995
Materials and supplies	4,162	3,162	1,356	1,806
Contractual	2,002,054	2,012,505	1,929,068	83,437
	2,492,075	2,501,526	2,333,288	168,238
Less services to other departments	412,220	412,220	336,356	(75,864)
	2,079,855	2,089,306	1,996,932	92,374
<b>Department of Social Services:</b>				
Personal services	70,957,087	70,957,087	70,114,090	842,997
Equipment	80	80	—	80
Materials and supplies	826,424	826,424	530,086	296,338
Contractual	57,132,841	57,132,841	54,347,414	2,785,427
Relief	474,642,206	456,919,955	445,970,851	10,949,104
	603,558,638	585,836,387	570,962,441	14,873,946
Total Economic Assistance and Opportunity	605,638,493	587,925,693	572,959,373	14,966,320
<b>CULTURE AND RECREATION:</b>				
<b>Department of Parks, Recreation and</b>				
<b>Conservation:</b>				
<b>General Services:</b>				
Personal services	5,887,911	6,045,481	6,045,479	2
Equipment	26,950	36,068	36,015	53
Materials and supplies	525,165	510,271	477,813	32,458
Contractual	4,253,653	4,276,276	4,012,983	263,293
	10,693,679	10,868,096	10,572,290	295,806
Less services to other departments	339,713	339,713	346,343	6,630
	10,353,966	10,528,383	10,225,947	302,436
<b>Golf Courses:</b>				
Personal services	3,414,847	3,417,982	3,417,973	9
Equipment	15,050	11,759	11,758	1
Materials and supplies	2,264,210	2,323,211	2,205,491	117,720
Contractual	2,574,778	2,561,362	2,474,012	87,350
	8,268,885	8,314,314	8,109,234	205,080
Less transfer to debt service	864,115	864,115	864,115	—
	7,404,770	7,450,199	7,245,119	205,080
<b>Parks:</b>				
Personal services	6,794,222	6,920,916	6,920,892	24
Equipment	75,094	78,460	77,575	885
Materials and supplies	2,461,106	2,479,632	2,322,092	157,540
Contractual	1,104,137	1,055,520	888,351	167,169
	10,434,559	10,534,528	10,208,910	325,618

continued



**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
Year Ended December 31, 2017

**Exhibit F-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Department of Parks, Recreation and Conservation: (cont'd)</b>				
<b>Playland:</b>				
Personal services	\$ 3,915,702	\$ 3,934,554	\$ 3,934,553	\$ 1
Equipment	23,160	22,761	22,760	1
Materials and supplies	1,280,790	1,251,424	1,196,783	54,641
Contractual	6,141,145	5,884,366	5,615,330	269,036
	11,360,797	11,093,105	10,769,426	323,679
Less transfer to debt service	2,723,193	2,723,193	2,723,193	—
	8,637,604	8,369,912	8,046,233	323,679
<b>Parkways:</b>				
Personal services	979,824	982,649	982,646	3
Equipment	4,240	2,949	2,949	—
Materials and supplies	220,495	210,999	193,726	17,273
Contractual	131,895	124,095	93,961	30,134
	1,336,454	1,320,692	1,273,282	47,410
<b>Recreation:</b>				
Personal services	2,223,704	2,233,432	2,233,428	4
Equipment	51,230	43,750	40,085	3,665
Materials and supplies	908,545	883,343	880,922	2,421
Contractual	2,176,979	2,185,010	2,176,458	8,552
	5,360,458	5,345,535	5,330,893	14,642
Less transfer to debt service	1,190,427	1,190,427	1,190,427	—
	4,170,031	4,155,108	4,140,466	14,642
<b>Conservation:</b>				
Personal services	350,138	335,792	335,789	3
Equipment	550	527	527	—
Materials and supplies	71,075	63,506	49,753	13,753
Contractual	3,916	4,416	1,251	3,165
	425,679	404,241	387,320	16,921
<b>Total Department of Parks, Recreation and Conservation</b>	<b>42,763,063</b>	<b>42,763,063</b>	<b>41,527,277</b>	<b>1,235,786</b>
<b>Other:</b>				
Arts in Westchester	1,643,437	1,643,437	1,624,350	19,087
Hudson River Museum	677,000	677,000	677,000	—
Westchester Historical Society	129,000	129,000	129,000	—
Westchester Library System	1,050,000	1,050,000	1,050,000	—
	3,499,437	3,499,437	3,480,350	19,087
<b>Total Culture and Recreation</b>	<b>46,262,500</b>	<b>46,262,500</b>	<b>45,007,627</b>	<b>1,254,873</b>

continued

**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
Year Ended December 31, 2017

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>HOME AND COMMUNITY SERVICES:</b>				
<b>Department of Senior Programs and Services:</b>				
Contractual	\$ 3,485,313	\$ 3,485,313	\$ 3,485,312	\$ 1
Less transfers out	2,608,736	2,403,937	2,403,937	—
Less services to other departments	235,850	235,850	235,850	—
	640,727	845,526	845,525	1
<b>Weights, Measures, Consumer Protection:</b>				
Personal services	1,621,301	1,621,301	1,417,839	203,462
Equipment	34,819	34,819	32,470	2,349
Materials and supplies	44,300	44,300	36,442	7,858
Contractual	333,382	333,382	314,877	18,505
	2,033,802	2,033,802	1,801,628	232,174
<b>Other:</b>				
Westchester County Extension Service	576,000	577,066	577,065	1
Community Based Initiatives	2,673,061	2,673,061	1,819,712	853,349
	3,249,061	3,250,127	2,396,777	853,350
Total Home and Community Services	5,923,590	6,129,455	5,043,930	1,085,525
<b>EMPLOYEE BENEFITS:</b>				
State retirement system	66,861,483	67,286,438	67,286,437	1
Social security	25,717,343	26,678,918	26,678,918	—
Metropolitan commuter transportation mobility tax	1,302,034	1,330,613	1,330,612	1
Employee health insurance	152,992,897	152,992,897	150,745,294	2,247,603
Unemployment and union benefits	4,852,487	4,852,487	4,498,844	353,643
Total Employee Benefits	251,726,244	253,141,353	250,540,105	2,601,248
<b>DEBT SERVICE:</b>				
<b>Principal:</b>				
Bonds	66,335,253	66,335,253	66,335,252	1
Capital Lease Obligations	7,183,750	7,183,750	7,183,750	—
Total Debt Service Principal	73,519,003	73,519,003	73,519,002	1
<b>Interest:</b>				
Bonds	20,760,070	20,760,070	20,760,070	—
Capital Lease Obligations	971,242	971,242	971,062	180
Tax Anticipation Notes	675,000	659,167	659,167	—
Bond Anticipation Notes	—	1,133,845	1,133,845	—
Total Debt Service Interest	22,406,312	23,524,324	23,524,144	180
Costs of Issuance	1,144,077	1,078,077	1,077,381	696
Total Debt Service	97,069,392	98,121,404	98,120,527	877
Total Expenditures	1,829,336,263	1,829,541,062	1,788,389,037	41,152,025

**Westchester County**  
**General Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget (cont'd)**  
**Year Ended December 31, 2017**

**Exhibit F-4**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>OTHER FINANCING USES:</b>				
<b>Transfers Out:</b>				
Department Transfers to Other Funds:				
Grants Fund for:				
Community Mental Health	1,191,222	1,191,222	1,032,565	158,657
Senior Programs and Services	2,608,736	2,403,937	2,403,937	—
	3,799,958	3,595,159	3,436,502	158,657
Other:				
Sewer Districts Fund	\$ 23,750	\$ 23,750	\$ 23,750	\$ —
Refuse Disposal District Fund	35,000	35,000	35,000	—
	58,750	58,750	58,750	—
Total Other Financing Uses	3,858,708	3,653,909	3,495,252	158,657
Total Expenditures and Other Financing Uses	<u>\$ 1,833,194,971</u>	<u>\$ 1,833,194,971</u>	<u>\$ 1,791,884,289</u>	<u>\$ 41,310,682</u>

See independent auditors' report

# Westchester County

## Combined Sewer Districts Fund—

### Comparative Balance Sheet

December 31, 2017 and 2016

Exhibit G-1

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash	\$ 5,000,400	\$ 4,000,400
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$108,561 in 2017 and 2016	1,411,816	765,167
Due from Other Funds	49,999,907	56,730,389
Prepaid Expenditures	<u>850,000</u>	<u>850,000</u>
Total Assets	<u>\$ 57,262,123</u>	<u>\$ 62,345,956</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities-</b>		
Accounts Payable and Accrued Liabilities	<u>\$ 3,682,720</u>	<u>\$ 3,496,441</u>
<b>Fund Balance:</b>		
Nonspendable	850,000	850,000
Assigned	<u>52,729,403</u>	<u>57,999,515</u>
Total Fund Balance	<u>53,579,403</u>	<u>58,849,515</u>
Total Liabilities and Fund Balance	<u>\$ 57,262,123</u>	<u>\$ 62,345,956</u>

See independent auditors' report

**Westchester County**  
**Sewer Districts Fund—**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Year Ended December 31, 2017**

	Department of Environ- mental Facilities	North Yonkers Pumping Station	Yonkers Joint Treatment Plant	Blind Brook	Bronx Valley	Central Yonkers	Hutchinson Valley	Mamaroneck Valley	New Rochelle
Revenues	\$ 5,752,427	\$ 23,537	\$ 200,798	\$ 9,759,728	\$ 20,975,216	\$ 1,323,294	\$ 5,886,518	\$ 16,984,054	\$ 21,705,526
Expenditures	73,863,240	1,744,643	9,868,537	8,950,584	23,009,185	1,402,601	6,282,410	18,883,511	21,496,718
Excess (Deficiency) of Revenues Over Expenditures	(68,110,813)	(1,721,106)	(9,667,739)	809,144	(2,033,969)	(79,307)	(395,892)	(1,899,457)	208,808
Other Financing Sources (Uses):									
Transfers In	68,110,813	1,731,406	9,715,239	—	—	31,842	71,378	20,423	11,000
Transfers Out	—	(10,300)	(47,500)	(4,400)	(1,050)	—	—	(5,500)	—
Total Other Financing Sources (Uses)	68,110,813	1,721,106	9,667,739	(4,400)	(1,050)	31,842	71,378	14,923	11,000
Net Change in Fund Balances	—	—	—	804,744	(2,035,019)	(47,465)	(324,514)	(1,884,534)	219,808
Fund Balances—Beginning of Year	—	—	—	3,555,862	14,953,630	1,434,231	5,709,874	10,310,457	2,624,115
Fund Balances—End of Year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4,360,606</u>	<u>\$ 12,918,611</u>	<u>\$ 1,386,766</u>	<u>\$ 5,385,360</u>	<u>\$ 8,425,923</u>	<u>\$ 2,843,923</u>

See independent auditors' report

**Exhibit G-2**

North Yonkers	Ossining	Peekskill	Port Chester	Saw Mill Valley	South Yonkers	Upper Bronx Valley	Eliminations	Totals
\$ 4,347,589	\$ 4,867,294	\$ 4,792,630	\$ 2,926,337	\$ 12,516,453	\$ 1,654,604	\$ 1,468,838	\$ —	\$ 115,184,843
4,773,642	4,323,796	4,869,764	3,174,045	14,918,237	1,625,154	1,398,769	(79,443,323)	121,141,513
(426,053)	543,498	(77,134)	(247,708)	(2,401,784)	29,450	70,069	79,443,323	(5,956,670)
168,392	7,710	12,750	—	335,878	—	—	(79,443,323)	773,508
—	(1,000)	—	(1,200)	(16,000)	—	—	—	(86,950)
168,392	6,710	12,750	(1,200)	319,878	—	—	(79,443,323)	686,558
(257,661)	550,208	(64,384)	(248,908)	(2,081,906)	29,450	70,069	—	(5,270,112)
2,484,888	1,118,450	1,363,995	1,155,213	12,206,486	1,093,562	838,752	—	58,849,515
<u>\$ 2,227,227</u>	<u>\$ 1,668,658</u>	<u>\$ 1,299,611</u>	<u>\$ 906,305</u>	<u>\$ 10,124,580</u>	<u>\$ 1,123,012</u>	<u>\$ 908,821</u>	<u>\$ —</u>	<u>\$ 53,579,403</u>

**Westchester County**  
**Combined Sewer Districts Fund—**  
**Comparative Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance—Budget and Actual**  
**Years Ended December 31, 2017 and 2016**

	2017			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES:</b>				
Taxes on Real Property	\$ 100,405,391	\$ 100,405,391	\$ 100,405,391	\$ —
Departmental Income	4,110,292	4,110,292	4,921,716	811,424
Earnings on Investments	9,265,809	9,265,809	8,759,325	(506,484)
Miscellaneous	680,000	680,000	1,098,411	418,411
Total Revenues	114,461,492	114,461,492	115,184,843	723,351
<b>EXPENDITURES:</b>				
Current:				
General Government	2,380,000	2,578,400	1,621,650	956,750
Home and Community Services	65,121,166	64,326,566	57,520,957	6,805,609
Employee Benefits	16,369,330	16,369,330	16,217,738	151,592
Debt Service	45,133,068	45,729,268	45,387,391	341,877
Capital Outlay	1,381,245	1,381,245	393,777	987,468
Total Expenditures	130,384,809	130,384,809	121,141,513	9,243,296
Deficiency of Revenues Over Expenditures	(15,923,317)	(15,923,317)	(5,956,670)	9,966,647
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	722,682	722,682	773,508	50,826
Transfers Out	(86,950)	(86,950)	(86,950)	—
Total Other Financing Sources	635,732	635,732	686,558	50,826
Net Change in Fund Balance	(15,287,585)	(15,287,585)	(5,270,112)	10,017,473
Fund Balance—Beginning of Year	15,287,585	15,287,585	58,849,515	43,561,930
Fund Balance—End of Year	\$ —	\$ —	\$ 53,579,403	\$ 53,579,403

See independent auditors' report

### Exhibit G-3

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 100,198,741	\$ 100,198,741	\$ 100,198,741	\$ —
3,874,882	3,874,882	4,415,166	540,284
8,688,783	8,688,783	8,657,337	(31,446)
514,943	514,943	573,400	58,457
113,277,349	113,277,349	113,844,644	567,295
2,854,000	2,854,000	1,479,621	1,374,379
65,167,938	64,154,038	56,323,145	7,830,893
15,504,383	15,846,783	15,447,497	399,286
45,404,778	46,076,278	45,619,213	457,065
1,390,289	1,390,289	538,287	852,002
130,321,388	130,321,388	119,407,763	10,913,625
(17,044,039)	(17,044,039)	(5,563,119)	11,480,920
1,059,476	1,059,476	1,059,476	—
(51,600)	(51,600)	(51,600)	—
1,007,876	1,007,876	1,007,876	—
(16,036,163)	(16,036,163)	(4,555,243)	11,480,920
16,036,163	16,036,163	63,404,758	47,368,595
\$ —	\$ —	\$ 58,849,515	\$ 58,849,515



# Westchester County

## Combined Sewer Districts Fund—

### Schedule of Revenues and Other Financing

### Sources Compared to Budget

Exhibit G-4

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Taxes on Real Property:				
Blind Brook	\$ 8,797,396	\$ 8,797,396	\$ 8,797,396	\$ —
Bronx Valley	20,224,840	20,224,840	20,224,840	—
Central Yonkers	1,260,057	1,260,057	1,260,057	—
Hutchinson Valley	5,598,045	5,598,045	5,598,045	—
Mamaroneck Valley	15,697,906	15,697,906	15,697,906	—
New Rochelle	18,313,701	18,313,701	18,313,701	—
North Yonkers	4,134,674	4,134,674	4,134,674	—
Ossining	4,547,203	4,547,203	4,547,203	—
Peekskill	4,509,007	4,509,007	4,509,007	—
Port Chester	2,500,449	2,500,449	2,500,449	—
Saw Mill Valley	11,795,308	11,795,308	11,795,308	—
South Yonkers	1,602,134	1,602,134	1,602,134	—
Upper Bronx Valley	1,424,671	1,424,671	1,424,671	—
	<u>100,405,391</u>	<u>100,405,391</u>	<u>100,405,391</u>	<u>—</u>
Departmental Income:				
Environmental Facilities	3,903,692	3,903,692	4,625,751	722,059
Blind Brook	150,000	150,000	289,345	139,345
Bronx Valley	56,600	56,600	6,620	(49,980)
	<u>4,110,292</u>	<u>4,110,292</u>	<u>4,921,716</u>	<u>811,424</u>
Earnings on Investments:				
Environmental Facilities	28,501	28,501	28,265	(236)
North Yonkers Pumping Station	38,300	38,300	23,537	(14,763)
Yonkers Joint Treatment Plant	149,780	149,780	200,798	51,018
Blind Brook	695,038	695,038	672,987	(22,051)
Bronx Valley	819,508	819,508	743,756	(75,752)
Central Yonkers	60,173	60,173	63,237	3,064
Hutchinson Valley	311,178	311,178	288,473	(22,705)
Mamaroneck Valley	1,346,138	1,346,138	1,286,148	(59,990)
New Rochelle	3,478,748	3,478,748	3,391,825	(86,923)
North Yonkers	217,062	217,062	212,915	(4,147)
Ossining	302,796	302,796	320,091	17,295
Peekskill	301,737	301,737	283,623	(18,114)
Port Chester	431,089	431,089	425,888	(5,201)
Saw Mill Valley	980,449	980,449	721,145	(259,304)
South Yonkers	54,583	54,583	52,470	(2,113)
Upper Bronx Valley	50,729	50,729	44,167	(6,562)
	<u>9,265,809</u>	<u>9,265,809</u>	<u>8,759,325</u>	<u>(506,484)</u>
Miscellaneous Revenues-				
Environmental Facilities	680,000	680,000	1,098,411	418,411
Total Revenues	<u>114,461,492</u>	<u>114,461,492</u>	<u>115,184,843</u>	<u>723,351</u>

continued

**Westchester County**  
**Combined Sewer Districts Fund—**  
**Schedule of Revenues and Other Financing**  
**Sources Compared to Budget (cont'd)**

**Exhibit G-4**

**Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers from General Fund to:				
New Rochelle	\$ 11,000	\$ 11,000	\$ 11,000	\$ —
Peekskill	12,750	12,750	12,750	—
	<u>23,750</u>	<u>23,750</u>	<u>23,750</u>	<u>—</u>
Transfers from Capital Projects Fund to:				
Environmental Facilities	621	621	621	—
Central Yonkers	31,810	31,810	31,842	32
Hutchinson Valley	71,378	71,378	71,378	—
Mamaroneck Valley	20,423	20,423	20,423	—
Saw Mill Valley	335,878	335,878	335,878	—
North Yonkers	168,392	168,392	168,392	—
Yonkers Joint Treatment Plant	62,720	62,720	113,514	50,794
Ossining	7,710	7,710	7,710	—
	<u>698,932</u>	<u>698,932</u>	<u>749,758</u>	<u>50,826</u>
Total Other Financing Sources	<u>722,682</u>	<u>722,682</u>	<u>773,508</u>	<u>50,826</u>
Total Revenues and Other Financing Sources	<u>\$ 115,184,174</u>	<u>\$ 115,184,174</u>	<u>\$ 115,958,351</u>	<u>\$ 774,177</u>

**Westchester County**  
**Combined Sewer Districts Fund—**  
**Schedule of Expenditures and Other Financing**  
**Uses Compared to Budget**  
**Year Ended December 31, 2017**

**Exhibit G-5**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>EXPENDITURES:</b>				
<b>General Government:</b>				
Blind Brook	\$ 75,000	\$ 95,700	\$ 95,657	\$ 43
Bronx Valley	675,000	675,000	510,610	164,390
Central Yonkers	30,000	30,000	15,142	14,858
Hutchinson Valley	130,000	130,000	65,081	64,919
Mamaroneck Valley	300,000	477,700	477,617	83
New Rochelle	225,000	225,000	108,227	116,773
North Yonkers	125,000	125,000	65,953	59,047
Ossining	75,000	75,000	10,045	64,955
Peekskill	75,000	75,000	6,044	68,956
Port Chester	20,000	20,000	7,485	12,515
Saw Mill Valley	500,000	500,000	228,830	271,170
South Yonkers	75,000	75,000	13,514	61,486
Upper Bronx Valley	75,000	75,000	17,445	57,555
	<u>2,380,000</u>	<u>2,578,400</u>	<u>1,621,650</u>	<u>956,750</u>
<b>Home and Community Services:</b>				
<b>Personal Services-</b>				
Environmental Facilities	<u>20,779,643</u>	<u>20,779,643</u>	<u>20,279,644</u>	<u>499,999</u>
<b>Equipment-</b>				
Environmental Facilities	<u>334,338</u>	<u>334,338</u>	<u>182,192</u>	<u>152,146</u>
<b>Materials and Supplies-</b>				
Environmental Facilities	<u>18,978,711</u>	<u>18,978,711</u>	<u>16,359,751</u>	<u>2,618,960</u>
<b>Contractual:</b>				
Environmental Facilities	23,265,918	23,208,418	19,571,661	3,636,757
North Yonkers Pumping Station	28,000	11,100	11,043	57
Yonkers Joint Treatment Plant	165,000	148,400	148,381	19
Blind Brook	6,491,883	6,491,883	5,584,126	907,757
Bronx Valley	19,487,336	19,404,236	17,748,824	1,655,412
Central Yonkers	1,074,739	1,055,739	1,006,437	49,302
Hutchinson Valley	5,194,988	5,194,988	4,599,033	595,955
Mamaroneck Valley	12,706,717	12,390,617	11,410,471	980,146
New Rochelle	6,136,160	6,041,660	5,851,799	189,861
North Yonkers	3,595,042	3,562,842	3,285,247	277,595
Ossining	2,923,640	2,899,540	2,114,895	784,645
Peekskill	2,923,727	2,911,927	2,699,336	212,591
Port Chester	1,468,092	1,419,392	1,304,861	114,531
Saw Mill Valley	11,352,550	11,205,350	10,115,794	1,089,556
South Yonkers	1,354,253	1,336,353	1,280,793	55,560
Upper Bronx Valley	1,241,180	1,241,180	1,097,761	143,419
	<u>99,409,225</u>	<u>98,523,625</u>	<u>87,830,462</u>	<u>10,693,163</u>

continued

# Westchester County

## Combined Sewer Districts Fund—

### Schedule of Expenditures and Other Financing

### Uses Compared to Budget (cont'd)

Exhibit G-5

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service:</b>				
Environmental Facilities	\$ 845,978	\$ 903,478	\$ 858,477	\$ 45,001
North Yonkers Pumping Station	1,696,001	1,733,601	1,733,600	1
Yonkers Joint Treatment Plant	9,535,842	9,720,461	9,720,154	307
	<u>12,077,821</u>	<u>12,357,540</u>	<u>12,312,231</u>	<u>45,309</u>
<b>Less Services to Sewer Districts by:</b>				
Environmental Facilities	(75,226,729)	(75,226,729)	(68,110,192)	(7,116,537)
North Yonkers Pumping Station	(1,696,001)	(1,716,701)	(1,731,406)	14,705
Yonkers Joint Treatment Plant	(9,535,842)	(9,703,861)	(9,601,725)	(102,136)
	<u>(86,458,572)</u>	<u>(86,647,291)</u>	<u>(79,443,323)</u>	<u>(7,203,968)</u>
	<u>65,121,166</u>	<u>64,326,566</u>	<u>57,520,957</u>	<u>6,805,609</u>
<b>Employee Benefits-</b>				
Environmental Facilities	16,369,330	16,369,330	16,217,738	151,592
<b>Debt Service:</b>				
Blind Brook	3,517,601	3,496,901	3,270,801	226,100
Bronx Valley	4,666,653	4,749,753	4,749,751	2
Central Yonkers	362,219	381,219	381,022	197
Hutchinson Valley	1,630,943	1,630,943	1,618,296	12,647
Mamaroneck Valley	6,857,098	6,995,498	6,995,423	75
New Rochelle	15,442,289	15,536,789	15,536,692	97
North Yonkers	1,390,259	1,422,459	1,422,442	17
Ossining	2,174,910	2,199,010	2,198,858	152
Peekskill	2,152,698	2,164,498	2,164,384	114
Port Chester	1,813,182	1,861,882	1,861,699	183
Saw Mill Valley	4,525,323	4,672,523	4,573,613	98,910
South Yonkers	313,014	330,914	330,847	67
Upper Bronx Valley	286,879	286,879	283,563	3,316
	<u>45,133,068</u>	<u>45,729,268</u>	<u>45,387,391</u>	<u>341,877</u>
<b>Capital Outlay-</b>				
<b>Non-Recurring Repairs-</b>				
Environmental Facilities	1,381,245	1,381,245	393,777	987,468
Total Expenditures	<u>130,384,809</u>	<u>130,384,809</u>	<u>121,141,513</u>	<u>9,243,296</u>

continued

# Westchester County

## Combined Sewer Districts Fund—

### Schedule of Expenditures and Other Financing

### Uses Compared to Budget (cont'd)

Exhibit G-5

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>OTHER FINANCING USES:</b>				
Transfers Out:				
General Fund for:				
Blind Brook	\$ 4,400	\$ 4,400	\$ 4,400	\$ —
Bronx Valley	1,050	1,050	1,050	—
Mamaroneck Valley	5,500	5,500	5,500	—
Saw Mill Valley	16,000	16,000	16,000	—
North Yonkers Pumping Station	10,300	10,300	10,300	—
Yonkers Joint Treatment Plant	47,500	47,500	47,500	—
Ossining	1,000	1,000	1,000	—
Port Chester	1,200	1,200	1,200	—
Total Other Financing Uses	86,950	86,950	86,950	—
Total Expenditures and Other Financing Uses	<u>\$ 130,471,759</u>	<u>\$ 130,471,759</u>	<u>\$ 121,228,463</u>	<u>\$ 9,243,296</u>

See independent auditors' report

# Westchester County

## Refuse Disposal District Fund—

### Comparative Balance Sheet

December 31, 2017 and 2016

Exhibit H-1

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash	\$ 8,000,000	\$ 8,000,000
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$656,122 in 2017 and 2016	4,493,840	4,739,502
Due from Other Funds	<u>38,314,127</u>	<u>41,732,070</u>
Total Assets	<u>\$ 50,807,967</u>	<u>\$ 54,471,572</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities-</b>		
Accounts Payable and Accrued Liabilities	\$ 4,829,834	\$ 4,955,826
<b>Fund Balance-</b>		
Assigned	<u>45,978,133</u>	<u>49,515,746</u>
Total Liabilities and Fund Balance	<u>\$ 50,807,967</u>	<u>\$ 54,471,572</u>

See independent auditors' report

# Westchester County

## Refuse Disposal District Fund—

### Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Years Ended December 31, 2017 and 2016

	2017			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES:</b>				
Taxes on Real Property	\$ 43,556,263	\$ 43,556,263	\$ 43,556,263	\$ —
State Aid	—	—	582,797	582,797
Departmental Income	18,764,616	18,764,616	18,510,736	(253,880)
Earnings on Investments	462,127	462,127	461,757	(370)
Miscellaneous	90,000	90,000	91,321	1,321
Total Revenues	62,873,006	62,873,006	63,202,874	329,868
<b>EXPENDITURES:</b>				
Current:				
General Government	5,077,445	5,026,392	4,405,508	620,884
Home and Community Services	64,556,462	64,549,315	58,855,304	5,694,011
Employee Benefits	1,427,433	1,427,433	1,380,356	47,077
Debt Service	2,107,050	2,165,250	2,134,319	30,931
Capital Outlay	130,231	130,231	—	130,231
Total Expenditures	73,298,621	73,298,621	66,775,487	6,523,134
Deficiency of Revenues Over Expenditures	(10,425,615)	(10,425,615)	(3,572,613)	6,853,002
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In- General Fund	35,000	35,000	35,000	—
Transfers Out- Capital Projects Fund	—	—	—	—
Total Other Financing Sources (Uses)	35,000	35,000	35,000	—
Net Change in Fund Balance	(10,390,615)	(10,390,615)	(3,537,613)	6,853,002
Fund Balance—Beginning of Year	10,390,615	10,390,615	49,515,746	39,125,131
Fund Balance—End of Year	\$ —	\$ —	\$ 45,978,133	\$ 45,978,133

See independent auditors' report

## Exhibit H-2

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 43,926,058	\$ 43,926,058	\$ 43,926,058	\$ —
—	—	99,607	99,607
19,426,800	19,426,800	17,787,184	(1,639,616)
436,843	436,843	387,945	(48,898)
90,000	90,000	95,015	5,015
63,879,701	63,879,701	62,295,809	(1,583,892)
5,389,173	5,392,173	4,198,017	1,194,156
63,585,960	63,562,960	58,156,916	5,406,044
1,322,829	1,342,829	1,297,140	45,689
2,284,584	2,284,584	2,278,260	6,324
130,231	130,231	—	130,231
72,712,777	72,712,777	65,930,333	6,782,444
(8,833,076)	(8,833,076)	(3,634,524)	5,198,552
32,000	32,000	32,000	—
(1,000,000)	(1,000,000)	(1,000,000)	—
(968,000)	(968,000)	(968,000)	—
(9,801,076)	(9,801,076)	(4,602,524)	5,198,552
9,801,076	9,801,076	54,118,270	44,317,194
\$ —	\$ —	\$ 49,515,746	\$ 49,515,746



# Westchester County

## Refuse Disposal District Fund—

### Schedule of Expenditures Compared to Budget

Year Ended December 31, 2017

Exhibit H-3

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>EXPENDITURES:</b>				
<b>General Government-</b>				
<b>Administration:</b>				
Personal services	\$ 388,301	\$ 395,448	\$ 392,604	\$ 2,844
Equipment	30,000	30,000	24,996	5,004
Materials and supplies	5,800	5,800	2,425	3,375
Contractual	4,653,344	4,595,144	3,985,483	609,661
	<u>5,077,445</u>	<u>5,026,392</u>	<u>4,405,508</u>	<u>620,884</u>
<b>Home and Community Services:</b>				
<b>Mount Vernon Transfer Station:</b>				
Personal services	45,345	45,399	45,397	2
Materials and supplies	55,450	75,450	62,666	12,784
Contractual	2,241,477	2,241,477	2,188,516	52,961
	<u>2,342,272</u>	<u>2,362,326</u>	<u>2,296,579</u>	<u>65,747</u>
<b>Yonkers Transfer Station:</b>				
Personal services	58,135	58,135	54,498	3,637
Materials and supplies	197,049	221,049	195,485	25,564
Contractual	3,660,852	3,660,852	3,216,702	444,150
	<u>3,916,036</u>	<u>3,940,036</u>	<u>3,466,685</u>	<u>473,351</u>
<b>White Plains:</b>				
Personal services	52,188	52,188	47,326	4,862
Materials and supplies	67,627	88,627	75,842	12,785
Contractual	2,456,402	2,456,402	2,262,228	194,174
	<u>2,576,217</u>	<u>2,597,217</u>	<u>2,385,396</u>	<u>211,821</u>
<b>Recovery and Disposal:</b>				
Personal services	379,420	379,420	351,737	27,683
Materials and supplies	159,289	144,289	89,089	55,200
Contractual	41,092,857	41,092,857	38,700,721	2,392,136
	<u>41,631,566</u>	<u>41,616,566</u>	<u>39,141,547</u>	<u>2,475,019</u>
<b>Recycling:</b>				
Personal services	890,776	883,575	792,342	91,233
Materials and supplies	75,010	60,010	42,283	17,727
Contractual	55,860	58,860	32,082	26,778
	<u>1,021,646</u>	<u>1,002,445</u>	<u>866,707</u>	<u>135,738</u>

continued

**Westchester County**  
**Refuse Disposal District Fund—**  
**Schedule of Expenditures Compared to Budget**  
Year Ended December 31, 2017

Exhibit H-3

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Material Recovery Facility:</b>				
Personal services	\$ 51,235	\$ 51,235	\$ 51,235	\$ —
Materials and supplies	341,072	306,072	252,931	53,141
Contractual	12,676,418	12,673,418	10,394,224	2,279,194
	<u>13,068,725</u>	<u>13,030,725</u>	<u>10,698,390</u>	<u>2,332,335</u>
	<u>64,556,462</u>	<u>64,549,315</u>	<u>58,855,304</u>	<u>5,694,011</u>
<b>Employee Benefits:</b>				
Administration	214,077	228,477	226,390	2,087
Mount Vernon Transfer Station	48,011	13,211	13,078	133
Yonkers Transfer Station	51,363	35,463	34,493	970
White Plains	49,805	65,005	63,726	1,279
Recovery and Disposal	313,406	340,606	336,215	4,391
Recycling	701,216	695,116	656,899	38,217
Material Recovery Facility	49,555	49,555	49,555	—
	<u>1,427,433</u>	<u>1,427,433</u>	<u>1,380,356</u>	<u>47,077</u>
<b>Debt Service-</b>				
Administration:				
Principal	1,563,860	1,622,060	1,621,984	76
Interest	543,190	543,190	512,335	30,855
	<u>2,107,050</u>	<u>2,165,250</u>	<u>2,134,319</u>	<u>30,931</u>
<b>Capital Outlay-</b>				
<b>Non-Recurring Repairs-</b>				
Material Recovery Facility	130,231	130,231	—	130,231
 Total Expenditures	 <u>\$ 73,298,621</u>	 <u>\$ 73,298,621</u>	 <u>\$ 66,775,487</u>	 <u>\$ 6,523,134</u>

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# Westchester County

## Grants Fund—

## Comparative Balance Sheet

December 31, 2017 and 2016

Exhibit I-1

	2017	2016
<b>ASSETS</b>		
Cash	\$ 196,735	\$ 236,119
Accounts Receivable	27,575	31,762
Due from Federal and State Governments	21,148,884	17,530,434
Due from Other Funds	44,226,786	45,755,461
Total Assets	<u>\$ 65,599,980</u>	<u>\$ 63,553,776</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities-</b>		
Accounts Payable and Accrued Liabilities	\$ 53,991,868	\$ 53,637,004
<b>Fund Balance-</b>		
Assigned	<u>11,608,112</u>	<u>9,916,772</u>
Total Liabilities and Fund Balance	<u>\$ 65,599,980</u>	<u>\$ 63,553,776</u>

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# Westchester County

Exhibit I-2

## Grants Fund—

## Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

Years Ended December 31, 2017 and 2016

	2017	2016
<b>REVENUES:</b>		
Federal Aid	\$ 49,973,707	\$ 44,858,859
State Aid	52,342,883	56,730,435
Departmental Income	8,744,177	9,615,192
Miscellaneous	8,922,764	11,301,329
Total Revenues	119,983,531	122,505,815
<b>EXPENDITURES -</b>		
Current:		
General Government	4,989,814	6,481,106
Public Safety	14,443,808	20,219,903
Health Services	55,038,284	55,210,756
Transportation	2,085,228	2,224,845
Economic Assistance	40,521,059	40,049,715
Culture and Recreation	1,532,148	997,165
Home and Community Services	3,118,352	7,551,483
Total Expenditures	121,728,693	132,734,973
Deficiency of Revenues Over Expenditures	(1,745,162)	(10,229,158)
<b>OTHER FINANCING SOURCES -</b>		
Transfers In	3,436,502	3,362,590
Net Change in Fund Balance	1,691,340	(6,866,568)
Fund Balance—Beginning of Year	9,916,772	16,783,340
Fund Balance—End of Year	\$ 11,608,112	\$ 9,916,772

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# Westchester County Capital Projects Fund— Comparative Balance Sheet

December 31, 2017 and 2016

Exhibit J-1

	2017	2016
<b>ASSETS</b>		
Cash	\$ 70,777,780	\$ 15,218,024
Due from Federal and State Governments	1,048,909	2,537,882
Restricted Cash	92,345,035	101,840,280
Total Assets	<u>\$ 164,171,724</u>	<u>\$ 119,596,186</u>
<b>LIABILITIES AND FUND DEFICIT</b>		
<b>Liabilities:</b>		
Accounts Payable and Accrued Liabilities	\$ 24,067,586	\$ 19,909,392
Bond Anticipation Notes Payable	106,246,800	125,262,800
Due to Other Funds	99,131,728	107,020,403
Total Liabilities	<u>229,446,114</u>	<u>252,192,595</u>
<b>Fund Balance (Deficit):</b>		
Restricted	3,720,725	6,138,844
Unassigned	(68,995,115)	(138,735,253)
Total Fund Deficit	<u>(65,274,390)</u>	<u>(132,596,409)</u>
Total Liabilities and Fund Deficit	<u>\$ 164,171,724</u>	<u>\$ 119,596,186</u>

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# Westchester County

## Capital Projects Fund—

### Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit J-2

Years Ended December 31, 2017 and 2016

	2017	2016
<b>REVENUES:</b>		
Federal Aid	\$ 7,859,102	\$ 19,312,029
State Aid	10,434,204	2,054,291
Earnings on Investments	79,363	21,028
Miscellaneous	4,213,984	761,156
Total Revenues	22,586,653	22,148,504
<b>EXPENDITURES:</b>		
Debt Service - Costs of Issuance	438,805	1,112,223
Capital Outlay:		
General Government	34,390,328	43,235,265
Education	4,272,211	3,612,024
Public Safety	4,838,190	2,996,437
Health Services	549,307	562,199
Transportation	46,682,202	50,988,071
Culture and Recreation	37,717,906	13,927,816
Home and Community Services	53,407,137	45,318,229
Total Capital Outlay	181,857,281	160,640,041
Total Expenditures	182,296,086	161,752,264
Deficiency of Revenues Over Expenditures	(159,709,433)	(139,603,760)
<b>OTHER FINANCING SOURCES (USES):</b>		
Bonds Issued	191,675,023	26,494,000
Refunding Bonds Issued	—	109,980,000
Bonds Premium	27,351,356	22,231,500
Transfers In	11,062,067	11,574,259
Transfers Out	(3,056,994)	(3,637,707)
Payment to Refunded Bond Escrow Agent	—	(131,480,682)
Total Other Financing Sources	227,031,452	35,161,370
Net Change in Fund Balance	67,322,019	(104,442,390)
Fund Deficit—Beginning of Year	(132,596,409)	(28,154,019)
Fund Deficit—End of Year	\$ (65,274,390)	\$ (132,596,409)

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# Westchester County Nonmajor Governmental Funds— Combining Balance Sheet

Exhibit K-1

December 31, 2017

(With Comparative Totals for 2016)

			Totals	
	Airport Fund	Combined Water Districts Fund	2017	2016
ASSETS				
Cash	\$ 33,620,227	\$ 4,000,000	\$ 37,620,227	\$ 40,133,627
Accounts Receivable, Net	4,284,341	8,687,628	12,971,969	15,976,098
Due from Other Funds	—	733,814	733,814	283,131
Total Assets	\$ 37,904,568	\$ 13,421,442	\$ 51,326,010	\$ 56,392,856
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 3,655,646	\$ 5,240,685	\$ 8,896,331	\$ 6,526,325
Unearned Revenue	10,848,262	—	10,848,262	18,509,394
Total Liabilities	14,503,908	5,240,685	19,744,593	25,035,719
Fund Balances-				
Assigned	23,400,660	8,180,757	31,581,417	31,357,137
Total Liabilities and Fund Balances	\$ 37,904,568	\$ 13,421,442	\$ 51,326,010	\$ 56,392,856

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# Westchester County

## Nonmajor Governmental Funds—

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Exhibit K-2

Year Ended December 31, 2017  
(With Comparative Totals for 2016)

			Totals	
	Airport Fund	Combined Water Districts Fund	2017	2016
<b>REVENUES:</b>				
Taxes on Real Property	\$ —	\$ 2,212,184	\$ 2,212,184	\$ 2,049,039
Federal Aid	—	—	—	17,257
Departmental Income	46,242,147	16,811,118	63,053,265	62,390,348
Earnings on Investments	76,260	24,553	100,813	80,452
Miscellaneous	10,621,567	274,409	10,895,976	4,773,260
Total Revenues	56,939,974	19,322,264	76,262,238	69,310,356
<b>EXPENDITURES:</b>				
Current:				
Transportation	40,160,698	—	40,160,698	37,789,612
Home and Community Services	—	18,328,474	18,328,474	18,631,551
Employee Benefits	3,257,017	368,731	3,625,748	3,273,635
Debt Service:				
Principal	528,042	632,481	1,160,523	1,028,210
Interest	267,511	378,604	646,115	526,304
Capital Outlay	1,079,742	182,840	1,262,582	1,320,942
Total Expenditures	45,293,010	19,891,130	65,184,140	62,570,254
Excess (Deficiency) of Revenues Over Expenditures	11,646,964	(568,866)	11,078,098	6,740,102
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	179,908	28,341	208,249	1,622,094
Transfers Out	(11,062,067)	—	(11,062,067)	(7,859,779)
Total Other Financing Sources (Uses)	(10,882,159)	28,341	(10,853,818)	(6,237,685)
Net Change in Fund Balances	764,805	(540,525)	224,280	502,417
Fund Balances—Beginning of Year	22,635,855	8,721,282	31,357,137	30,854,720
Fund Balances—End of Year	\$ 23,400,660	\$ 8,180,757	\$ 31,581,417	\$ 31,357,137



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# Westchester County

## Airport Fund—

### Comparative Balance Sheet

December 31, 2017 and 2016

Exhibit L-1

	2017	2016
<b>ASSETS</b>		
Cash	\$ 33,620,227	\$ 38,133,627
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$797,283 in 2017 and 2016	4,284,341	5,848,646
Total Assets	<u>\$ 37,904,568</u>	<u>\$ 43,982,273</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts Payable and Accrued Liabilities	\$ 3,655,646	\$ 2,837,024
Unearned Revenue	10,848,262	18,509,394
Total Liabilities	14,503,908	21,346,418
<b>Fund Balance-</b>		
Assigned	23,400,660	22,635,855
Total Liabilities and Fund Balance	<u>\$ 37,904,568</u>	<u>\$ 43,982,273</u>

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# Westchester County

## Airport Fund—

### Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Years Ended December 31, 2017 and 2016

	2017			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES:</b>				
Departmental Income	\$ 52,760,961	\$ 52,760,961	\$ 46,242,147	\$ (6,518,814)
Earnings on Investments	40,000	40,000	76,260	36,260
Miscellaneous	4,000,000	4,000,000	10,621,567	6,621,567
Total Revenues	56,800,961	56,800,961	56,939,974	139,013
<b>EXPENDITURES:</b>				
Current:				
Transportation	56,564,760	51,681,043	40,160,698	11,520,345
Employee Benefits	2,861,264	3,273,183	3,257,017	16,166
Debt Service	724,988	795,554	795,553	1
Capital Outlay	3,017,077	1,079,742	1,079,742	—
Total Expenditures	63,168,089	56,829,522	45,293,010	11,536,512
Excess (Deficiency) of Revenues Over Expenditures	(6,367,128)	(28,561)	11,646,964	11,675,525
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In- Capital Projects Fund	169,006	169,006	179,908	10,902
Transfers Out- Capital Projects Fund	(4,723,500)	(11,062,067)	(11,062,067)	—
Total Other Financing Uses	(4,554,494)	(10,893,061)	(10,882,159)	10,902
Net Change in Fund Balance	(10,921,622)	(10,921,622)	764,805	11,686,427
Fund Balance—Beginning of Year	10,921,622	10,921,622	22,635,855	11,714,233
Fund Balance—End of Year	\$ —	\$ —	\$ 23,400,660	\$ 23,400,660

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## Exhibit L-2

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 44,688,535	\$ 44,688,535	\$ 45,001,173	\$ 312,638
40,000	40,000	64,525	24,525
—	—	4,555,962	4,555,962
44,728,535	44,728,535	49,621,660	4,893,125
40,608,212	40,811,812	37,789,612	3,022,200
2,767,080	2,947,080	2,920,655	26,425
701,947	701,947	653,050	48,897
2,159,744	1,776,144	1,028,571	747,573
46,236,983	46,236,983	42,391,888	3,845,095
(1,508,448)	(1,508,448)	7,229,772	8,738,220
1,217,351	1,217,351	1,613,777	396,426
(2,065,000)	(2,065,000)	(6,421,779)	(4,356,779)
(847,649)	(847,649)	(4,808,002)	(3,960,353)
(2,356,097)	(2,356,097)	2,421,770	4,777,867
2,356,097	2,356,097	20,214,085	17,857,988
\$ —	\$ —	\$ 22,635,855	\$ 22,635,855

# Westchester County

## Airport Fund—

### Schedule of Expenditures and Other Financing

### Uses Compared to Budget

Exhibit L-3

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>EXPENDITURES:</b>				
Current:				
Transportation:				
Personal services	\$ 10,326,545	\$ 9,914,626	\$ 9,633,292	\$ 281,334
Equipment	698,562	698,562	436,068	262,494
Materials and supplies	2,523,886	2,523,855	1,939,248	584,607
Contractual	43,015,767	38,544,000	28,152,090	10,391,910
	56,564,760	51,681,043	40,160,698	11,520,345
Employee Benefits	2,861,264	3,273,183	3,257,017	16,166
Debt Service	724,988	795,554	795,553	1
Capital Outlay	3,017,077	1,079,742	1,079,742	—
Total Expenditures	63,168,089	56,829,522	45,293,010	11,536,512
<b>OTHER FINANCING USES-</b>				
Transfers Out-				
Capital Projects Fund	4,723,500	11,062,067	11,062,067	—
Total Expenditures and Other Financing Uses	<u>\$ 67,891,589</u>	<u>\$ 67,891,589</u>	<u>\$ 56,355,077</u>	<u>\$ 11,536,512</u>

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**Westchester County**  
**Combined Water Districts Fund—**  
**Comparative Balance Sheet**  
**December 31, 2017 and 2016**

**Exhibit M-1**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash	\$ 4,000,000	\$ 2,000,000
Accounts Receivable	8,687,628	10,127,452
Due from Other Funds	<u>733,814</u>	<u>283,131</u>
Total Assets	<u><u>\$ 13,421,442</u></u>	<u><u>\$ 12,410,583</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities-</b>		
Accounts Payable and Accrued Liabilities	\$ 5,240,685	\$ 3,689,301
<b>Fund Balance-</b>		
Assigned	<u>8,180,757</u>	<u>8,721,282</u>
Total Liabilities and Fund Balance	<u><u>\$ 13,421,442</u></u>	<u><u>\$ 12,410,583</u></u>

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# Westchester County

## Water Districts Fund—

### Combining Schedule of Revenues, Expenditures

### and Changes in Fund Balances

Exhibit M-2

Year Ended December 31, 2017

	County Water District No. 1	County Water District No. 2	County Water District No. 3	County Water District No. 4	Totals
Revenues	\$ 17,184,542	\$ 69,224	\$ 2,066,550	\$ 1,948	\$ 19,322,264
Expenditures	17,402,408	69,517	2,419,205	—	19,891,130
Excess (Deficiency) of Revenues Over Expenditures	(217,866)	(293)	(352,655)	1,948	(568,866)
Other Financing Sources- Transfers In	16,147	—	12,194	—	28,341
Net Change in Fund Balances	(201,719)	(293)	(340,461)	1,948	(540,525)
Fund Balances (Deficits)—Beginning of Year	3,675,094	(223)	4,726,650	319,761	8,721,282
Fund Balances (Deficits)—End of Year	<u>\$ 3,473,375</u>	<u>\$ (516)</u>	<u>\$ 4,386,189</u>	<u>\$ 321,709</u>	<u>\$ 8,180,757</u>

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**Westchester County**  
**Combined Water Districts Fund—**  
**Comparative Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance—Budget and Actual**  
**Years Ended December 31, 2017 and 2016**

	2017			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES:</b>				
Taxes on Real Property	\$ 2,212,184	\$ 2,212,184	\$ 2,212,184	\$ —
Federal Aid	—	—	—	—
Departmental Income	19,720,000	19,720,000	16,811,118	(2,908,882)
Earnings on Investments	18,516	18,516	24,553	6,037
Miscellaneous	207,232	207,232	274,409	67,177
Total Revenues	22,157,932	22,157,932	19,322,264	(2,835,668)
<b>EXPENDITURES:</b>				
Current:				
Home and Community Services	22,123,640	22,207,064	18,328,474	3,878,590
Employee Benefits	362,341	379,036	368,731	10,305
Debt Service	969,132	1,016,488	1,011,085	5,403
Capital Outlay	721,709	574,234	182,840	391,394
Total Expenditures	24,176,822	24,176,822	19,891,130	4,285,692
Deficiency of Revenues Over Expenditures	(2,018,890)	(2,018,890)	(568,866)	1,450,024
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In- Capital Projects Fund	—	—	28,341	28,341
Transfers Out- Capital Projects Fund	—	—	—	—
Total Other Financing Sources (Uses)	—	—	28,341	28,341
Net Change in Fund Balance	(2,018,890)	(2,018,890)	(540,525)	1,478,365
Fund Balance—Beginning of Year	2,018,890	2,018,890	8,721,282	6,702,392
Fund Balance—End of Year	\$ —	\$ —	\$ 8,180,757	\$ 8,180,757

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### Exhibit M-3

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 2,049,039	\$ 2,049,039	\$ 2,049,039	\$ —
—	—	17,257	17,257
19,160,000	19,160,000	17,389,175	(1,770,825)
18,516	18,516	15,927	(2,589)
217,503	217,503	217,298	(205)
21,445,058	21,445,058	19,688,696	(1,756,362)
21,752,899	21,752,899	18,631,551	3,121,348
378,278	378,278	352,980	25,298
923,716	923,716	901,464	22,252
811,223	811,223	292,371	518,852
23,866,116	23,866,116	20,178,366	3,687,750
(2,421,058)	(2,421,058)	(489,670)	1,931,388
8,317	8,317	8,317	—
(1,438,000)	(1,438,000)	(1,438,000)	—
(1,429,683)	(1,429,683)	(1,429,683)	—
(3,850,741)	(3,850,741)	(1,919,353)	1,931,388
3,850,741	3,850,741	10,640,635	6,789,894
\$ —	\$ —	\$ 8,721,282	\$ 8,721,282

# Westchester County

## Combined Water Districts Fund—

### Schedule of Revenues and Other Financing Sources

### Compared to Budget

Exhibit M-4

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Taxes on Real Property-				
County Water District No. 1	\$ 2,212,184	\$ 2,212,184	\$ 2,212,184	\$ —
Departmental Income:				
County Water District No. 1	17,720,000	17,720,000	14,762,914	(2,957,086)
County Water District No. 3	2,000,000	2,000,000	2,048,204	48,204
	<u>19,720,000</u>	<u>19,720,000</u>	<u>16,811,118</u>	<u>(2,908,882)</u>
Earnings on Investments:				
County Water District No. 1	8,892	8,892	4,259	(4,633)
County Water District No. 3	8,624	8,624	18,346	9,722
County Water District No. 4	1,000	1,000	1,948	948
	<u>18,516</u>	<u>18,516</u>	<u>24,553</u>	<u>6,037</u>
Miscellaneous Revenues:				
County Water District No. 1	135,185	135,185	205,185	70,000
County Water District No. 2	72,047	72,047	69,224	(2,823)
	<u>207,232</u>	<u>207,232</u>	<u>274,409</u>	<u>67,177</u>
Total Revenues	22,157,932	22,157,932	19,322,264	(2,835,668)
<b>OTHER FINANCING SOURCES:</b>				
Transfers In-				
Capital Projects Fund	—	—	28,341	28,341
Total Revenues and Other Financing Sources	<u>\$ 22,157,932</u>	<u>\$ 22,157,932</u>	<u>\$ 19,350,605</u>	<u>\$ (2,807,327)</u>

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# Westchester County

## Combined Water Districts Fund—

### Schedule of Expenditures Compared to Budget

Year Ended December 31, 2017

Exhibit M-5

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>EXPENDITURES:</b>				
<b>Home and Community Services:</b>				
<b>County Water District No. 1:</b>				
Personal services	\$ 333,597	\$ 333,597	\$ 266,808	\$ 66,789
Equipment	53,000	53,000	8,700	44,300
Materials and supplies	18,615,952	18,615,952	15,557,414	3,058,538
Contractual	1,491,718	1,571,818	1,204,681	367,137
	<u>20,494,267</u>	<u>20,574,367</u>	<u>17,037,603</u>	<u>3,536,764</u>
<b>County Water District No. 2 -</b>				
Contractual	<u>10,000</u>	<u>10,000</u>	<u>7,470</u>	<u>2,530</u>
<b>County Water District No. 3:</b>				
Personal services	224,535	214,535	214,527	8
Equipment	10,000	10,000	—	10,000
Materials and supplies	783,623	783,623	620,565	163,058
Contractual	600,215	613,539	448,309	165,230
	<u>1,618,373</u>	<u>1,621,697</u>	<u>1,283,401</u>	<u>338,296</u>
<b>County Water District No. 4 -</b>				
Contractual	<u>1,000</u>	<u>1,000</u>	<u>—</u>	<u>1,000</u>
	<u>22,123,640</u>	<u>22,207,064</u>	<u>18,328,474</u>	<u>3,878,590</u>
<b>Employee Benefits:</b>				
County Water District No. 1	209,784	209,784	199,488	10,296
County Water District No. 3	152,557	169,252	169,243	9
	<u>362,341</u>	<u>379,036</u>	<u>368,731</u>	<u>10,305</u>
<b>Debt Service:</b>				
County Water District No. 1	145,757	165,355	165,317	38
County Water District No. 2	62,047	62,047	62,047	—
County Water District No. 3	761,328	789,086	783,721	5,365
	<u>969,132</u>	<u>1,016,488</u>	<u>1,011,085</u>	<u>5,403</u>
<b>Capital Outlay:</b>				
<b>Non-Recurring Repairs:</b>				
County Water District No. 1	275,051	175,353	—	175,353
County Water District No. 3	446,658	398,881	182,840	216,041
	<u>721,709</u>	<u>574,234</u>	<u>182,840</u>	<u>391,394</u>
Total Expenditures	<u>\$ 24,176,822</u>	<u>\$ 24,176,822</u>	<u>\$ 19,891,130</u>	<u>\$ 4,285,692</u>

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# Westchester County

## Internal Service Funds—

### Combining Statement of Net Position

December 31, 2017

(With Comparative Totals for 2016)

Exhibit N-1

				Totals	
	Health Insurance Fund	Casualty Reserve Fund	Workers' Compensation Reserve Fund	2017	2016
ASSETS					
Current assets:					
Cash	\$ 1,000,000	\$ 15,618,691	\$ 5,359,125	\$ 21,977,816	\$ 29,002,919
Investments	—	34,599,063	—	34,599,063	34,822,813
Accounts Receivable	4,046,472	468,258	—	4,514,730	5,452,222
Due from Other Funds	28,229,734	—	—	28,229,734	14,864,038
Total Assets	33,276,206	50,686,012	5,359,125	89,321,343	84,141,992
LIABILITIES					
Current liabilities:					
Accounts Payable and Accrued Liabilities	20,193,099	3,315,970	4,601,474	28,110,543	28,529,830
Due to Other Funds	—	909,966	686,066	1,596,032	1,320,318
Total Current Liabilities	20,193,099	4,225,936	5,287,540	29,706,575	29,850,148
Non-current liabilities-					
Accrued Liabilities	—	29,709,000	38,610,000	68,319,000	73,406,613
Total Liabilities	20,193,099	33,934,936	43,897,540	98,025,575	103,256,761
NET POSITION-					
Unrestricted	\$ 13,083,107	\$ 16,751,076	\$ (38,538,415)	\$ (8,704,232)	\$ (19,114,769)

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**Westchester County**  
**Internal Service Funds—**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**Year Ended December 31, 2017**  
**(With Comparative Totals for 2016)**

**Exhibit N-2**

	<b>Health Insurance Fund</b>	<b>Casualty Reserve Fund</b>	<b>Workers' Compensation Reserve Fund</b>	<b>Totals</b>	
				<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES -</b>					
Charges for services	\$ 197,622,769	\$ 125,000	\$ 12,130,042	\$ 209,877,811	\$ 202,249,708
<b>OPERATING EXPENSES:</b>					
Claims	—	9,232,698	11,881,111	21,113,809	15,571,080
Claim adjustments	—	(7,999,000)	2,212,000	(5,787,000)	9,085,000
Employee benefits	185,372,185	—	—	185,372,185	190,594,396
Total Operating Expenses	185,372,185	1,233,698	14,093,111	200,698,994	215,250,476
Income (Loss) from Operations	12,250,584	(1,108,698)	(1,963,069)	9,178,817	(13,000,768)
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Earnings on investments	113,472	1,707,322	42,934	1,863,728	1,873,821
Net change in fair value of investments	—	(632,008)	—	(632,008)	(1,239,508)
Total Nonoperating Revenues	113,472	1,075,314	42,934	1,231,720	634,313
Change in Net Position	12,364,056	(33,384)	(1,920,135)	10,410,537	(12,366,455)
Net Position -- beginning	719,051	16,784,460	(36,618,280)	(19,114,769)	(6,748,314)
Net Position -- ending	\$ 13,083,107	\$ 16,751,076	\$ (38,538,415)	\$ (8,704,232)	\$ (19,114,769)

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# Westchester County

## Internal Service Funds—

### Combining Statement of Cash Flows

Year Ended December 31, 2017  
(With Comparative Totals for 2016)

Exhibit N-3

	Health Insurance Fund	Casualty Reserve Fund	Workers' Compensation Reserve Fund	Totals	
				2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts from customers	\$ 198,532,901	\$ 125,000	\$ 12,130,042	\$ 210,787,943	\$ 202,738,043
Payments to providers and claimants	(185,120,033)	(9,218,135)	(11,867,727)	(206,205,895)	(207,034,729)
Net Cash from Operating Activities	13,412,868	(9,093,135)	262,315	4,582,048	(4,296,686)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advances from other funds	—	—	846,710	846,710	2,894,172
Payments to other funds	(13,526,340)	(410,351)	—	(13,936,691)	(458,347)
Net Cash from Noncapital Financing Activities	(13,526,340)	(410,351)	846,710	(13,089,981)	2,435,825
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Earnings on investments	113,472	1,776,747	42,934	1,933,153	1,940,220
Purchase of investments	—	(2,450,000)	—	(2,450,000)	(1,356,875)
Sale of investments	—	1,999,677	—	1,999,677	6,363,224
Net Cash from Investing Activities	113,472	1,326,424	42,934	1,482,830	6,946,569
Net Change in Cash	—	(8,177,062)	1,151,959	(7,025,103)	5,085,708
Cash - beginning of year	1,000,000	23,795,753	4,207,166	29,002,919	23,917,211
Cash - end of year	<u>\$ 1,000,000</u>	<u>\$ 15,618,691</u>	<u>\$ 5,359,125</u>	<u>\$ 21,977,816</u>	<u>\$ 29,002,919</u>
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES:</b>					
Income (Loss) from operations	\$ 12,250,584	\$ (1,108,698)	\$ (1,963,069)	\$ 9,178,817	\$ (13,000,768)
Adjustments to reconcile income (loss) from operations to net cash from operating activities:					
Changes in assets and liabilities:					
Accounts receivable	910,132	—	—	910,132	488,335
Prepaid expenses	—	—	—	—	43,339
Accounts payable and accrued liabilities	252,152	(7,984,437)	2,225,384	(5,506,901)	8,172,408
Net Cash from Operating Activities	<u>\$ 13,412,868</u>	<u>\$ (9,093,135)</u>	<u>\$ 262,315</u>	<u>\$ 4,582,048</u>	<u>\$ (4,296,686)</u>
Noncash Investing Activities-					
Change in fair value of investments	\$ —	\$ (632,008)	\$ —	\$ (632,008)	\$ (1,239,508)

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# Westchester County

## Internal Service Fund-Health Insurance Fund

### Comparative Statement of Net Position

Exhibit N-4

December 31, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Cash	\$ 1,000,000	\$ 1,000,000
Accounts Receivable	4,046,472	4,956,604
Due from Other Funds	28,229,734	14,703,394
Total Assets	33,276,206	20,659,998
<b>LIABILITIES</b>		
<b>Current Liabilities-</b>		
Accounts Payable and Accrued Liabilities	20,193,099	19,940,947
<b>NET POSITION-</b>		
Unrestricted	\$ 13,083,107	\$ 719,051

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# Westchester County

Exhibit N-5

## Internal Service Fund-Health Insurance Fund

### Comparative Statement of Revenues, Expenses and Changes in Net Position

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES-</b>		
Charges for services	\$ 197,622,769	\$ 188,753,620
<b>OPERATING EXPENSES-</b>		
Employee benefits	<u>185,372,185</u>	<u>190,594,396</u>
Income (Loss) from Operations	12,250,584	(1,840,776)
<b>NONOPERATING REVENUES-</b>		
Earnings on investments	<u>113,472</u>	<u>30,860</u>
Change in Net Position	12,364,056	(1,809,916)
Net Position - beginning	<u>719,051</u>	<u>2,528,967</u>
Net Position - ending	<u><u>\$ 13,083,107</u></u>	<u><u>\$ 719,051</u></u>

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# Westchester County

## Internal Service Fund-Health Insurance Fund

### Comparative Statement of Cash Flows

Years Ended December 31, 2017 and 2016

Exhibit N-6

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 198,532,901	\$ 189,241,955
Payments to providers and claimants	(185,120,033)	(191,362,187)
Net Cash from Operating Activities	13,412,868	(2,120,232)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Advances from other funds	—	2,089,372
Payments to other funds	(13,526,340)	—
Net Cash from Noncapital Financing Activities	(13,526,340)	2,089,372
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Earnings on investments	113,472	30,860
Net Change in Cash	—	—
Cash - beginning of year	1,000,000	1,000,000
Cash - end of year	\$ 1,000,000	\$ 1,000,000
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES:</b>		
Income (Loss) from operations	\$ 12,250,584	\$ (1,840,776)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities:		
Accounts receivable	910,132	488,335
Prepaid expenses	-	43,339
Accounts payable and accrued liabilities	252,152	(811,130)
Net Cash from Operating Activities	\$ 13,412,868	\$ (2,120,232)

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# Westchester County

## Internal Service Fund-Casualty Reserve Fund

### Comparative Statement of Net Position

Exhibit N-7

December 31, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Cash	\$ 15,618,691	\$ 23,795,753
Investments	34,599,063	34,822,813
Accounts Receivable	468,258	495,618
Total Assets	50,686,012	59,114,184
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	3,315,970	4,489,883
Due to Other Funds	909,966	1,320,318
Total Current Liabilities	4,225,936	5,810,201
<b>Non-Current Liabilities-</b>		
Accrued Liabilities	29,709,000	36,519,523
Total Liabilities	33,934,936	42,329,724
<b>NET POSITION-</b>		
Unrestricted	\$ 16,751,076	\$ 16,784,460

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# Westchester County

## Internal Service Fund-Casualty Reserve Fund

### Comparative Statement of Revenues, Expenses and Changes in Net Position

Exhibit N-8

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES-</b>		
Charges for services	\$ 125,000	\$ 166,357
<b>OPERATING EXPENSES:</b>		
Claims	9,232,698	4,842,866
Claim adjustments	(7,999,000)	5,677,000
Total Operating Expenses	<u>1,233,698</u>	<u>10,519,866</u>
Loss from Operations	<u>(1,108,698)</u>	<u>(10,353,509)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Earnings on investments	1,707,322	1,834,025
Net change in fair value of investments	(632,008)	(1,289,821)
Total Nonoperating Revenues	<u>1,075,314</u>	<u>544,204</u>
Change in Net Position	(33,384)	(9,809,305)
Net Position - beginning	<u>16,784,460</u>	<u>26,593,765</u>
Net Position - ending	<u><u>\$ 16,751,076</u></u>	<u><u>\$ 16,784,460</u></u>

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# Westchester County

## Internal Service Fund-Casualty Reserve Fund

### Comparative Statement of Cash Flows

Years Ended December 31, 2017 and 2016

Exhibit N-9

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 125,000	\$ 166,357
Payments to providers and claimants	(9,218,135)	(4,916,128)
Net Cash from Operating Activities	(9,093,135)	(4,749,771)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Advances from other funds	—	804,800
Payments to other funds	(410,351)	—
Net Cash from Noncapital Financing Activities	(410,351)	804,800
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Earnings on investments	1,776,747	1,893,716
Purchase of investments	(2,450,000)	(1,356,875)
Sale of investments	1,999,677	5,006,349
Net Cash from Investing Activities	1,326,424	5,543,190
Net Change in Cash	(8,177,062)	1,598,219
Cash - beginning of year	23,795,753	22,197,534
Cash - end of year	\$ 15,618,691	\$ 23,795,753
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES:</b>		
Loss from operations	\$ (1,108,698)	\$ (10,353,509)
Adjustments to reconcile loss from operations to net cash from operating activities.		
Changes in assets and liabilities-		
Accounts payable and accrued liabilities	(7,984,437)	5,603,738
Net Cash from Operating Activities	\$ (9,093,135)	\$ (4,749,771)
Noncash investing activities-Change in fair value of investments	\$ (632,008)	\$ (1,289,821)

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# Westchester County

## Internal Service Fund-Workers' Compensation Reserve Fund

Exhibit N-10

### Comparative Statement of Net Position

December 31, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Cash	\$ 5,359,125	\$ 4,207,166
Due from Other Funds	—	160,644
Total Assets	5,359,125	4,367,810
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	4,601,474	4,099,000
Due to Other Funds	686,066	—
Total Current Liabilities	5,287,540	4,099,000
<b>Non-Current Liabilities-</b>		
Accrued Liabilities	38,610,000	36,887,090
Total Liabilities	43,897,540	40,986,090
<b>NET POSITION-</b>		
Unrestricted	\$ (38,538,415)	\$ (36,618,280)

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**Westchester County**  
**Internal Service Fund-Workers' Compensation**  
**Reserve Fund**  
**Comparative Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**Years Ended December 31, 2017 and 2016**

Exhibit N-11

	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES-</b>		
Charges for services	\$ 12,130,042	\$ 13,329,731
<b>OPERATING EXPENSES:</b>		
Claims	11,881,111	10,728,214
Claim adjustments	<u>2,212,000</u>	<u>3,408,000</u>
Total Operating Expenses	<u>14,093,111</u>	<u>14,136,214</u>
Loss From Operations	<u>(1,963,069)</u>	<u>(806,483)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Earnings on investments	42,934	8,936
Net change in fair value of investments	<u>—</u>	<u>50,313</u>
Total Nonoperating Revenues	<u>42,934</u>	<u>59,249</u>
Change in Net Position	(1,920,135)	(747,234)
Net Position - beginning	<u>(36,618,280)</u>	<u>(35,871,046)</u>
Net Position - ending	<u><u>\$ (38,538,415)</u></u>	<u><u>\$ (36,618,280)</u></u>

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# Westchester County

Exhibit N-12

## Internal Service Fund-Workers' Compensation Reserve Fund

### Comparative Statement of Cash Flows

Years Ended December 31, 2017 and 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 12,130,042	\$ 13,329,731
Payments to providers and claimants	(11,867,727)	(10,756,414)
Net Cash from Operating Activities	262,315	2,573,317
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Advances from other funds	846,710	—
Payments to other funds	—	(458,347)
Net Cash from Noncapital Financing Activities	846,710	(458,347)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Earnings on investments	42,934	15,644
Sale of investments	—	1,356,875
Net Cash from Investing Activities	42,934	1,372,519
Net Change in Cash	1,151,959	3,487,489
Cash - beginning of year	4,207,166	719,677
Cash - end of year	\$ 5,359,125	\$ 4,207,166
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES:</b>		
Loss from operations	\$ (1,963,069)	\$ (806,483)
Adjustments to reconcile loss from operations to net cash from operating activities.		
Changes in assets and liabilities-		
Accounts payable and accrued liabilities	2,225,384	3,379,800
Net Cash from Operating Activities	\$ 262,315	\$ 2,573,317
Noncash investing activities-Change in fair value of investments	\$ —	\$ 50,313

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# Westchester County

## Fiduciary Funds-Agency Fund

### Statement of Changes in Assets and Liabilities

Year Ended December 31, 2017

Exhibit O-1

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
<b>ASSETS</b>				
Cash	\$ 94,834,599	\$ 175,161,114	\$ 175,059,707	\$ 94,936,006
Accounts Receivable	20,413,413	4,097,502	4,637,137	19,873,778
Restricted Investments	5,788,340	1,949,487	1,737,225	6,000,602
Due from Other Funds	209,243	—	—	209,243
Total Assets	<u>\$ 121,245,595</u>	<u>\$ 181,208,103</u>	<u>\$ 181,434,069</u>	<u>\$ 121,019,629</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 37,015,894	\$ 287,892,090	\$ 287,077,992	\$ 37,829,992
Securities and Deposits Payable	84,229,701	51,102,576	52,142,640	83,189,637
Total Liabilities	<u>\$ 121,245,595</u>	<u>\$ 338,994,666</u>	<u>\$ 339,220,632</u>	<u>\$ 121,019,629</u>

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## **Financial Trends**

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

Net Position by Component

Changes in Net Position

Fund Balances, Governmental Funds

Changes in Fund Balance, Governmental Funds

**Westchester County**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 1,376,997,795	\$ 1,461,134,883	\$ 1,512,274,390	\$ 1,410,540,739
Restricted	180,631,885	133,198,067	132,880,412	133,499,860
Unrestricted	<u>(179,132,533)</u>	<u>(289,084,421)</u>	<u>(477,936,607)</u>	<u>(498,312,343)</u>
Total Governmental Activities Net Position	<u>1,378,497,147</u>	<u>1,305,248,529</u>	<u>1,167,218,195</u>	<u>1,045,728,256</u>
Business-Type Activities				
Unrestricted	<u>(135,328,526)</u>	<u>(136,668,433)</u>	<u>(136,167,147)</u>	<u>(135,348,332)</u>
Primary Government				
Net Investment in Capital Assets	1,376,997,795	1,461,134,883	1,512,274,390	1,410,540,739
Restricted	180,631,885	133,198,067	132,880,412	133,499,860
Unrestricted	<u>(314,461,059)</u>	<u>(425,752,854)</u>	<u>(614,103,754)</u>	<u>(633,660,675)</u>
Total Primary Government Net Position	<u>\$ 1,243,168,621</u>	<u>\$ 1,168,580,096</u>	<u>\$ 1,031,051,048</u>	<u>\$ 910,379,924</u>

(1) Reflects initial implementation of Governmental Accounting Standards Board Statement No. 68 "Accounting and Financial Reporting for Pensions".

## EXHIBIT P-1

2012	2013	2014	2015 (1)	2016	2017
\$ 1,508,027,858	\$ 1,563,467,927	\$ 1,613,492,531	\$ 1,658,285,180	\$ 1,753,165,275	\$ 1,793,471,564
169,690,881	151,927,913	124,398,927	63,923,451	62,249,420	60,388,898
(692,239,589)	(837,096,228)	(927,243,769)	(982,643,262)	(1,170,056,203)	(1,328,488,962)
985,479,150	878,299,612	810,647,689	739,565,369	645,358,492	525,371,500
(134,460,513)	(134,803,650)	(133,976,662)	(121,543,599)	(156,694,176)	(154,052,677)
1,508,027,858	1,563,467,927	1,613,492,531	1,658,285,180	1,753,165,275	1,793,471,564
169,690,881	151,927,913	124,398,927	63,923,451	62,249,420	60,388,898
(826,700,102)	(971,899,878)	(1,061,220,431)	(1,104,186,861)	(1,326,750,379)	(1,482,541,639)
\$ 851,018,637	\$ 743,495,962	\$ 676,671,027	\$ 618,021,770	\$ 488,664,316	\$ 371,318,823

# Westchester County

## Changes in Net Position

### Last Ten Fiscal Years

(accrual basis of accounting)

	2008	2009	2010	2011
Expenses				
Governmental Activities				
General Government	\$ 342,095,119	\$ 291,081,133	\$ 275,381,697	\$ 281,693,028
Education	160,052,936	170,010,878	176,013,742	174,141,492
Public Safety	366,555,630	370,065,946	434,270,886	436,490,155
Health Services	157,354,251	158,463,585	160,066,067	139,766,299
Transportation	192,466,105	207,255,550	201,937,897	208,099,907
Economic Assistance and Opportunity	683,630,039	728,970,535	725,664,366	724,323,837
Culture and Recreation	72,799,828	72,777,678	81,415,850	76,636,386
Home and Community Services	174,229,193	186,476,802	178,060,226	186,540,298
Interest	31,040,342	30,745,482	34,055,737	32,784,042
	<u>2,180,223,443</u>	<u>2,215,847,589</u>	<u>2,266,866,468</u>	<u>2,260,475,444</u>
Business-Type Activities				
Westchester Tobacco Asset				
Securitization Corporation	11,866,044	11,669,060	11,513,291	11,422,592
	<u>11,866,044</u>	<u>11,669,060</u>	<u>11,513,291</u>	<u>11,422,592</u>
Total Primary Government Expenses	<u>2,192,089,487</u>	<u>2,227,516,649</u>	<u>2,278,379,759</u>	<u>2,271,898,036</u>
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	37,984,291	38,785,371	40,666,354	36,499,615
Public Safety	19,037,230	19,129,293	23,191,596	25,653,279
Health Services	25,904,522	27,445,558	25,827,933	23,105,113
Transportation	73,173,758	74,879,417	77,066,054	79,517,138
Economic Assistance and Opportunity	4,997,737	4,488,847	3,397,939	3,111,220
Culture and Recreation	31,804,573	30,779,914	32,761,570	30,772,476
Home and Community Services	41,840,092	36,367,694	36,308,633	38,396,783
Operating Grants and Contributions	544,043,768	582,882,565	577,038,831	556,248,859
Capital Grants and Contributions	34,198,117	94,143,718	19,326,137	29,498,198
Total Primary Government Program Revenues	<u>812,984,088</u>	<u>908,902,377</u>	<u>835,585,047</u>	<u>822,802,681</u>
Net (Expense)/Revenue				
Governmental Activities	(1,367,239,355)	(1,306,945,212)	(1,431,281,421)	(1,437,672,763)
Business-Type Activities	<u>(11,866,044)</u>	<u>(11,669,060)</u>	<u>(11,513,291)</u>	<u>(11,422,592)</u>
	<u>(1,379,105,399)</u>	<u>(1,318,614,272)</u>	<u>(1,442,794,712)</u>	<u>(1,449,095,355)</u>
General Revenues				
Governmental Activities				
Taxes on Real Property	665,667,775	680,567,241	702,408,897	692,440,664
Sales Tax	462,385,067	413,978,855	443,664,756	453,013,940
Auto Use Tax	14,885,230	15,059,583	14,821,113	15,124,111
Harness Racing Admissions Tax	2,311	4,020	2,705	5,510
Hotel Tax	5,300,794	4,119,041	4,751,110	5,169,840
Mortgage Tax	19,279,696	12,425,216	12,969,204	13,079,307
Payments in Lieu of Taxes	9,455,107	9,033,643	8,927,211	10,184,593
Intergovernmental Transfer	42,290,852	73,973,155	57,424,123	72,845,000
Earnings on Investments	18,262,953	10,222,868	9,828,213	8,861,660
Miscellaneous	38,874,866	10,081,396	36,635,418	43,603,484
Service Concession Arrangements	—	—	—	—
Transfers	2,085,535	4,231,576	1,818,337	1,854,715
Gain on Sale of Real Property	—	—	—	—
	<u>1,278,490,186</u>	<u>1,233,696,594</u>	<u>1,293,251,087</u>	<u>1,316,182,824</u>
Total Governmental Activities	<u>1,278,490,186</u>	<u>1,233,696,594</u>	<u>1,293,251,087</u>	<u>1,316,182,824</u>
Business-Type Activities				
Earnings on Investments	683,496	581,155	579,129	579,681
Tobacco Revenues	16,798,316	13,979,574	13,253,785	13,516,441
Transfers	<u>(2,085,535)</u>	<u>(1,918,859)</u>	<u>(1,818,337)</u>	<u>(1,854,715)</u>
Total Business-Type Activities	<u>15,396,277</u>	<u>12,641,870</u>	<u>12,014,577</u>	<u>12,241,407</u>
Total General Revenues	<u>1,293,886,463</u>	<u>1,246,338,464</u>	<u>1,305,265,664</u>	<u>1,328,424,231</u>
Changes in Net Position				
Governmental Activities	(88,749,169)	(73,248,618)	(138,030,334)	(121,489,939)
Business-Type Activities	<u>3,530,233</u>	<u>972,810</u>	<u>501,286</u>	<u>818,815</u>
	<u>\$ (85,218,936)</u>	<u>\$ (72,275,808)</u>	<u>\$ (137,529,048)</u>	<u>\$ (120,671,124)</u>

(1) Reflects initial implementation of Governmental Accounting Standards Board Statement No. 68 "Accounting and Financial Reporting for Pensions".

## EXHIBIT P-2

	2012	2013	2013	2015 (1)	2016	2017
\$	285,730,753	\$ 289,820,252	\$ 279,498,075	\$ 292,920,535	\$ 311,773,179	\$ 288,564,954
	168,494,282	161,303,912	170,899,799	170,212,825	171,190,010	159,818,491
	430,680,536	451,204,516	451,216,154	419,202,353	448,688,871	480,357,652
	132,576,877	126,285,794	120,886,847	118,684,365	116,543,351	118,089,095
	202,375,900	214,498,616	217,958,463	219,412,656	223,791,919	232,512,770
	709,289,880	688,405,478	707,778,948	694,617,403	700,290,920	684,303,902
	76,325,202	79,758,239	79,752,519	79,044,899	73,889,592	78,834,849
	184,828,152	186,145,497	189,913,637	184,666,295	189,701,196	188,991,665
	37,573,729	38,416,704	40,959,942	38,447,875	37,527,890	37,942,396
	<u>2,227,875,311</u>	<u>2,235,839,008</u>	<u>2,258,864,384</u>	<u>2,217,209,206</u>	<u>2,273,396,928</u>	<u>2,269,415,774</u>
	<u>11,339,462</u>	<u>11,163,769</u>	<u>11,036,430</u>	<u>10,920,332</u>	<u>38,596,754</u>	<u>8,728,233</u>
	<u>2,239,214,773</u>	<u>2,247,002,777</u>	<u>2,269,900,814</u>	<u>2,228,129,538</u>	<u>2,311,993,682</u>	<u>2,278,144,007</u>
	39,296,129	39,379,757	36,454,317	36,716,580	37,364,775	36,009,695
	24,932,464	22,844,187	23,260,359	24,695,441	25,390,895	22,063,692
	21,156,215	12,745,210	12,360,046	10,800,507	10,096,264	9,384,388
	78,502,365	79,045,252	79,411,914	81,130,688	82,500,014	84,344,080
	4,432,946	3,996,472	3,900,111	3,532,042	4,298,336	3,850,878
	30,659,066	28,598,695	29,430,493	33,459,718	35,225,385	32,887,568
	38,781,997	38,383,892	40,110,922	41,862,863	42,888,530	43,438,390
	553,813,860	543,156,158	545,082,413	541,546,592	512,995,512	513,160,346
	31,746,206	32,254,612	61,058,436	22,719,429	21,366,320	18,293,306
	<u>823,321,248</u>	<u>800,404,235</u>	<u>831,069,011</u>	<u>796,463,860</u>	<u>772,126,031</u>	<u>763,432,343</u>
	(1,404,554,063)	(1,435,434,773)	(1,427,795,373)	(1,420,745,346)	(1,501,270,897)	(1,505,983,431)
	<u>(11,339,462)</u>	<u>(11,163,769)</u>	<u>(11,036,430)</u>	<u>(10,920,332)</u>	<u>(38,596,754)</u>	<u>(8,728,233)</u>
	<u>(1,415,893,525)</u>	<u>(1,446,598,542)</u>	<u>(1,438,831,803)</u>	<u>(1,431,665,678)</u>	<u>(1,539,867,651)</u>	<u>(1,514,711,664)</u>
	695,053,337	694,904,941	694,609,543	694,597,306	694,597,306	694,597,306
	460,997,517	489,522,517	503,322,529	500,642,409	507,445,900	525,230,119
	14,771,666	15,375,989	15,345,870	15,905,840	15,855,777	16,168,942
	5,966	5,581	5,074	4,824	4,153	3,048
	5,298,409	5,306,491	5,581,672	6,115,422	6,325,138	6,449,824
	13,798,860	16,997,949	14,951,342	18,396,878	19,718,700	20,141,856
	11,323,377	10,566,714	9,593,210	10,532,518	10,601,482	10,375,346
	59,355,000	49,652,000	67,553,000	77,993,600	77,937,600	55,284,600
	8,800,234	9,455,437	10,778,863	11,298,055	11,097,588	11,474,311
	49,804,962	32,832,775	35,072,783	37,634,421	36,983,553	43,000,796
	1,535,589	1,535,589	1,535,589	1,535,589	1,535,589	1,535,589
	1,852,337	2,099,252	1,793,975	3,641,209	8,707,915	1,734,702
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>16,253,319</u>	<u>—</u>
	<u>1,322,597,254</u>	<u>1,328,255,235</u>	<u>1,360,143,450</u>	<u>1,378,298,071</u>	<u>1,407,064,020</u>	<u>1,385,996,439</u>
	580,347	579,599	579,508	579,283	587,886	579,510
	13,499,271	15,290,831	13,077,885	26,415,321	11,566,206	12,524,923
	<u>(1,852,337)</u>	<u>(2,099,252)</u>	<u>(1,793,975)</u>	<u>(3,641,209)</u>	<u>(8,707,915)</u>	<u>(1,734,702)</u>
	<u>12,227,281</u>	<u>13,771,178</u>	<u>11,863,418</u>	<u>23,353,395</u>	<u>3,446,177</u>	<u>11,369,731</u>
	<u>1,334,824,535</u>	<u>1,342,026,413</u>	<u>1,372,006,868</u>	<u>1,401,651,466</u>	<u>1,410,510,197</u>	<u>1,397,366,170</u>
	(81,956,809)	(107,179,538)	(67,651,923)	(42,447,275)	(94,206,877)	(119,986,992)
	<u>887,819</u>	<u>2,607,409</u>	<u>826,988</u>	<u>12,433,063</u>	<u>(35,150,577)</u>	<u>2,641,498</u>
\$	<u>(81,068,990)</u>	<u>(104,572,129)</u>	<u>(66,824,935)</u>	<u>(30,014,212)</u>	<u>(129,357,454)</u>	<u>(117,345,494)</u>

**Westchester County**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2008 (1)</u>	<u>2009 (1)</u>	<u>2010 (1)</u>	<u>2011</u>
General Fund				
Nonspendable	\$ 10,050,000	\$ 12,550,000	\$ 10,050,000	\$ 10,050,000
Restricted	2,836,985	2,245,503	3,474,709	3,903,115
Assigned	141,422,971	120,133,846	110,569,339	81,498,851
Unassigned	<u>31,600,074</u>	<u>29,608,996</u>	<u>35,986,461</u>	<u>56,123,164</u>
Total General Fund	<u>185,910,030</u>	<u>164,538,345</u>	<u>160,080,509</u>	<u>151,575,130</u>
All Other Governmental Funds				
Nonspendable	—	—	—	—
Restricted	12,557,410	8,452,532	8,467,358	11,722,949
Assigned	203,434,900	167,490,522	170,165,588	170,421,969
Unassigned	<u>(107,700,530)</u>	<u>(140,457,304)</u>	<u>(134,781,268)</u>	<u>(10,454,124)</u>
Total All Other Governmental Funds	<u>108,291,780</u>	<u>35,485,750</u>	<u>43,851,678</u>	<u>171,690,794</u>
Total Governmental Funds	<u>\$ 294,201,810</u>	<u>\$ 200,024,095</u>	<u>\$ 203,932,187</u>	<u>\$ 323,265,924</u>
General Fund Unrestricted Fund				
Balance as a Percentage of General Fund Expenditures	10.30%	8.55%	8.41%	7.82%
Governmental Funds Unrestricted Non-capital Fund				
Balance as a Percentage of Non-capital Governmental Fund Expenditures	18.44%	14.87%	15.09%	14.54%

(1) Components of fund balance have been restated to conform to Governmental Accounting Standards Board Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions".

# EXHIBIT P-3

2012	2013	2014	2015	2016	2017
\$ 23,199,887	\$ 21,635,145	\$ 24,408,055	\$ 25,487,413	\$ 26,187,109	\$ 25,793,700
5,144,034	6,115,714	956,771	—	—	—
81,650,061	79,870,802	87,687,837	84,590,558	83,083,190	86,417,318
59,408,904	62,003,562	56,612,606	54,665,169	56,944,177	21,825,361
169,402,886	169,625,223	169,665,269	164,743,140	166,214,476	134,036,379
596,779	649,311	700,000	18,478,823	850,000	850,000
12,531,115	7,647,780	3,950,910	5,113,371	6,138,844	3,720,725
184,748,096	183,242,783	170,047,992	146,682,265	148,789,170	141,897,065
(109,651,144)	(46,497,484)	(58,119,296)	(33,267,390)	(138,735,253)	(68,995,115)
88,224,846	145,042,390	116,579,606	137,007,069	17,042,761	77,472,675
\$ 257,627,732	\$ 314,667,613	\$ 286,244,875	\$ 301,750,209	\$ 183,257,237	\$ 211,509,054
8.23%	8.22%	8.23%	7.84%	7.85%	6.05%
15.63%	15.56%	14.75%	13.23%	13.33%	11.57%



**Westchester County**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues				
Taxes on Real Property	\$ 665,667,775	\$ 680,567,241	\$ 702,408,897	\$ 692,440,664
Sales Tax	462,385,067	413,978,855	443,664,756	453,013,940
Federal Aid	203,358,826	319,253,241	276,785,015	280,797,076
State Aid	351,599,725	336,938,640	302,361,229	292,017,209
Departmental Income	244,382,942	248,750,214	256,622,741	249,257,112
Earnings on Investments	13,349,330	6,443,227	6,399,888	5,807,370
Miscellaneous Revenues	134,563,486	135,859,492	130,283,461	152,132,242
Total Revenues	<u>2,075,307,151</u>	<u>2,141,790,910</u>	<u>2,118,525,987</u>	<u>2,125,465,613</u>
Expenditures				
Current:				
General Government	203,850,268	228,731,268	198,160,034	207,455,688
Education	157,604,843	167,651,729	170,893,914	169,121,408
Public Safety	267,534,296	266,955,246	281,686,467	276,239,092
Health Services	132,614,714	136,359,947	126,026,604	109,006,980
Transportation	165,548,098	173,154,478	168,693,823	173,206,836
Economic Assistance	637,524,166	680,100,078	653,341,074	652,606,054
Culture and Recreation	52,095,428	51,346,783	50,539,143	46,827,906
Home and Community Services	135,587,751	144,764,677	131,251,357	137,540,063
Employee Benefits	168,706,009	171,592,969	210,906,825	229,281,000
Debt Service				
Principal	87,087,784	81,081,243	73,357,213	82,144,423
Interest	30,215,652	28,483,793	31,136,097	31,441,831
Costs of Issuance	637,869	1,209,887	1,761,272	1,779,261
Capital Outlay	156,970,300	261,951,354	188,904,413	190,113,059
Total Expenditures	<u>2,195,977,178</u>	<u>2,393,383,452</u>	<u>2,286,658,236</u>	<u>2,306,763,601</u>
Deficiency of Revenues				
Over Expenditures	<u>(120,670,027)</u>	<u>(251,592,542)</u>	<u>(168,132,249)</u>	<u>(181,297,988)</u>
Other Financing Sources (Uses)				
Sale of Real Property	—	—	—	—
Bonds Issued	15,212,688	120,321,715	162,243,978	281,020,000
Refunding Bonds Issued	—	50,880,000	94,005,000	79,410,000
Bond Premium	—	8,569,117	9,998,678	27,151,470
Bond Anticipation Note Issued	—	32,503,358	—	—
Transfers In	24,923,307	30,215,851	11,602,004	21,875,793
Transfers Out	(22,837,772)	(25,984,275)	(9,783,667)	(22,134,828)
Payment to Refunded Bond Escrow Agent	—	(59,090,939)	(96,025,652)	(86,690,710)
Total Other Financing Sources	<u>17,298,223</u>	<u>157,414,827</u>	<u>172,040,341</u>	<u>300,631,725</u>
Net Change in Fund Balances	<u>\$ (103,371,804)</u>	<u>\$ (94,177,715)</u>	<u>\$ 3,908,092</u>	<u>\$ 119,333,737</u>
Debt Service as a Percentage of				
Non-capital Expenditures	5.75%	5.14%	5.05%	5.42%

## EXHIBIT P-4

2012	2013	2014	2015	2016	2017
\$ 695,053,337	\$ 694,904,941	\$ 694,609,543	\$ 694,597,306	\$ 694,597,306	\$ 694,597,306
460,997,517	489,522,517	503,322,529	500,642,409	507,445,900	525,230,119
245,846,304	282,135,691	294,842,966	268,349,007	241,643,092	226,580,659
327,262,275	280,259,431	307,951,830	286,756,313	287,777,139	296,151,380
247,953,208	235,534,388	228,155,204	239,703,175	243,021,433	240,497,892
6,253,874	6,965,587	8,460,954	9,063,180	9,223,767	9,610,582
150,125,650	133,971,763	141,453,394	164,880,461	167,903,926	153,505,728
2,133,492,165	2,123,294,318	2,178,796,420	2,163,991,851	2,151,612,563	2,146,173,666
211,911,412	207,872,944	203,057,865	209,718,912	216,527,136	216,381,353
162,897,826	155,264,128	155,767,999	159,050,745	161,350,743	149,666,455
277,439,469	284,779,779	283,206,725	279,916,654	261,306,306	277,545,282
105,280,820	99,477,411	94,424,051	95,678,175	90,341,575	91,722,256
174,775,717	186,604,135	191,146,332	198,966,517	198,122,971	204,147,119
639,957,849	619,253,621	640,873,206	634,829,795	629,596,633	613,480,432
47,911,478	49,955,021	49,784,906	50,575,448	45,068,400	46,539,775
137,385,796	140,648,597	145,214,511	150,340,416	144,947,792	142,867,017
206,200,269	219,618,040	229,337,567	242,365,196	263,344,808	271,763,947
84,370,693	84,986,856	93,785,319	95,216,972	110,126,986	102,710,754
34,483,427	37,680,022	41,163,943	39,997,571	42,361,572	43,660,740
1,684,036	2,187,788	1,241,333	809,771	1,415,537	1,516,186
217,661,824	171,359,650	166,082,318	113,889,492	162,499,270	183,513,640
2,301,960,616	2,259,687,992	2,295,086,075	2,271,355,664	2,327,009,729	2,345,514,956
(168,468,451)	(136,393,674)	(116,289,655)	(107,363,813)	(175,397,166)	(199,341,290)
—	—	—	—	20,400,000	—
78,152,595	183,994,000	85,957,000	103,975,000	26,494,000	197,439,660
22,360,000	—	9,245,000	—	109,980,000	—
11,885,504	7,340,303	27,948	15,252,938	22,802,961	28,418,745
—	—	—	—	—	—
32,170,077	19,126,697	13,705,419	10,420,109	27,393,071	19,435,965
(14,552,326)	(17,027,445)	(11,911,444)	(6,778,900)	(18,685,156)	(17,701,263)
(27,185,591)	—	(9,157,006)	—	(131,480,682)	—
102,830,259	193,433,555	87,866,917	122,869,147	56,904,194	227,593,107
\$ (65,638,192)	\$ 57,039,881	\$ (28,422,738)	\$ 15,505,334	\$ (118,492,972)	\$ 28,251,817
5.79%	5.97%	6.37%	6.31%	7.11%	6.85%

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## **Revenue Capacity**

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax. These schedules include:

Assessed Valuation of Taxable Real Property,  
Average Equalization Rate and Full Valuation

Top Ten Property Taxpayers

Property Tax Levies and Collections

Direct and Overlapping Property Tax Rates,  
Per \$1,000 of Assessed Valuation

# Westchester County Assessed Valuation of Taxable Real Property, Average Equalization Rate and Full Valuation

EXHIBIT P-5

Last Ten Fiscal Years

<b>Year</b>	<b>Assessed Valuation</b> (a)	<b>Average Equalization Rate</b>	<b>Full Valuation</b> (a)	<b>County Direct Rate</b> (a)
2008	\$ 17,628,844,332	9.11%	\$ 193,572,868,214	\$ 2.77
2009	17,486,153,704	9.27%	188,664,709,508	2.89
2010	17,296,380,184	9.41%	183,872,292,338	3.05
2011	16,399,459,325	10.02%	163,646,825,868	3.39
2012	15,781,908,183	10.18%	154,998,951,612	3.54
2013	15,356,113,048	9.99%	153,740,960,056	3.57
2014	23,915,578,337 (b)	15.99%	149,540,079,541	3.67
2015	33,130,065,879 (c)	21.24%	155,963,411,807	3.52
2016	34,219,580,766	20.89%	163,815,785,746	3.35
2017	57,932,203,645 (d)	34.53%	167,758,214,049	3.27

(a) Source: Westchester County Tax Commission

(b) For the 2014 tax year the Town of Mamaroneck reassessed their properties to full value

(c) For the 2015 tax year the Village of Scarsdale reassessed their properties to full value

(d) For the 2017 tax year the Town of Greenburgh and the Town of Ossining reassessed their properties to full value

# Westchester County

## Top Ten Property Taxpayers

Current Year and Nine Years Ago

EXHIBIT P-6

Fiscal Year 2008		
<u>Taxpayer</u>	<u>Equalized Full Value</u>	<u>Percentage of County Equalized Full Value</u>
Con Edison	\$ 5,531,255,914	2.86%
City of New York Water	1,637,862,829	0.85%
Cali/Robert Martin	1,110,149,388	0.57%
NYTelephone/Verizon/NYNEX	863,098,813	0.45%
Reckson Operating	605,397,667	0.31%
Westchester Mall LLC	402,889,091	0.21%
Brooks Shopping Center	294,814,097	0.15%
White Plains Galleria LP	294,545,455	0.15%
IBM	278,624,100	0.14%
United Water New Rochelle	254,746,544	0.13%
<b>Total:</b>	<b>\$ 11,273,383,898</b>	<b>5.82%</b>
Westchester County	<b>\$ 193,572,868,214</b>	<b>100%</b>

Fiscal Year 2017		
<u>Taxpayer</u>	<u>Equalized Full Value</u>	<u>Percentage of County Equalized Full Value</u>
Con Edison	\$ 5,752,217,799	3.43%
City of New York Water	2,387,464,428	1.42%
Mack-Cali/Cali WP Realty	477,073,875	0.28%
Verizon	433,654,996	0.26%
Westchester Mall LLC	329,732,813	0.20%
Reckson Operating	313,430,205	0.19%
Avalon	269,627,350	0.16%
IBM	231,657,992	0.14%
County of Westchester Airport	220,163,332	0.13%
United Water New Rochelle	196,027,405	0.12%
<b>Total:</b>	<b>\$ 10,611,050,195</b>	<b>6.33%</b>
Westchester County	<b>\$ 167,758,214,049</b>	<b>100%</b>

Source: Westchester County Tax Commission

**Westchester County**  
**Property Tax Levies And Collections**  
Last Ten Fiscal Years

EXHIBIT P-7

Fiscal Year	Tax Levy			Actual Total Collection	Uncollected at End of Fiscal Year	% Collected **
	County General Fund Purposes	Sewer, Water and Refuse Disposal Districts	Total County and District Purposes			
2008	\$ 535,467,453	\$ 130,200,322	\$ 665,667,775	\$ 665,667,775	\$ —	100%
2009	544,941,481	135,625,760	680,567,241	680,567,241	—	100%
2010	560,753,491	141,655,406	702,408,897	702,408,897	—	100%
2011	548,423,468 *	144,017,196	692,440,664	692,440,664	—	100%
2012	548,423,468	146,629,869	695,053,337	695,053,337	—	100%
2013	548,423,468	146,481,473	694,904,941	694,904,941	—	100%
2014	548,423,468	146,186,075	694,609,543	694,609,543	—	100%
2015	548,423,468	146,173,838	694,597,306	694,597,306	—	100%
2016	548,423,468	146,173,838	694,597,306	694,597,306	—	100%
2017	548,423,468	146,173,838	694,597,306	694,597,306	—	100%

\* Act 419-2010, amending Act 169-2010, reduced the tax levy from \$555,053,491 to \$548,423,468. Act 2011-22 established the tax warrants for the County operating budget, MTA and Metropolitan Commuter Transportation Mobility Tax purposes at \$548,423,468.

\*\* The County-wide real property tax levy is collected by the cities and towns within the County. Payment of each city and town's share must be 60% on May 25, and 40% on October 15, thereby allowing the County to collect 100% of each year's levy. The various cities and towns within the County are responsible for the billing and collection of taxes and foreclosure proceedings.

Source: Westchester County Property Tax Legislation.

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# Westchester County Direct and Overlapping Property Tax Rates

Last Ten Years

(rate per \$1,000 of assessed value, year taxes are payable)

	2008	2009	2010	2011
<b>County Rates</b>				
General (equalized full value rate)	2.77	2.89	3.05	3.39
<b>City Rates</b>				
Mount Vernon	265.77	280.18	289.97	302.99
New Rochelle	152.39	160.87	170.32	175.10
Peekskill	213.19	211.49	211.49	215.47
Rye	131.49	137.38	139.52	140.87
White Plains	147.47	157.06	167.82	176.11
Yonkers	139.33	162.23	181.57	190.66
<b>Town Rates</b>	.09-197.9475	.08-211.0786	.06-219.2352	.05-232.3106
<b>Village Rates</b>	2.47-375.49	2.67-388.48	2.67-420.92	2.859-447.30
<b>School Districts</b>	11.57-1383.37	12.28-1424.52	12.64-1507.46	13.79-1486.09

Source: Westchester County Tax Commission

# EXHIBIT P-8

2012	2013	2014	2015	2016	2017
3.54	3.57	3.67	3.52	3.35	3.27
321.61	341.40	367.90	383.58	391.76	395.97
185.53	198.50	202.59	208.36	210.95	225.21
224.72	233.86	238.37	244.91	259.27	260.71
144.99	148.91	150.38	155.11	157.16	167.74
184.47	191.74	196.14	200.74	200.95	205.37
209.85	209.23	214.22	217.16	238.97	234.12
.05-244.05	.05-258.08	.04-266.17	.04-273.03	.03-338.86	.03-342.98
2.943-464.89	3.01-489.18	3.07-501.77	3.04-530.39	3.06-545.79	3.10-540.42
12.50-1538.31	12.31-1553.56	12.82-1583.52	12.99-1460.65	12.13-1544.89	9.24-1517.74

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## **Debt Capacity**

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

Ratios of Outstanding Debt by Type

Legal Debt Margin Information

**Westchester County**  
**Ratios of Outstanding Debt by Type**  
Last Ten Fiscal Years

	Governmental Activities				
Fiscal	General	Notes	Capital	Less Amounts	
Year	Obligation		Lease	Restricted to	
	Bonds	Payable	Payable	Repaying	Net
				Principal	
2008	\$ 673,583,476	\$ —	\$ 126,169,504	\$ 12,557,410	\$ 787,195,570
2009	711,971,035	—	120,018,126	8,452,532	823,536,629
2010	837,688,891	—	113,614,419	8,467,358	942,835,952
2011	1,052,854,144	—	106,947,266	11,722,949	1,148,078,461
2012	1,058,797,988	—	99,965,550	12,531,115	1,146,232,423
2013	1,157,157,000	—	92,651,193	7,647,780	1,242,160,413
2014	1,140,885,733	—	84,986,115	3,950,910	1,221,920,938
2015	1,155,134,287	—	76,952,563	5,113,371	1,226,973,479
2016	1,085,166,947	—	68,532,567	6,138,844	1,147,560,670
2017	1,205,666,790		63,521,240	3,720,725	1,265,467,305

- (1) Assessed Value data can be found in Exhibit P-5.  
(2) Personal Income data can be found in Exhibit P-11.  
(3) Population data can be found in Exhibit P-11.

\* Data not yet available.

EXHIBIT P-9

Percentage of Assessed Val- uation of Taxable Property <sup>(1)</sup>	Business- type Activities		Primary Government Gross Percentage of Personal Income <sup>(2)</sup>	Primary Government Gross Per Capita <sup>(3)</sup>	Net Total Primary Government	Primary Government Net Per Capita
	Tobacco	Gross Debt				
	Securiti- zation Bonds	Total Primary Government				
4.47%	\$ 169,304,232	\$ 969,057,212	1.29%	\$ 1,033.72	\$ 956,499,802	\$ 1,020.32
4.71%	165,430,053	997,419,214	1.40%	1,056.36	988,966,682	1,047.41
5.45%	164,225,874	1,115,529,184	1.55%	1,173.46	1,107,061,826	1,164.55
7.00%	163,556,695	1,323,358,105	1.74%	1,382.43	1,311,635,156	1,370.18
7.26%	162,572,516	1,321,336,054	1.57%	1,374.13	1,308,804,939	1,361.10
8.09%	191,513,315	1,441,321,508	1.71%	1,487.70	1,433,673,728	1,479.81
5.11%	188,032,254	1,413,904,102	1.60%	1,453.88	1,409,953,192	1,449.82
3.70%	186,296,193	1,418,383,043	1.56%	1,452.67	1,413,269,672	1,447.43
3.35%	185,368,041	1,339,067,555	1.46%	1,374.05	1,332,928,711	1,367.75
2.18%	182,947,563	1,452,135,593	*	1,481.40	1,448,414,868	1,477.61

**Westchester County**  
**Legal Debt Margin Information**  
Last Ten Fiscal Years  
(as of December 31)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Five-year Average Full Valuation of Taxable Real Property (a)	<u>\$ 173,704,162,433</u>	<u>\$ 180,434,568,442</u>	<u>\$ 181,954,233,884</u>	<u>\$ 177,338,750,092</u>
Debt Limit (7% thereof)	\$ 12,159,291,370	\$ 12,630,419,791	\$ 12,736,796,372	\$ 12,413,712,506
Total Net Debt Applicable to Limit	581,066,394	676,281,637	739,911,018	889,916,313
Legal Debt Margin	<u>\$ 11,578,224,976</u>	<u>\$ 11,954,138,154</u>	<u>\$ 11,996,885,354</u>	<u>\$ 11,523,796,193</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	4.78%	5.35%	5.81%	7.17%

**Legal Debt Margin Calculation for Fiscal Year 2017**

Five Year Average Full Valuation of Taxable Real Property (a)	\$ 162,253,383,832
Debt Limit (7% thereof)	<u>11,357,736,868</u>
Outstanding Indebtedness - Bonds	1,122,593,675
Outstanding Indebtedness - Notes	<u>106,246,800</u>
	<u>1,228,840,475</u>
Less Exclusions:	
2018 Debt Service Appropriation (Principal Only):	
- General Fund and Special Revenue Fund - Airport	64,550,498
- District Funds	2,159,829
Certain Sewer District Debt	487,133,585
Water District Debt	8,903,524
	<u>562,747,436</u>
Total Net Indebtedness	<u>666,093,039</u>
Net Debt Contracting Margin	<u>\$ 10,691,643,829</u>
Percentage of Debt Contracting Power Exhausted as of December 31, 2017	5.86%

(a) Data taken from official New York State Equalization Tables, as established by the New York State Board of Equalization and Assessment.

**EXHIBIT P-10**

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>\$ 169,158,120,154</u>	<u>\$ 160,060,081,792</u>	<u>\$ 154,799,558,254</u>	<u>\$ 155,151,988,239</u>	<u>\$ 157,944,893,640</u>	<u>\$ 162,253,383,832</u>
\$ 11,841,068,411	\$ 11,204,205,725	\$ 10,835,969,078	\$ 10,860,639,177	\$ 11,056,142,555	\$ 11,357,736,868
753,228,550	800,726,657	580,323,360	593,382,334	554,454,798	666,093,039
<u>\$ 11,087,839,861</u>	<u>\$ 10,403,479,068</u>	<u>\$ 10,255,645,718</u>	<u>\$ 10,267,256,843</u>	<u>\$ 10,501,687,757</u>	<u>\$ 10,691,643,829</u>
6.36%	7.15%	5.36%	5.46%	5.01%	5.86%



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## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. These schedules include:

Demographic and Economic Statistics

Employment and Wages by Sector

# Westchester County

## Demographic and Economic Statistics

EXHIBIT P-11

Last Ten Fiscal Years

Fiscal Year	Population <sup>(1)</sup>	Personal Income <sup>(2)</sup> (in thousands)	Per Capita Personal Income <sup>(2)</sup>	Median Age <sup>(3)</sup>	Percent High School Graduate or Higher <sup>(4)</sup>	PK-12 School Enrollment <sup>(5)</sup>	Unemployment Rate <sup>(6)</sup>
2008	937,449	\$ 75,335,303	\$ 80,362	39.9	86.7 %	145,865	4.8 %
2009	944,201	71,278,670	75,491	39.4	87.2	146,090	7.1
2010	950,636	72,034,357	75,775	40.2	87.4	146,775	7.4
2011	957,270	76,022,402	79,416	40.1	87.3	144,008	7.1
2012	961,577	84,420,938	87,794	40.3	87.7	144,697	7.3
2013	968,826	84,488,001	87,207	40.2	87.6	148,435	6.3
2014	972,504	88,497,294	90,999	40.0	87.6	149,303	5.1
2015	976,396	91,028,734	93,229	40.5	87.5	148,716	4.5
2016	974,542	91,743,508	94,140	40.5	87.6	149,332	4.3
2017	980,244	*	*	*	*	149,089	4.6

\* Information not yet available.

- (1) Source: U.S. Census Bureau, Population Division. (The population estimate as of July 1st is used for all years.)
- (2) Source: U.S. Department of Commerce, Bureau of Economic Analysis.
- (3) Source: U.S. Census Bureau.
- (4) Source: U.S. Census Bureau—American Community Survey.
- (5) Source: New York State Education Department. Figures represent public school enrollment.
- (6) Source: New York State Department of Labor.

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# Westchester County

## Employment and Wages by Sector

2016 and 2011

<i>Employment Sector</i>	<b>2016</b>			
	<i>Average Employment</i>	<i>Total Wages</i>	<i>Average Wages</i>	<i>Percentage of Total Employment</i>
<b>Total, All Industries</b>	<b>422,190</b>	<b>\$29,302,199,707</b>	<b>\$69,405</b>	<b>100%</b>
Total, All Private	362,701	\$24,636,177,107	\$67,924	85.91%
Agriculture, Forestry, Fishing and Hunting	360	\$16,153,431	\$44,871	0.09%
Utilities, Mining	2,629	\$356,833,911	\$135,730	0.62%
Construction	26,558	\$2,031,146,887	\$76,480	6.29%
Manufacturing	13,525	\$1,339,507,626	\$99,039	3.20%
Wholesale Trade	13,470	\$1,229,213,558	\$91,256	3.19%
Retail Trade	50,638	\$1,762,792,636	\$34,812	11.99%
Transportation and Warehousing	11,067	\$615,928,083	\$55,654	2.62%
Information	7,985	\$724,642,913	\$90,751	1.89%
Finance and Insurance	17,871	\$2,968,676,971	\$166,117	4.23%
Real Estate, Rental and Leasing	10,002	\$680,459,269	\$68,032	2.37%
Professional and Technical Services	26,411	\$3,332,306,125	\$126,171	6.26%
Management of Companies and Enterprises	8,857	\$1,608,536,447	\$181,612	2.10%
Administrative and Waste Services	22,533	\$999,044,089	\$44,337	5.34%
Educational Services	15,789	\$826,690,758	\$52,359	3.74%
Health Care and Social Assistance	71,085	\$4,091,876,516	\$57,563	16.84%
Arts, Entertainment and Recreation	10,510	\$380,019,859	\$36,158	2.49%
Accommodation and Food Services	30,639	\$800,346,227	\$26,122	7.26%
Other Services	21,003	\$795,200,122	\$37,861	4.97%
	360,932	\$24,559,375,428	\$68,044	85.49%
Government:				
Federal Government	4,393	\$316,764,052	\$72,107	1.04%
State Government	6,600	\$447,353,095	\$67,781	1.56%
Local Government	48,496	\$3,901,905,453	\$80,458	11.49%
Total Government	59,489	\$4,666,022,600	\$78,435	14.09%
Unclassified/Not Disclosed *	1,770	\$76,801,679	\$43,391	0.42%
<b>Totals</b>	<b>422,190</b>	<b>\$29,302,199,707</b>	<b>\$69,405</b>	<b>100%</b>

Source: New York State Department of Labor, Quarterly Census of Employment and Wages (QCEW)

Note: As presented in this table, the most recent data available is for 2016.

\* In New York State, QCEW report data are confidential. In order to ensure the anonymity of individual employers, employment and wage data are not released for any industry level in any location that a) consists of fewer than three reporting units; or b) contains a single unit that accounts for 80 percent or more of the industry's employment.

**2011**

<i>Average Employment</i>	<i>Total Wages</i>	<i>Average Wages</i>	<i>Percentage of Total Employment</i>
<b>403,452</b>	<b>\$26,033,995,570</b>	<b>\$64,528</b>	<b>100%</b>
342,245	\$21,737,077,018	\$63,513	84.83%
371	\$14,235,239	\$38,370	0.09%
2,846	\$334,072,815	\$117,383	0.71%
21,985	\$1,454,320,775	\$66,151	5.45%
14,123	\$1,455,436,553	\$103,054	3.50%
14,309	\$1,209,870,069	\$84,553	3.55%
47,921	\$1,528,818,412	\$31,903	11.88%
10,711	\$554,178,795	\$51,739	2.65%
9,989	\$905,906,828	\$90,690	2.48%
18,482	\$2,610,734,417	\$141,258	4.58%
8,883	\$541,501,221	\$60,959	2.20%
24,501	\$2,523,872,755	\$103,011	6.07%
9,605	\$2,028,816,322	\$211,225	2.38%
20,394	\$816,438,633	\$40,033	5.05%
15,567	\$720,956,136	\$46,313	3.86%
66,450	\$3,404,684,154	\$51,237	16.47%
9,185	\$299,088,704	\$32,563	2.28%
26,196	\$623,222,314	\$23,791	6.49%
19,595	\$663,380,372	\$33,855	4.86%
341,113	\$21,689,534,514	\$63,585	84.55%
4,487	\$309,478,947	\$68,972	1.11%
6,163	\$351,851,582	\$57,091	1.53%
50,557	\$3,635,588,023	\$71,911	12.53%
61,207	\$4,296,918,552	\$70,203	15.17%
1,132	\$47,164,700	\$41,665	0.26%
<b>403,452</b>	<b>\$26,033,995,570</b>	<b>\$64,528</b>	<b>100%</b>

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## **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs. These schedules include:

County Government Annual Positions by Function

Operating Indicators by Function

Capital Asset Statistics by Function



**Westchester County**  
**County Government Annual Positions By Function/Department**  
 Last Ten Fiscal Years

	2008	2009	2010	2011	2012
<b>General Government</b>					
Board of Legislators	61	57	55	53	57
County Executive	76	80	73	68	67
Board of Acquisitions and Contract	4	4	4	4	3
Board of Elections	56	74	74	78	82
Department of Human Resources	56	57	55	48	47
Department of Budget	15	15	15	12	13
Department of Finance	62	64	62	49	51
Department of Information Technology	180	177	175	140	136
Department of Law	111	110	109	99	96
Department of Planning	36	35	31	64	25
County Clerk	90	86	81	79	78
Tax Commission	2	2	2	2	2
Public Administrator	7	7	7	7	7
Department of Public Works	249	247	251	213	202
Solid Waste Commission	8	8	8	8	8
<b>Education</b>					
Department of Health	5	4	5	3	6
<b>Public Safety</b>					
Department of Corrections	908	908	908	887	881
District Attorney	205	205	206	200	200
Department of Public Safety	312	314	308	327	320
Department of Emergency Services	70	71	71	71	66
Department of Probation	250	248	242	218	211
<b>Health Services</b>					
Community Mental Health Services	74	73	68	72	41
Department of Health	286	279	278	216	211
Department of Laboratories and Research	114	112	110	106	101
<b>Transportation</b>					
Department of Transportation	36	36	35	21	20
County Road Maintenance	42	41	41	35	35
<b>Economic Assistance</b>					
County Executive	6	5	4	4	4
Department of Social Services	1,253	1,232	1,232	1,118	1,077
<b>Culture and Recreation</b>					
Department of Parks Recreation and Conservation	336	335	335	281	265
<b>Home and Community Services</b>					
Senior Program Services	1	1	1	1	1
Weights Measures and Consumer Protection	25	24	24	22	21
<b>Total</b>	<b>4,936</b>	<b>4,911</b>	<b>4,870</b>	<b>4,506</b>	<b>4,334</b>

Source: County Operating Budget

**EXHIBIT P-13**

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
57	57	58	58	58
65	68	69	67	67
3	3	3	3	3
82	88	90	90	90
44	43	42	42	42
13	14	14	13	13
50	51	51	49	50
132	133	134	128	128
95	95	94	87	87
26	26	26	24	21
77	77	72	72	71
2	2	2	2	2
7	7	7	7	8
186	184	182	179	184
8	8	8	8	8
4	4	5	4	4
878	878	878	877	877
200	200	200	200	224
320	320	333	333	333
50	52	51	50	50
206	203	203	201	201
38	38	39	36	36
211	211	200	189	188
98	98	98	97	97
19	19	19	16	16
33	33	36	35	35
4	4	5	4	4
1,032	1,032	1,032	1,032	1,041
250	254	252	235	235
1	1	1	1	1
21	21	24	21	21
<b><u>4,212</u></b>	<b><u>4,224</u></b>	<b><u>4,228</u></b>	<b><u>4,160</u></b>	<b><u>4,195</u></b>

# Westchester County

## Operating Indicators by Function

Last Ten Fiscal Years

	2008	2009	2010	2011
<b>Public Safety</b>				
Emergency Services: Number of 911 Calls	4,755	16,224 <sup>(1)</sup>	18,246	20,645
Arrests for DWI	560	622	411	379
Average County Police Training Hours (per Officer)	21	28	28	28
Basic Recruits Trained	84	65	56	99
<b>Department of Correction</b>				
Average Daily Population	1,478	1,412	1,407	1,468
Average Yearly Admissions	9,614	9,452	9,035	8,921
<b>Department of Social Services</b>				
Medical Assistance Applications Processed **	31,784	34,714	36,468	35,286
Child Protective Services—Reports Investigated	6,960	7,448	7,556	7,349
Child Preventive Services—Children Served (monthly avg.)	1,958	1,860	1,616	1,382
Children in Foster Care (monthly average)	929	886	791	703
Child Support Collections (in millions)	\$67.3	\$68.1	\$70.4	\$72.9
Veterans: Contacts	45,970	44,380	43,250	42,080
Veterans: Follow-up Services	21,384	15,833	16,980	14,223
<b>Transportation</b>				
Total Transit Passengers	32,271,588	31,953,352	32,273,641	31,584,651
<b>Airport</b>				
Total Operations (including General Aviation)	154,128	150,102	154,972	164,276
General Aviation Operations	116,172	117,058	119,456	129,818
Passengers	1,805,997	1,917,096	1,994,088	1,905,557
Typical Number of Airlines	16	16	12	12
<b>Parks</b>				
Number of paid admissions	3,393,422	3,098,538	3,187,111	3,108,615
Total revenues realized	\$31,804,785	\$30,745,978	\$32,463,757	\$30,780,870
<b>Public Works: Roads and Bridges Maintenance</b>				
Miles of roads maintained	154	154	145	136
Number of bridges maintained	165	165	165	165
<b>Sewer Systems (County operated)</b>				
Average daily sewage treatment (thousands of gallons)	146,800	137,300	130,600	163,300
<b>Water Systems (County operated)</b>				
Maximum daily capacity of plants (millions of gallons)	62	62	62	62

\* 2017 figures are estimated.

\*\* 2014, 2015, 2016, 2017 difference due to NYS Health Benefit Exchange/Marketplace

(1) Increase from 2008 numbers is due to an upgrade to the E911 system that now allows 911 calls to be transferred from other departments as 911 calls rather than transferred to standard phone lines as it was in 2008 and prior.

Source: Westchester County Departments and County Operating Budgets.

**EXHIBIT P-14**

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017*</u>
18,944	19,425	19,720	18,440	18,440	18,203
355	302	371	234	224	230
28	28	28	28	28	28
83	103	121	109	76	116
1,471	1,333	1,214	1,110	1,041	1,100
8,547	8,055	7,472	6,197	5,946	6,010
36,157	38,046	24,442	18,313	16,501	15,868
6,661	6,808	6,769	6,765	7,118	7,200
1,356	1,362	1,470	1,355	1,286	1,350
638	582	585	573	547	535
\$74.1	\$74.8	\$75.8	\$77.5	\$78.4	\$77.5
38,650	42,235	44,350	43,995	44,070	45,000
14,606	15,803	17,470	17,950	18,025	18,050
32,117,882	32,475,123	31,413,914	29,879,885	29,216,300	29,000,000
161,109	150,998	137,151	141,567	147,516	148,900
129,043	124,276	112,570	118,298	124,380	127,000
1,751,087	1,437,685	1,442,501	1,459,554	1,468,808	1,725,000
9	8	8	8	8	8
3,131,754	2,896,392	3,075,836	3,224,500	3,149,888	3,133,055
\$30,912,181	\$28,668,812	\$29,725,897	\$33,448,916	\$35,218,572	\$32,887,568
136	136	136	136	136	136
165	165	165	165	165	165
129,300	119,000	127,400	118,500	114,900	118,200
62	62	62	62	62	62

# Westchester County

## Capital Asset Statistics by Function

Last Ten Fiscal Years

	2008	2009	2010	2011
<b>Parks</b>				
Total acreage	17,843	17,843	17,843	17,843
Number of parks	70	70	70	70
Number of historical sites	9	9	9	9
Number of golf courses	6	6	6	6
Number of nature centers	7	7	7	7
Number of beaches	3	3	3	3
Number of pools	5	5	5	4
<b>Education</b>				
Westchester Community College (main campus)	1	1	1	1
<b>Health</b>				
Health Department Clinics/in County-owned buildings	4/1	4/1	4/1	4/1
Boat (used for water sampling)	2	2	2	2
<b>Home and Community Services</b>				
Sewer Systems (County operated):				
Miles of sanitary sewers	194	194	194	194
Number of treatment plants	7	7	7	7
<b>Water Systems (County operated)</b>				
Miles of water mains	17	17	17	17
<b>Transportation</b>				
Buses	348	358	347	347
ParaTransit Vans	65	75	83	56
Transit Connect	-	-	-	10

Source: County Departments or Operating Budget

# EXHIBIT P-15

2012	2013	2014	2015	2016	2017
17,843	17,843	17,843	17,843	17,843	17,843
70	70	70	70	70	70
9	9	9	9	9	9
6	6	6	6	6	6
7	7	7	7	7	7
3	3	3	3	3	3
4	4	4	4	4	5
1	1	1	1	1	1
4/1	4/1	4/1	4/1	4/1	4/1
2	2	2	2	2	2
194	194	194	194	194	194
7	7	7	7	7	7
17	17	17	17	17	17
329	329	329	329	329	326
59	50	49	49	59	59
40	39	38	38	38	40

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**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance With *Government  
Auditing Standards***

**Independent Auditors' Report**

**The Honorable Board of Legislators  
of the County of Westchester, New York**

We have audited, in accordance with the 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, the 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 Westchester, New York ("County") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 22, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

June 22, 2018

## COUNTY OF WESTCHESTER

### CONTINUING DISCLOSURE INFORMATION – GENERAL OBLIGATION BONDS

**2017**

Here follows a brief description of the County, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures of the General and Special Revenue funds.

#### General Information

Westchester County, incorporated in 1683, is a suburban county located in the northern sector of the New York City metropolitan area. It is bordered on the south by New York City, on the east by the State of Connecticut and Long Island Sound, on the north by Putnam County and on the west by the Hudson River. The County had a 2017 Federal census estimated population of 980,244 and has an area of 450 square miles.

The County has a large and varied economic base containing many corporate headquarters, research facilities, manufacturing firms and well developed trade and service sectors. Approximately thirty-five percent of employed County residents commute to work outside the County, primarily to New York City.

#### Population Characteristics

The 2010 Federal census recorded that the County had experienced a 2.7% population increase since the last completed census in 2000.

**TABLE 1**

Population (in thousands)

<u>Year</u>	<u>Westchester</u>	<u>New York City</u>	<u>New York State</u>	<u>United States</u>
1960	809	7,782	16,782	179,323
1970	894	7,895	18,237	203,212
1980	867	7,072	17,558	226,546
1990	875	7,323	17,990	248,710
2000	923	8,008	18,976	283,868
2010	950	8,175	19,378	308,746
2017	980	8,538*	19,849	325,719

Source: United States Department of Commerce, Bureau of the Census as of most recent adjustment.

\*New York City - 2016 population estimate.

The most recent Bureau of the Census estimate of the County's population in 2017 is 980,244.

The County's 48 municipalities vary greatly in population size. Four cities: Yonkers, New Rochelle, Mount Vernon and White Plains (the County seat), contain over 42% of Westchester's population. The southern portion of the County, with about 7,940 people per square mile, is almost 10 times more densely populated than the northern area, which has about 825 people per square mile. Within the metropolitan area, Westchester's overall population density in 2017 of 2,178 people per square mile is much lower than is that of the central parts of the region and much higher than that of the more outlying exurban areas. Westchester is approximately eight percent as densely populated as New York City (27,013 per square mile) and less than one-half as densely populated as Nassau County (4,705 per square mile). However, it is more densely populated than Rockland County (1,796 per square mile), Suffolk County (1,637 per square mile), Putnam County (433 per square mile) or Dutchess County (374 per square mile).

## Personal Income

Total personal income of Westchester residents was \$91.7 billion in 2016. The County's 2016 per capita personal income is among the highest in the nation. As reported by the U.S. Department of Commerce, Bureau of Economic Analysis, Westchester County's per capita personal income of \$94,140 in 2016 placed it in the top 1% among the 3,113 counties nationwide. Among the 62 counties of New York State, Westchester ranked second in per capita personal income only to New York County (Manhattan). In addition, Westchester County's 2016 per capita personal income of \$94,140 compared favorably to New York State and the U.S., which were \$59,703 and \$49,397, respectively.

## Economy

From 2008 through 2017 (most recent year available), employment in the County has for the most part stabilized along with the County population. From 2008 through 2017 the County's rate of unemployment has been consistently lower than the State and national rates as shown in Table 2.

**TABLE 2**

Employment and Unemployment, 2008-2017  
(Employment figures in thousands)

	Westchester <sup>(a)</sup>		New York State		United States	
	Employment	Unemployment Rate	Employment	Unemployment Rate	Employment	Unemployment Rate
2008	495.8	4.8%	9,665	5.4%	145,362	5.8%
2009	487.6	7.1	9,648	8.3	154,142	9.3
2010	478.7	7.4	9,595	8.6	153,889	9.6
2011	473.5	7.1	9,517	8.3	141,637	8.9
2012	477.5	7.3	9,612	8.5	142,469	8.1
2013	476.3	6.3	9,623	7.7	143,929	7.4
2014	473.2	5.1	9,571	6.3	147,442	5.6
2015	479.9	4.5	9,591	5.3	151,030	5.0
2016	479.4	4.3	9,585	4.8	145,325	4.7
2017	462.1	4.6	9,704	4.7	154,021	4.1

Sources: New York State Department of Labor and United States Labor Department, Bureau of Labor Statistics.  
Annual Averages.

(a) Statistical data represents employment of the County's residents employed either within the County or outside the County.

**TABLE 3**

Non-Farm Average Employment in Westchester/Rockland/Orange Counties\*  
2013 – 2017  
(Figures in thousands)

	Total Non-Farm	Services	Trade Transportation and Utilities	Education & Health Services	Government	Finance, Insurance & Real Estate	Manufacturing	Construction/ Mining	Other
2013	652.7	146.4	136.2	128.3	102.9	47.6	30.4	31.9	29.0
2014	663.1	151.2	138.0	129.7	102.9	47.5	29.6	34.7	29.5
2015	674.4	153.5	139.5	134.9	102.4	47.4	29.6	37.4	29.7
2016	682.5	156.5	138.1	139.1	103.3	46.9	29.2	38.7	30.6
2017	690.7	159.4	138.5	143.6	103.9	47.3	28.6	40.2	29.2

Source: New York State Department of Labor.  
Annual Averages

\* For purposes of these statistics, the New York State Department of Labor has combined these counties as a "Metropolitan Statistical Area."

Approximately 96 percent of the wage and salary jobs in the metropolitan statistical area which includes Westchester County in 2017 were with firms whose major activity was other than manufacturing. During the period 2013-2017, employment in the Construction/Mining sector showed an approximately 4 percent increase. There were a total of approximately 462,000 County residents employed in 2017. Approximately 28 percent of the County's professional, technical and managerial workers travel to work in New York City and are among the approximately 35 percent of County residents working outside the County.

Current overall commercial vacancy rates in the County are approximately 18%. Westchester County rents are competitive, however significantly less than commercial rents in New York City (averaging approximately \$21-\$30 per square foot vs. approximately \$70-\$100 per square foot). These facts continue to be a major economic development attraction for the County. As such, the professional services sector has increased jobs in 2017 in part by filling these vacant spaces.

There has been a continued effort in the repurposing of Class A office space in Westchester County, particularly along the I-287 corridor. The Health Care sector in Westchester County continues to grow. The expansion of the Health Care sector is led by a number of major initiatives, including Westchester Medical Center's new \$230 million Ambulatory Care Pavilion. This development will include over 40 patient rooms, a 15,000 square foot imaging center and a 10,000 square foot ambulatory center.

Other major initiatives include the Westchester Bioscience and Technology Center, a potential three-million square foot, mixed-use biotech center on the County's vacant property adjacent to the Westchester Medical Center in Valhalla. The proposed development would include up to \$1.2 billion in private sector investments.

Other development and retail highlights include:

- Shopping attractions in the County include Ridge Hill, The Westchester Mall, the Galleria at White Plains, Jefferson Valley Mall and the Cross County Mall.
- Major department stores in the County include Bloomingdale's, Lord & Taylor, Macy's, Neiman Marcus, Nordstrom, Sears, Target, and Wal-Mart.
- A \$50 million lease at the Westchester County Airport with Million Air, requiring the construction of a new 50,000 square foot hangar and a 20,000 square foot terminal building.
- 2017 saw the completion of the Rivertowns Square development in Dobbs Ferry, a mixed-use retail and housing complex that features luxury apartments, a luxury movie theater, restaurants, retail stores and approximately 750 parking spaces.

These developments will continue to support employment, creating a significant number of permanent jobs and providing additional revenues to the County and its municipalities.

**TABLE 4**

Major Employers (Non-Municipal) in Westchester County

<u>Firms</u>	<u>Business Activity</u>
IBM Corp.	Computer hardware and software
PepsiCo Inc.	Soft drinks and snack foods
Consolidated Edison Inc.	Utility Services
MasterCard	Credit card services
ITT Corp.	Water and fluid management
Westchester Medical Center	Hospital and healthcare services
Regeneron Pharmaceuticals Inc.	Pharmaceuticals
New York Medical College	Medical college and Research
Pace University	Four-year university
White Plains Hospital	Acute health care, preventive medical care
St. John's Riverside Hospital	Hospital and diagnostics health center

\*Source: Westchester Business Journal as of April 2017.

## Transportation

The County has three commuter train lines providing service into Manhattan. Approximately three-quarters of the County's population live within a 40-minute ride of Grand Central Terminal. Freight service is

provided on some rail lines. The Metropolitan Transportation Authority (MTA) has made investments in new rolling stock and improved station facilities for the County's three commuter lines and is implementing a program to expand parking facilities at various stations on all three lines.

The County is served by the New York State Thruway, three interstate highways (I-95, I-287, and I-684), and a network of scenic parkways dating back to the 1920s. The parkway system includes the Bronx River Parkway, Saw Mill River Parkway, Hutchinson River Parkway, Sprain Brook Parkway, Cross County Parkway and Taconic State Parkway.

All parkways are owned and operated by the New York State Department of Transportation with the exception of the Bronx River Parkway, which is owned and patrolled by the County. Pursuant to an agreement with the State, the County patrols the Saw Mill, Hutchinson River and Cross County Parkways and is reimbursed by the State for a portion of those patrol costs.

The County is served by the Bee-Line Transit System which is administered by the County Department of Public Works and Transportation and several private bus companies. The County provides operating assistance to the companies under contract and obtains State and Federal aid for acquisition of new buses and other capital improvements in bus transportation. The Bee-Line Transit System operates over 900 route miles and carries over 30 million passengers annually.

The Westchester County Airport is owned by the County and is operated by a management company under contract. As of January 1, 2009, AFCO AvPorts Management, LLC took over as the management company at the Airport, which was previously managed by Macquarie Aviation North America 2, Inc. The Airport is located close to the intersection of three interstate highways. The Airport provides direct commercial service to Atlanta; Charlotte; Chicago O'Hare; Detroit; Fort Lauderdale; Fort Myers; Orlando; Tampa; West Palm Beach; Washington D.C. Ronald Reagan; and direct seasonal service to Sarasota and Vero Beach. The Airport also houses numerous corporate and privately owned aircraft.

The United States Congress established the Federal Aviation Administration ("FAA") Airport Privatization Pilot Program (the "APPP Program") as a means of generating access to various sources of private capital for airport improvement and development. Pursuant to this program and Resolution 132-2016 of the Board of Legislators, a Task Force was created consisting of three (3) members of the Administration and three (3) members of the Board of Legislators to conduct a competitive procurement for proposals to Lease the Airport in accordance with the APPP program. Upon the recommendation of the Task Force, Frasca and Associates was retained to assist the County in developing the RFP, conducting the RFP process and analyzing any proposals received in response to the RFP. The RFP was issued on April 3, 2017. Proposals were due on July 28, 2017. The County received three proposals. The proposals were preliminarily reviewed by Frasca and Associates and then by the Task Force.

## **Utility Services**

### *Wastewater Services*

The County, through its Department of Environmental Facilities, operates a wastewater collection and treatment system consisting of seven water resource recovery facilities, 42 pumping stations, and 194 miles of trunk sewers serving 13 County Sanitary Sewer Districts.

On December 9, 2008, the Westchester County Board of Legislators (the "Board") by Act No. 240-2008, authorized the County to enter into a new Order on Consent (the "2008 Consent Order") with the State of New York Department of Environmental Conservation ("NYSDEC"), which was fully executed on December 30, 2008. The 2008 Consent Order is in place of and in order to adjust the County's obligations under an existing Order on Consent, which was entered into on December 24, 2004 ("2004 Consent Order"). The 2004 Consent Order was executed in settlement of the administrative claims of the NYSDEC relating to, among other things, the County's anticipated noncompliance with state and federally mandated nitrogen removal standards to be imposed in the State Pollutant Discharge Elimination System ("SPDES") permits for the four County-owned water resource recovery facilities ("WRRFs") which discharge into the Long Island Sound ("LIS"), namely: (1) the New Rochelle WRRF; (2) the Mamaroneck Valley WRRF; (3) the Blind Brook WRRF; and (4) the Port Chester WRRF. The 2004 Consent Order was the result of a multi-year study of nitrogen-based pollution in the Long Island Sound, known as the Long Island Sound Study ("LISS") which began in 1985, and the subsequent agreement of the United States Environmental Protection Agency ("USEPA"), and the States of New York and Connecticut to impose mandatory nitrogen reductions on all municipal WRRFs which discharge into the Long Island Sound and require them to

reduce nitrogen discharges. The 2008 Consent Order requires improvements be undertaken at only two of the four LIS WRRFs, namely the Mamaroneck Valley and New Rochelle WRRFs (the “BNR Project”) to meet nitrogen discharge standards set forth in the NYSDEC-issued SPDES permits for all four Long Island Sound WRRFs, in the aggregate, by 2017. This substantially reduces the overall cost of compliance, because it is more efficient to reduce aggregate nitrogen discharges by making more comprehensive improvements at the two selected WRRFs, which are also the two largest facilities in the County that discharge to the LIS than it would be to achieve the same reductions by making improvements at all four WRRFs. It further requires the equitable apportionment of all the costs associated with the BNR Project among the four (4) Long Island Sound Sanitary Sewer Districts (“SSDs”), namely: (1) the New Rochelle SSD; (2) the Mamaroneck Valley SSD; (3) the Blind Brook SSD; and (4) the Port Chester SSD, as the Board has determined that all of the properties in the four LIS SSDs are benefited thereby. This is anticipated to have a substantial financial impact on those SSDs. The 2008 Consent Order extends the date for compliance from 2014 to 2017. It should be noted that, during construction to upgrade the Mamaroneck Valley WRRF (the “Plant”) there were unintended releases of plastic media disks from the Plant into the Long Island Sound, which constituted violations of Environmental Conservation Law Section 17-0803. As a consequence of the violations, and subsequent work to prevent future occurrences, the Plant suffered setbacks with respect to implementation of its plan to upgrade the treatment facilities in accordance with the 2008 Consent Order. In October 2012, the 2008 Consent Order was modified to extend interim deadlines to “Complete construction at the Mamaroneck WRRF” and to “Operate to Meet the 12 M[onth] R[olling] A[verage]” in addition to a “Green Beaches, Clean Beaches Media Disk Recovery Program” (the 2004 Consent Order and 2008 Consent Order, as modified are collectively referred to as the “Consent Order”), noting that said amendment does not change the termination date of the Consent Order. The County has met its obligations for total nitrogen removal under the Consent Order by achieving the 12-month rolling average limit since May, 2015 ahead of the required August, 2017 deadline.

The County had originally authorized approximately \$407.7 million in Bond Acts in order to meet its obligations under the 2008 Consent Order. Pursuant to the American Recovery and Reinvestment Act of 2009, Westchester County applied for and was chosen to receive an award of \$29,944,000. As such, the New York State Environmental Facilities Corporation which administered and financed the subject debt has now forgiven the outstanding debt in this amount. Due to this forgiveness of debt the authorized amount was reduced by \$22.9 million to \$384.8 million on November 6, 2014. To date the County has issued \$343.7 million of which \$22.9 million was forgiven as described above.

On May 28, 2013, the Board, by Act No. 113-2013, authorized the County to enter into an Order on Consent with the NYSDEC regarding force main breaks in 2010 and 2012 on the Tarrytown Pumping Station Force Main, which resulted in discharge of partially treated sewage into the Hudson River. The Consent Order, executed on August 22, 2013, included a Schedule of Compliance, which required submission of an approvable schedule for upgrade of the Tarrytown Pumping Station and construction of a new Force Main (the “Force Main Project”). Said schedule was delivered in a timely manner and subsequently approved by the NYSDEC. On March 10, 2014, the Board, by Act No. 18-2014, authorized the County to issue \$14,600,000 in bonds to finance the Force Main Project and by Act No. 19-2014, authorized the County to acquire all property rights necessary to construct the Force Main Project. The entire \$14,600,000 was sold to the New York State Environmental Facilities Corporation as a Bond Anticipation Note on July 10, 2014. In 2016, this note was refinanced to long term with the New York State Environmental Facilities Corporation in the amount of \$14,146,528 (the expected cost). The Construction of the Force Main project is now complete. A Letter of Substantial Completion was sent to the NYSDEC on January 30, 2018 and the Consent Order is now closed.

On August 10, 2015, the Board, by Act No. 142-2015, authorized the County to enter into an Order on Consent with the NYSDEC to settle administrative claims concerning alleged violations of SPDES Permit No. NY 0026697 (the “Permit”) for the New Rochelle WRRF. The Permit, in relevant part, required the County to eliminate discharges from Overflow Retention Facilities (“ORF”) or to comply with the effluent limitation specified in 40 CFR Part 133 by August 1, 2014. The NYSDEC alleged that, from August 1, 2014 on, the County did not eliminate discharges from the ORFs, nor did it comply with the effluent limitation, in violation of the Permit. The Order on Consent contains a Compliance Schedule which was agreed to between the County and NYSDEC. Further, on August 10, 2015, the Board, by Act No. 141-2015, authorized the County to enter into intermunicipal agreements with the four municipalities that discharge wastewater to the New Rochelle WRRF for the development and implementation of studies and plans so that the County can comply with the Compliance Schedule contained in the Order on Consent. On September 3, 2015, the County Board of Acquisition and Contract authorized the County to enter into the inter-municipal agreements and all four of these inter-municipal agreements have been fully executed.

The four municipalities in the New Rochelle SSD delivered their report to the County and NYSDEC on October 31, 2017 as required.

On December 28, 2016, the USEPA issued an Administrative Order under various provisions of the Clean Water Act for compliance with the Multi-Sector General Permit (“MSGP”) (Order No.: CWA-02-2017-3022) establishing deadlines for various compliance initiatives. The Administrative Order was revised on or about May 12, 2017, under Order No.: CWA-02-2017-3050. The Order requires the implementation of certain reporting requirements, interim measures to control leachate, and the investigation, construction, and operation of a long-term solution for the control of leachate at the White Plains Solid Waste Transfer Station. As required by this Administrative Order, the County, through its contractor, has completed a pre-design investigation which recommends options available for a leachate collection system at the White Plains transfer station

### *Electrical Services*

Except for its northeastern portion, the County receives electrical delivery service from Consolidated Edison of New York (“Con Edison”). The cost of electricity in the Con Edison service territory is the highest in the continental United States. These high power costs may accelerate the current trend in the County away from manufacturing production. Con Edison also supplies natural gas service to the County. The northeastern portion of the County receives its electric power from New York State Gas and Electric at rates substantially below those of Con Edison. Since the latter part of 1976, both the County and the majority of municipalities within the County have received their electricity from the Power Authority of the State of New York over Con Edison distribution lines. The New York State Public Service Commission embarked on a program whereby the current utilities would continue to operate, under a regulatory scheme, the distribution system for electricity, but the utilities have divested themselves of most of their generation facilities. The generation facilities have been acquired by independent operators, with the electricity generated at these and other facilities sold under market conditions. However, to date, the majority of residential customers continue to buy their electricity from the regulated utilities.

In 1982, the County created the County of Westchester Public Utility Service Agency (the “Agency”) and authorized it to acquire lower cost electric power for resale to eligible customers located within territory previously served solely by Con Edison. On July 1, 1985, the Agency began service delivery to designated commercial customers in accordance with the terms of a Lease and Operating Agreement between the Agency and Con Edison. Under these arrangements, the Agency was able to deliver varying amounts of lower cost power through arrangements with the New York Power Authority over Con Edison’s distribution lines. Since the Agency is no longer acquiring low-cost electric power for resale to utility customers inhabiting the Con Edison Service Area, Local Law 2015-7 repealing Chapter 875 of the Laws of Westchester County which created the Agency was adopted by the Board on April 27, 2015.

Recharge New York (“RNY”) is a statewide economic development power program for qualified businesses and not-for-profit corporations and was signed into law on April 14, 2011. The RNY program merges all existing NYPA Economic Development Programs into one program directly administered by NYPA. RNY provides benefits for businesses and non-profits including: a permanent and dedicated funding source for the low cost energy economic development programs; long term contracts for a term of up to seven years so that program participants can make appropriate business decisions to re-locate, remain, and/or expand; and the ability to add new program participants and provide additional allocations to existing program participants.

### *Water Services*

The County receives most of its public water from the Croton, Delaware and Catskill aqueduct systems of The City of New York (the “City”). These systems are fed partly by approximately 177 square miles of watershed lands and reservoirs in the County and, in addition, receive water by aqueduct from the upstate Catskill and Delaware systems. The County operates four water districts, County Water Districts 1, 2, 3 and 4.

Effective January 1, 2002, Water District Number 2, which had previously been operated by the County, was leased to Northern Westchester Joint Water Works pursuant to State legislation and an inter-municipal agreement. Under this agreement, the lessee makes lease payments to the County which cover the County’s remaining annual debt service for prior capital projects at Water District Number 2. District Number 4 is not active. Also there are a variety of private and municipal reservoir and well systems which supply the remainder of public water needs.

In January, 1997, the County entered into the New York City Watershed Memorandum of Agreement (the “Watershed MOA”) with the City, the State, the USEPA, Putnam County, the Coalition of Watershed Towns, the Catskill Watershed Corporation, certain municipal corporations located within the New York City Watershed and certain environmental organizations. The Watershed MOA provides for (i) a Land Acquisition Program pursuant to which the City will purchase land within the New York City Watershed, (ii) the promulgation of new Watershed Regulations, (iii) Watershed Protection and Partnership Programs pursuant to which the City will fund infrastructure and improvements within the New York City Watershed and has paid \$38 million to the County to create a fund known as the East of Hudson Water Quality Investment Program Fund (“EOH WQIP Fund”) to support the implementation of water quality investments in the East of Hudson Watershed to protect the City’s drinking water supply, and (iv) the creation of the Watershed Protection and Partnership Council.

Since 1997, the County has exercised fiduciary and administrative responsibilities for EOH WQIP Fund which as of January 2018 had a fund balance of \$42.9 million. Expenditures of the EOH WQIP Fund must be approved by the Board. The 12 municipalities that have land area within the NYC water supply watershed, with the partnership of the County, established an ad hoc organization known as the Northern Westchester Watershed Committee (NWWC) to be a regional forum to oversee implementation of the MOA and its programs. While the NWWC has advised the Board on spending priorities for the EOH Fund, NWWC recommendations are not required for EOH Fund allocations. Many projects, large and small, have been approved by the Board for funding through the EOH WQIP Fund. To date, these projects have been administered and implemented by the municipalities, not the County, through an intermunicipal agreement. Sample projects eligible for funding include: sewer diversion projects, water quality measures identified in the Croton Plan, rehabilitation or replacement of septic systems that are failing or likely to fail in certain areas, storm water Best Management Practices to correct or reduce existing erosion or pollution and new or upgraded sand and salt storage facilities.

On May 6, 1997, the USEPA issued a 1997 Filtration Avoidance Determination for the Catskill and Delaware Water Supply Systems (the “1997 FAD”). The 1997 FAD remained in effect until April of 2002. In May of 2002, USEPA approved a new Filtration Avoidance Determination (the “2002 FAD”) and, therein, determined that the City has an adequate long-term watershed protection program for its Catskill/Delaware water supply which meets the established standards for unfiltered water systems. The 2002 FAD established milestones for the City’s construction of Ultraviolet (UV) Light Disinfection Facilities, to commence operation on August 31, 2009. In 2005, the City requested an extension of the construction schedule contained in the 2002 FAD. Pursuant thereto, the USEPA prepared the 2005 Draft Modification to the 2002 FAD which would extend the date for commencement of operation at the UV Facility until August 31, 2010. The required UV disinfection plant at Eastview became operational at the end of 2012. The USEPA released a 10-year New York City Filtration Avoidance Determination (“2007 FAD”) for the Catskill/Delaware Water Supply in July 2007. After the 2007 FAD was issued, USEPA transferred primacy for regulatory oversight of the City’s FAD to the New York State Department of Health (NYSDOH). In May 2014, NYSDOH, in consultation with USEPA, issued the Revised 2007 FAD, which defined the City’s requirements for the remaining period of the 2007 FAD. In accordance with NYSDOH’s certification of the 2007 FAD, the next FAD was scheduled to be issued in 2017. The 2017 FAD supersedes the Revised 2007 FAD and will remain effective until a further determination is made, currently scheduled for July 2027.

On October 6, 2014, the Board, by Act No. 185-2014, authorized the County to carry out capital project “WD103-County Water District No. 1 Alternate Water Supply” (“WD103”) at a maximum estimated cost of \$9,950,000 to bring the County in compliance with the certain Long Term 2 Enhanced Surface Water Treatment Rule and to comply with the Consent Decree filed on September 2, 2015. Further, on October 6, 2014, the Board, by Act No. 187-2014 authorized a Bond Act in the amount of \$765,584 and on April 27, 2015, the Board, by Act No. 65-2015, authorized a Bond Act increasing Bond Act 187-2014 in the amount of \$8,453,416 for an amended total of \$9,219,000 in connection with WD103. To date \$7,942,607 of bonds have been issued for this initiative. Both UV Facilities are substantially complete.

### *Refuse Disposal*

The County provides refuse disposal services to a substantial portion of the County through the County Refuse Disposal District Number 1 (the “District”). The District, in 1985, entered into a service agreement with the County of Westchester Industrial Development Agency, which entered into a solid waste disposal agreement with Westchester RESCO Company, L.P., a Delaware limited partnership and Wheelabrator Technologies Inc., a Delaware corporation for the disposal and processing of solid waste at the Charles Point facility in the City of Peekskill, New York. The original service agreement expired on October 21, 2009.



In October 2009, the County, on behalf of the District, reached a new solid waste disposal agreement with Wheelabrator Westchester, L.P. Under the new agreement, the District is obligated to bring all municipal solid waste collected under intermunicipal agreements with participating municipalities (“IMAs”) to the Charles Point Facility. The District is not obligated to supply a minimum tonnage of solid waste and the agreement allows the District to divert up to 50,000 tons annually to explore new waste disposal technologies. The agreement has a term of ten years and includes an initial five-year option at the County’s discretion, followed by two additional five-year options by mutual consent. The County has executed IMAs with participating municipalities that run concurrent with the solid waste disposal agreement.

## **Recreational and Cultural Facilities**

The nationally accredited Westchester County Department of Parks, Recreation and Conservation operates and manages 50 parks and recreational facilities spanning nearly 18,000 acres of publicly-owned parkland throughout the County.

Westchester County Parks includes six golf courses, five swimming pools, three beaches, six nature preserves and various historic sites. County Parks also operates a number of flagship parks, e.g.: Lasdon Park Arboretum and Veterans Memorial, Camp Morty at Mountain Lakes Park; Muscoot Farm, the Westchester County Center (a public assembly and entertainment facility), the Bronx River Parkway Reservation, the North and South County Trailways, Playland Amusement Park which is designated as a National Historic Landmark, Kensico Dam Plaza, known as the County’s “Central Park,” and the newly renovated Tibbetts Brook Park Bathhouse.

State and local agencies provide an additional 17,000 acres of parkland and preserves for public use. There are also a considerable number of landmarks and historic sites throughout the County dating back to the 17th century, reflecting the rich architectural and historic heritage of the area. The County houses an array of colleges and universities, theaters, museums, private golf courses, yacht clubs, marinas, country clubs, equestrian clubs, and skating rinks, all of which combine to provide a wide range of educational, cultural and recreational opportunities.

## **Governmental Organization**

Subject to the State Constitution, the County operates pursuant to the County Charter (the “Charter”) and Administrative Code and in accordance with other laws governing the County generally to the extent that such laws are applicable to counties operating under a charter form of government. The Charter in its present form was originally enacted into law by the State Legislature after its approval by the electors of the County at a general election held in November 1937. The Administrative Code was enacted into State law in 1948.

*County Board of Legislators.* The legislative power of the County is vested in the County Board of Legislators (the “Board”) which in its present form has been in existence since January 1, 1970. Its 17 members are elected for two-year terms by the voters in their respective legislative districts. Vacancies occurring on the Board are to be filled at a special election in the legislative district of the vacated office. However, if a vacancy occurs within seven (7) months prior to the regular expiration of such term of office, the vacancy may be filled for the remainder of the unexpired term by an appointment of the majority of the remaining members of the Board. Both the number of members and boundaries of legislative districts may be varied from time to time in accordance with requirements of the Federal and State Constitution or by Charter amendment. Since 1974 the Board has retained the services of O’Connor Davies LLP to review and report projections of revenues and expenditures as contained in proposed budgets. This firm or its predecessors has been the independent certified public accountants of the County since 1966.

*The County Executive.* The County Executive is elected every four years in the year following the presidential election. He must be a resident of the County for at least five years prior to his election, is required to devote his full time to the duties of his office and may hold no other public office. Subject to certain exceptions hereafter described, no act of the Board can take effect unless approved by the County Executive. If any act is not returned to the County Board by the County Executive with his written reason for not approving it within ten days of its presentation to him, it is deemed approved; further any act disapproved by the County Executive nevertheless becomes effective if upon reconsideration it is passed by at least two-thirds vote of all the members of the Board. Pursuant to the Charter, there are several departments of the County established, including the Department of the Budget, responsible for preparation of the budget for submission to the County Executive, and such other duties in regard thereto as the County Executive may direct. Also pursuant to the Charter, the Department of Finance is charged with the administration of the financial affairs of the County, including collection of all taxes and other

revenues due to the County, the custody and safekeeping of all funds belonging to the County and the disbursement of all County funds including the keeping and supervision of all accounts.

Westchester County Executive George Latimer, was sworn into office on January 1, 2018. Mr. Latimer was elected to a four year term commencing January 1, 2018, and such term will end December 31, 2021.

*Chief Fiscal Officer.* The Commissioner of Finance is appointed by and serves at the pleasure of the County Executive and is confirmed by the Board. By the Charter, the Commissioner of Finance is responsible for the administration of the financial affairs of the County, including the management of \$1.8 billion in general County funds, collection of all taxes, assessments, license fees and other revenues due the County; custody and safekeeping of all funds belonging to or by law deposited with, distributed to or handled by the County; the disbursement of County funds; the keeping and supervision of all accounts; the supervision of such similar functions of local units of government as may be transferred or entrusted to the County; and such other duties as may be prescribed by law, by the County Executive or the Board.

In addition, since 1961 the Charter has required that all financial dealings, transactions and records of the County shall be subject annually to a complete independent audit. The auditors' report is required to be filed with the Board and is open to public inspection.

Ann Marie Berg is Commissioner of Finance for the County. The Commissioner is responsible for the administration of the Finance Department and the financial reporting for the County. Prior to her appointment as Commissioner of Finance in January of 2010, Ms. Berg had served as Comptroller for the Town of Eastchester since 1997. She was Comptroller for the Town of Mount Pleasant from 1992-1997 and Deputy Comptroller from 1985-1992. She served as President of the Government Finance Officers Association (GFOA) from 2005 to 2006 and served as a GFOA Board Member 1999-2009. Ms. Berg has also served as a past Treasurer of Westchester Municipal Clerks and Finance Officers. She holds a Bachelor's degree in business administration as well as two Masters degrees, one in Educational Administration and the other in Public Administration as well as being an Enrolled Agent, which allows her to practice before the Internal Revenue Service.

## **COUNTY INDEBTEDNESS**

### **Nature of County Indebtedness and Procedure for Authorization**

#### *Constitutional Requirements*

The New York State Constitution limits the power of the County (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to bonds and notes of the County:

*Purpose and Pledge.* The County shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation. However, the County in its discretion has the legal authority to do so for the Westchester County Health Care Corporation ("WCHCC").

The County may contract indebtedness only for County purposes or, in its discretion for WCHCC purposes, and shall pledge its faith and credit for the payment of principal of and interest thereon.

*Payment and Maturity.* The County is authorized by the State Constitution to contract debt for objects or purposes which the State Legislature has determined to have a "period of probable usefulness" and the maximum maturity of such debt may not exceed the period of probable usefulness of the object or purpose or, in the alternative, the weighted average period of probable usefulness of the several objects or purpose for which it is contracted. Bonds must mature in annual installments and may be issued to finance any object or purpose for which a "period of probable usefulness" has been determined by the State Legislature. No annual installment of a serial bond may be more than 50% in excess of the smallest prior installment unless the Board provides for substantially level or declining debt service payments in the manner prescribed by the State Legislature. Except for certain short-term indebtedness contracted in anticipation of taxes (such as the Notes) or to be paid within three fiscal year periods, indebtedness is required to be paid in annual installments commencing no later than two years after the date

such indebtedness has been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute.

*Debt Limit.* The County has the power to contract indebtedness for any lawful County purpose so long as the principal amount thereof shall not exceed seven per centum of the five year average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining average full valuation is calculated by taking the assessed valuations of taxable real estate for the last five completed assessment rolls and applying thereto the ratio which such assessed valuation bears to the full valuation; full valuation is determined by the New York State Office of Real Property Services or such other State agency or officer as the State Legislature shall direct. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

The following table sets forth the debt limit of the County and its debt contracting margin under such constitutional standard.

**TABLE 5**

Summary of Constitutional Debt Statement Prepared as of December 31, 2017

Five year average full valuation of taxable real property .....	\$162,253,383,832
Debt limit (7% thereof) .....	<u>11,357,736,868</u>
Outstanding indebtedness:	
Bonds.....	\$ 1,122,593,675 <sup>(a)</sup>
NYSEFC Bond Anticipation Notes.....	36,836,800
Bond Anticipation notes issued 12/14/17 due 12/14/18.....	69,410,000
Less Exclusions:	
Current year Debt Service Appropriation (principal only)	
General Fund and Special Revenue Fund Airport .....	64,550,498
District Funds.....	2,159,829
Certain Sewer District Debt .....	487,133,585
Water District Debt .....	8,903,524
Total Exclusions.....	<u>562,747,436</u>
Total Net Indebtedness.....	\$ <u>666,093,039</u>
Net Debt — contracting margin .....	<u>\$10,691,643,829</u>
Percentage of Debt Contracting Power Exhausted as of December 31, 2017.	<u>5.86%</u>

<sup>(a)</sup> See Table 6 for previously refunded debt, which is excluded from the above table.

There is no constitutional limitation on the amount that may be raised by the County by tax on real estate in any fiscal year to pay interest and principal on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limit on the amount of taxes the County may levy. See “FINANCIAL FACTORS - The Tax Levy Limit Law” herein.

In prior years, the County has advance refunded various County bonds by placing the proceeds of the refunding bonds in irrevocable trusts to provide for all future debt service payments. These bonds continue to be general obligations of the County. However, inasmuch as moneys held in an escrow fund will be sufficient to meet all debt service requirements for such bonds, it is not anticipated that any other source of payment will be required.

**TABLE 6**Previously Refunded and Escrowed Bonded Debt as of December 31, 2017

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,210,000	\$3,795,831	\$ 6,005,831
2019	74,670,000	2,462,440	77,132,440
2020	1,145,000	1,163,650	2,308,650
2021	26,955,000	1,132,800	28,087,800
2022	-	231,750	231,750
2023	<u>4,635,000</u>	<u>231,750</u>	<u>4,866,750</u>
	<u>\$109,615,000</u>	<u>\$9,018,221</u>	<u>\$118,633,221</u>

*General.* The County is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the County so as to prevent abuses in taxation and assessments and in contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the County to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limit on the power of the County to increase its annual tax levy. (See “FINANCIAL FACTORS - The Tax Levy Limit Law” herein).

*Statutory Procedure*

In general, the State Legislature has authorized the power and procedure for the County to borrow and incur indebtedness by the enactment of the Local Finance Law, subject to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including County Law and General Municipal Law of New York State and the County Charter.

Pursuant to section 33.10 of the Local Finance Law a bond act authorizing bonds in excess of \$10,000,000 to finance a capital improvement shall not become effective until it is submitted at a general or special election. Such bond act must be approved by a majority of the votes cast in order to become effective. Exceptions to this requirement include bond acts for certain sewage, drinking water, solid waste and hospital facilities. In the case of bond acts authorizing bonds in excess of \$10,000,000 to finance a capital improvement for construction, reconstruction or modification of facilities for the conveyance, treatment and disposal of sewage or facilities for the distribution, treatment and storage of drinking water, a public hearing must be held before adoption.

The Local Finance Law also provides that where a bond act is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1. such obligations are authorized for a purpose for which the County is not authorized to expend money; or
2. there has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations; and

an action contesting such validity is commenced within twenty days after the date of such publication; or

3. such obligations are authorized in violation of the provisions of the Constitution.

The Board, as the finance board of the County, has the power to enact bond acts and acts authorizing bond anticipation notes to be issued in anticipation of the bonds authorized by such bond acts. In addition, in that capacity, the Board has the power to authorize the issuance of bonds and notes. However, the Board may delegate its powers in relation to the sale and issuance of the bonds or notes of the County to the Commissioner of Finance, the chief fiscal officer of the County under its Charter.

The Local Finance Law also contains provisions providing the County with power to issue general obligation revenue and tax anticipation notes and general obligation budget and capital notes (see “COUNTY INDEBTEDNESS - Temporary Borrowing”).

## **Remedies Upon Default**

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the County default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the County and the owners for which the faith and credit of the County are pledged and while remedies for enforcement of payment are not expressly included in the County’s contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder’s and/or noteholder’s remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the County. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the County to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the County and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the County to assess, levy and collect an ad valorem tax, upon all taxable property of the County subject to taxation by the County sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State’s highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Bondholders or Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 41 N.Y.2d 644 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the County.

Pursuant to Article VIII, Section 2 of the State Constitution, the County is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or district may be required to set aside and apply

such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

## **Municipal Bankruptcy**

The undertakings of the County should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended (“Chapter IX”) and, in general, to other bankruptcy laws affecting creditors’ rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner’s creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the County could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the County after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the “indubitable equivalent”. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Notes, and the obligations incurred by the County, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor’s rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Notes to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a finance control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the County in the future cannot be assured.

No current state law purports to create any priority for holders of the Notes should the County be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The above references to the Bankruptcy Act are not to be construed as an indication that the County is currently considering or expects to resort to the provisions of the Bankruptcy Act.

## **Financial Control Boards**

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the Cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and in certain cases approve or disapprove collective bargaining agreements. Implementation is generally left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, upon the issuance of a certificate of necessity of the Governor reciting facts which in the judgment of the Governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of a local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene in the finances and operations of entities such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The County has not applied to the FRB and does not reasonably anticipate submission of a request or has it applied to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

## **No Past Due Debt**

No principal or interest payment on County indebtedness is past due. The County has never defaulted in the payment of the principal of and/or interest on any indebtedness.

## **Market Matters Affecting Financings of the Municipalities of the State**

The County's credit rating could be affected by circumstances beyond the County's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of County property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the County's credit rating could adversely affect the market value of the Notes.

If and when an owner of any of the Notes should elect to sell all or a part of the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of the Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the County to arrange for additional borrowings as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The County is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The County's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the County fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the County is authorized pursuant to the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the County will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the County requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures.

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*Tax Matters*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the County, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See "*The Tax Levy Limit Law*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the County could impair the financial condition of such entities, including the County and the ability of such entities, including the County to pay debt service on the Notes.



**TABLE 7**

County Long-Term Bond Indebtedness <sup>(a)</sup>  
Principal Amount Outstanding as of December 31, 2017

Parks and Recreation .....	\$134,845,951
Roads and Bridges.....	106,691,720
Airport.....	8,709,494
Courthouse .....	85,204
Correctional Facilities .....	26,348,123
Community College .....	34,791,130
WCHCC .....	2,769,382
Transportation .....	16,294,684
Laboratories and Research .....	6,725,691
Other Buildings and Miscellaneous.....	237,335,123
Refuse Disposal District.....	13,274,321 <sup>(b)</sup>
Water District 1 .....	7,565,364 <sup>(b)</sup>
Water District 3 .....	13,147,584 <sup>(b)</sup>
Sewer Districts .....	<u>514,009,904<sup>(b)</sup></u>
 Total Net Indebtedness.....	 \$1,122,593,675
 Deduct District debt .....	 <u>(547,997,173)</u>
 Net Long-Term debt.....	 <u>\$574,596,502</u>

<sup>(a)</sup> See Table 6 for previously refunded debt, which is excluded from the above table.

<sup>(b)</sup> Debt service and operating costs of sewer, water and refuse disposal districts, established pursuant to law, primarily funded by a special annual ad valorem tax or assessment for each district as well as by fees or charges. (See “Financial Factors - Assessed and Full Valuation, County Tax Levy and Rates” herein).

In addition to the foregoing debt, the County has contractual obligations to make payments such as the solid waste service fees paid to Wheelabrator (see “WESTCHESTER COUNTY - Utility Services -- *Refuse Disposal*” herein) and lease payments for the courthouse project (see “COUNTY INDEBTEDNESS - Summary of Significant Contingencies and Commitments” herein).

## Debt Ratios

**TABLE 8**

Debt Ratios as of December 31, 2017

	<u>Amount <sup>(a)</sup></u>	<u>Per Capita <sup>(b)</sup></u>	<u>Estimated Percentage Full Value <sup>(c)</sup></u>
Gross Long-Term Bond Debt	\$1,122,593,675	\$1,145	0.64%
Net Long-Term Bond Debt	574,596,502	586	0.33

<sup>(a)</sup> See Table 6 for previously refunded debt, which is excluded from the above table.

<sup>(b)</sup> Westchester County's 2017 estimated population was 980,244, according to the U.S. Bureau of the Census.

<sup>(c)</sup> Calculated using 2018 Full Value of \$174,189,428,026.

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## Debt Service Schedule

The following schedule sets forth all principal and interest payments presently required on all outstanding long-term bond indebtedness of the County:

**TABLE 9**

Summary of Principal and Interest on County Long-Term Bond Indebtedness  
As of December 31, 2017

	<u>Principal</u> <sup>(a)</sup>	<u>Interest</u> <sup>(a)(b)</sup>	<u>Total</u>
2018	\$93,074,012	\$42,073,654	135,147,666
2019	101,224,663	42,216,756	143,441,419
2020	97,699,998	38,118,721	135,818,719
2021	97,355,006	34,092,303	131,447,309
2022	94,840,006	29,637,807	124,477,813
2023	83,774,990	25,757,089	109,532,079
2024	71,690,000	22,421,616	94,111,616
2025	62,545,000	19,789,806	82,334,806
2026	63,870,000	17,299,507	81,169,507
2027	53,305,000	14,720,809	68,025,809
2028	42,665,000	12,551,391	55,216,391
2029	43,620,000	10,726,365	54,346,365
2030	25,155,000	9,014,069	34,169,069
2031	24,280,000	7,991,702	32,271,702
2032	22,390,000	6,983,361	29,373,361
2033	22,155,000	6,027,132	28,182,132
2034	19,495,000	5,097,449	24,592,449
2035	16,885,000	4,264,649	21,149,649
2036	16,880,000	3,515,337	20,395,337
2037	16,715,000	2,765,758	19,480,758
2038	16,165,000	2,030,600	18,195,600
2039	10,365,000	1,407,271	11,772,271
2040	9,235,000	941,228	10,176,228
2041	4,930,000	626,345	5,556,345
2042	4,760,000	418,939	5,178,939
2043	4,295,000	224,272	4,519,272
2044	1,965,000	92,035	2,057,035
2045	420,000	41,748	461,748
2046	420,000	25,049	445,049
2047	420,000	8,350	428,350
Total	<u>\$1,122,593,675</u>	<u>\$360,881,118</u>	<u>\$1,483,474,793</u>

<sup>(a)</sup> Excludes \$69,410,000 of bond anticipation notes issued on December 14, 2017, maturing on December 14, 2018. Also excluded from this Table 9 are bond anticipation notes in the amount of \$36,836,800 sold to the New York State Environmental Facilities Corporation (EFC). As of January 19, 2018, \$5.9 million of these Notes have been drawn. It is anticipated that these notes will be refinanced as long-term obligations with the EFC at some point in the future. Included in Table 9 is \$436,918,000 in long-term financing with EFC. This includes \$19,549,660 of long-term obligations with EFC closed on November 9, 2017.

<sup>(b)</sup> Interest does not reflect any applicable subsidies for EFC debt and Build America Bonds.

## Trend of Outstanding Long-Term County Indebtedness

The following schedule sets forth the total long-term bond and note indebtedness outstanding at the end of each of the last ten fiscal years:

**TABLE 10**

Outstanding Long-Term County Indebtedness<sup>(a)(b)</sup>  
As of December 31

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2008	\$ 672,078,835	2013	\$ 1,108,757,834
2009	705,298,834	2014	1,098,445,984 <sup>(c)</sup>
2010	829,750,770 <sup>(c)</sup>	2015	1,103,557,005
2011	1,023,060,598	2016	1,020,539,000 <sup>(c)</sup>
2012	1,012,426,484	2017	1,122,593,675 <sup>(c)</sup>

<sup>(a)</sup> See Table 6 for previously refunded debt.

<sup>(b)</sup> Excludes short-term notes sold to the New York State Environmental Facilities Corporation.

<sup>(c)</sup> Excludes \$69,410,000 Bond Anticipation Notes in 2017, \$72,410,000, in 2016, \$40,000,000 in 2014 and \$100,000,000 in 2010.

### Summary of Significant Contingencies and Commitments

#### Commitments-DASNY

The County financed \$133,007,717 over 25 years through the Dormitory Authority of the State of New York (the “DASNY”) in connection with the implementation of the County’s Court Facilities Capital Plan for the Westchester County Courthouse rehabilitation and facade replacement, and construction of a three-story courthouse annex (the “Project”). In December 1998, the County conveyed to DASNY title to the Courthouse property, including buildings and improvements thereon or to be erected thereon. The parties entered into a Lease and Agreement (the “Lease”) by which DASNY leases the property back to the County. When the Lease term has expired and all of the bonds have been paid in full, DASNY will convey back to the County all of the property and the improvements thereon. In 2006 DASNY issued \$21 million of new money bonds for the benefit of the County. Through DASNY, the County also refunded a portion of the outstanding 1998 DASNY bonds issued as described above. The refunding produced an average annual savings of approximately \$268,000 in 2007 through 2018, inclusive. The 2017 adjusted Lease payment was \$8,154,812. DASNY’s bonds are not general obligations of the County.

In October 2016 the DASNY issued \$22,485,000 of Refunding Bonds (the “2016 Bonds”) in connection with the refinancing of the County’s court facilities. The proceeds of the 2016 Bonds together with other available moneys were used (i) to refund certain DASNY Bonds described above and (ii) to pay the Cost of Issuance of the Bonds. The 2016 Bonds reduced County Lease payments by approximately \$3.9 million through 2023. For 2017, the adjusted Lease payment was \$8,154,812. In 2018 the adjusted Lease payment is \$12,225,875.

#### **State Assistance Coverage**

In the event the County fails to pay all or any part of the Basic Rent when due, Title 4-B of the Public Authorities Law of the State of New York, as amended, directs the State Comptroller to pay DASNY the amount of unpaid rent from certain moneys appropriated by the State as State aid and local assistance to the County. The following paragraph and table outline the aid susceptible to this and the coverage ratio of that aid to Maximum Basic Rent.

The following table sets forth for the County’s last ten fiscal years, the amount of State assistance paid to the County for the administrative costs of the assistance and pursuant to Section 608 of the Public Health Law and Section 10-c of the Highway Law; the amount of Court Facilities Incentive Aid for the maintenance expenses of court facilities and interest on the bonds; the greatest amount of Basic Rent payable in any fiscal year of the County on account of the debt service of the bonds; and the coverage of the Basic Rent from the sources of State assistance described above.

**TABLE 11**  
**State Assistance Coverage Ratio**  
**As of December 31,**

	State Assistance						Maximum Basic Rent	Coverage Total
	Administrative Costs	Health Law	Highway Law-CHIPs	Court Facilities Incentive Aid		Total		
				Maintenance of Facilities	Interest			
2017	\$44,482,325	-	\$3,511,660	\$3,305,901	\$277,170	\$51,577,056	\$12,406,750	4.28
2016	36,912,184	-	3,696,399	1,361,828	405,232	42,375,643	12,406,500	3.42
2015	42,519,110	-	2,838,627	1,856,968	527,219	47,741,924	12,411,463	3.85
2014	50,064,362	-	2,817,055	2,271,147	643,535	55,796,099	12,411,463	4.50
2013	44,868,991	-	2,726,113	2,247,583	754,803	50,597,490	12,411,463	4.08
2012	45,397,522	-	2,952,768	2,765,312	860,456	51,976,058	12,411,463	4.19
2011	48,038,856	-	2,174,651	2,201,382	960,208	53,375,097	12,411,463	4.30
2010	41,654,718	167,477	2,587,768	2,731,988	796,691	47,938,642	12,411,463	3.86
2009	49,992,061	72,256	2,596,357	2,177,009	1,146,346	55,984,029	12,411,463	4.51
2008	63,140,946	108,424	2,620,069	2,265,925	606,434	68,741,798	12,411,463	5.54

### **Future Issuance of General Obligation Indebtedness**

The County Charter establishes a capital program procedure to provide the County with five-year projections of capital projects and estimates of expenditures required. These expenditures are financed from current annual appropriations, the proceeds of bonds and notes and other sources, such as Federal and State funds. Bond issuance authority is generally subject to the referendum requirement for bond acts authorizing bonds in excess of \$10,000,000 for any capital improvement. (See "COUNTY INDEBTEDNESS - Statutory Procedure" herein).

A Capital Projects Committee, composed of the County Executive as Chairman, the Budget Director and other designated heads of Executive Departments, the Chairman of the Board and the Chairman of its Budget and Appropriations Committee, meet to prepare the proposed capital plan for the ensuing five years. They are required to consider the feasibility of all proposed capital projects in reference to their necessity, priority, location, costs and method of financing, and the plan is required to be printed with the County budget.

The County is required by its Charter to adopt a capital budget annually. Each capital project which is either contemplated or commenced is reflected in either the capital plan or the capital budget. Whenever the County determines to finance the costs of a capital project by borrowing, it adopts acts authorizing bonds and bond anticipation notes. Notwithstanding the inclusion of a capital project in the capital plan or budget or in a bond act, the County may at any time eliminate or terminate such project, subject to any contract liabilities theretofore incurred.

In general, the County has provided for capital projects in accordance with the foregoing capital program procedure, although the County may adopt a bond act even though the project for which it is adopted has not been in any previous capital plan so long as the capital budget is amended.

The County capital project plan will necessitate further financing by the issuance of bonds and/or bond anticipation notes. General improvement and reconstruction of County roads and bridges will continue as required. Additional building construction and capital improvements at various County facilities including the Westchester Community College and correctional facilities on the Valhalla Campus are anticipated. Recreational improvements and improvement of public transportation facilities, including acquisition of new equipment, may be financed during the next several years. In addition, financing will be required for the expansion of County sewer districts, nutrient removal from the Long Island Sound and for expansion of County Refuse Disposal District No. 1 facilities.

TABLE 12

Capital Budget Projection  
As of 2017  
(Dollars in Thousands)

	Estimated Total Cost <sup>(a)</sup>	Financing <sup>(c)</sup>				
		Cumulative Appropriations <sup>(b)</sup>	Operating Budgets <sup>(d)</sup>	Non- County Share <sup>(e)</sup>	Aggregate Bonding Authorized And Anticipated <sup>(f)</sup>	Bonds Authorized <sup>(g)</sup>
Buildings, Land & Misc.	\$ 925,579	\$ 823,457	\$ 5,226	\$ 29,143	\$ 789,088	\$ 480,043
Parkways	152,096	144,996	520	51,911	92,565	31,465
Roads & Bridges	338,160	294,530	-	66,532	227,998	85,485
Recreation Facilities	642,384	535,424	1,390	5,242	528,792	208,938
Transportation	<u>362,202</u>	<u>183,362</u>	<u>320</u>	<u>90,008</u>	<u>93,034</u>	<u>49,817</u>
<b>Total County</b>	<b>\$2,420,421</b>	<b>\$1,981,769</b>	<b>\$ 7,456</b>	<b>\$242,836</b>	<b>\$1,731,477</b>	<b>\$ 855,748</b>
Airport	\$ 334,860	\$ 253,190	\$ 31,646	\$145,932	\$75,612	\$28,683
Refuse Disposal District No. 1	81,550	53,820	16,900	2,000	34,920	20,320
Sewer and Water Districts <sup>(h)</sup>	<u>1,535,777</u>	<u>979,387</u>	<u>14,213</u>	<u>62,163</u>	<u>903,011</u>	<u>766,915</u>
<b>Grand Total</b>	<b><u>\$4,372,608</u></b>	<b><u>\$3,268,166</u></b>	<b><u>\$ 70,215</u></b>	<b><u>\$452,931</u></b>	<b><u>\$2,745,020</u></b>	<b><u>\$1,671,666</u></b>

<sup>(a)</sup> As estimated in the capital plan, but not necessarily appropriated. Includes projects not yet under the capital budget or subject of a Bond Act. No assurance can be given that the actual cost will not be greater than estimated, in part because of the anticipatory nature of capital planning.

<sup>(b)</sup> As provided in the capital budgets, which provide for the authorization to spend and the plan of financing. Such appropriations remain in effect until the project is completed or terminated.

<sup>(c)</sup> As provided in the capital budgets, the County is not committed to the issuance of such bonds and, generally, reduces the final amount of the issue by transfers from the operating budgets and from other sources such as Federal and State funds.

<sup>(d)</sup> Reflects contribution from operating budgets.

<sup>(e)</sup> Reflects other revenues, primarily Federal and State funds.

<sup>(f)</sup> As provided in the capital budget. Includes all bonds issued or anticipated to be issued for the capital projects. Bond anticipation notes may be issued pending the sale of the bonds.

<sup>(g)</sup> Bonds in the amounts indicated have been issued in prior years. Certain of these bonds have matured and been retired. Completed projects and bonds issued therefor are not shown since they are not in the capital budget.

<sup>(h)</sup> The Sewer and Water Districts costs include system, pump stations and treatment plants upgrades and rehabilitations as well as biological nutrient removal projects.

## Temporary Borrowing

*Bond Anticipation Notes.* The following table lists the ten year history of Bond Anticipation Notes:

**TABLE 13**  
**Bond Anticipation Notes**

<u>Fiscal Year</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance as of December 31</u>
2008	\$ 18,500,000 <sup>(a)</sup>	\$ 8,601,200	\$ 22,246,229
2009	87,455,000 <sup>(b)</sup>	3,746,229	105,955,000
2010	147,000,000 <sup>(c)</sup>	46,470,000	206,485,000
2011	9,198,000 <sup>(a)</sup>	151,485,000	64,198,000
2012	80,000,000 <sup>(a)</sup>	9,198,000	135,000,000
2013	--	80,000,000	55,000,000
2014	88,727,800 <sup>(d)</sup>	55,000,000	88,727,800
2015	39,136,800 <sup>(a)</sup>	44,827,800	73,036,800
2016	79,426,000 <sup>(e)</sup>	27,200,000	125,262,800
2017	78,940,000 <sup>(f)</sup>	97,956,000	106,246,800

<sup>(a)</sup> Sold to the New York State Environmental Facilities Corporation (EFC).

<sup>(b)</sup> \$55,000,000 was sold on August 27, 2009 to the New York State Environmental Facilities Corporation and \$32,455,000 was sold in October of 2009 for the settlement of litigation.

<sup>(c)</sup> \$100,000,000 of Bond Anticipation Notes were issued on December 2, 2010, and retired on November 30, 2011. \$47,000,000 of Bond Anticipation Notes were sold to the New York State Environmental Facilities Corporation on September 2, 2010.

<sup>(d)</sup> \$40,000,000 of bond anticipation notes were issued on December 4, 2014 and were retired on November 19, 2015 as part of the County's 2015 Bond issue. \$48,727,800 of Bond Anticipation Notes were sold to the New York State Environmental Facilities Corporation

<sup>(e)</sup> \$64,660,000 of Tax Exempt and \$7,750,000 of Taxable Bond Anticipation Notes were issued on December 15, 2016 and mature on December 15, 2017. \$7,016,000 of notes were sold to EFC.

<sup>(f)</sup> Includes \$9,530,000 sold to EFC on March 23, 2017. Also includes \$60,500,000 of Tax Exempt and \$8,910,000 of Taxable Bond Anticipation Notes issued on December 14, 2017, maturing on December 14, 2018.

*Tax Anticipation Notes.* The following table shows the ten year history of tax anticipation notes:

**TABLE 14**  
**As of December 31, 2017**  
**Tax Anticipation Notes**

<u>Fiscal Year</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance as of December 31</u>
2009	--	--	--
2010	\$ 70,000,000	\$ 70,000,000	--
2011	50,000,000	50,000,000	--
2012	64,720,000	64,720,000	--
2013	89,997,656	89,997,656	--
2014	90,000,000	90,000,000	--
2015	105,000,000	105,000,000	--
2016	105,000,000	105,000,000	--
2017	140,000,000	140,000,000	--
2018	150,000,000 <sup>(a)</sup>	150,000,000	--

<sup>(a)</sup> Note issued February 8, 2018 and matured on May 29, 2018.

Except for tax anticipation notes issued during the period shown in Table 14, the County has not issued revenue anticipation notes or any other form of short-term obligations to finance operating cash-flow needs. The timing of the receipt of taxes and other revenues (including Federal and State aid) and its need for such monies, together with its control of the timing of expenditures, has in the past enabled the County to minimize the need for short-term financing.

## Underlying Indebtedness of Political Subdivisions Within the County

The estimated gross outstanding indebtedness of other governmental entities within the County, based on unverified information furnished by such entities, is as follows:

**TABLE 15**

Estimated Underlying Indebtedness  
As of June 30, 2017

Cities:	Yonkers	\$ 536,415,000 <sup>(c)</sup>
	Peekskill	54,843,120
	Rye	12,880,000
	White Plains	160,170,901
	Mount Vernon	21,545,000
	New Rochelle	60,657,702
Towns:	Nineteen	316,361,737
Villages:	Twenty-three	489,021,745
School Districts:	Forty-seven	<u>1,183,669,634</u> <sup>(a)</sup>
Overall Estimated Underlying Gross Debt		\$ <u>2,835,564,839</u> <sup>(b)</sup>

<sup>(a)</sup> Net of State Building Aid of \$60,186,351.

<sup>(b)</sup> Does not include deductions for self-supporting debt.

<sup>(c)</sup> The amount reported includes the Yonkers School District indebtedness of \$182,169,512.

## FINANCIAL FACTORS

County finances are operated primarily through the County's General Fund. All taxes and most non-tax revenues are paid into it and all current operating expenditures are made from it pursuant to legislative appropriations. The County also has sewer, water and refuse disposal districts which are managed through individual district funds into which all special assessments or charges for these purposes are paid and from which all expenditures are made. The County also has an Airport Fund and a Trust Fund which do not levy taxes. There is also a Capital Projects Fund used for purposes of capital construction, revenues for which are derived through appropriations in the operating budget, sale of bonds and bond anticipation notes, and State and federal receipts. The County's fiscal year begins January 1 and ends December 31. Financial statements for the County are included in the Appendix of this Official Statement. These statements have been audited by O'Connor Davies LLP, independent certified public accountants.

### Revenues

The County derives its revenues from: State and Federal aid, a direct tax levy on real property, a 1 1/2 % County-wide sales tax, which was increased on October 15, 1991 to 2 1/2% in the towns and in those cities which have not imposed their own sales tax, a hotel occupancy tax, a motor vehicle tax, a mortgage recording tax, and departmental fees and charges. An additional 1/2% sales tax was authorized and imposed in March 2004, within the towns and cities not imposing sales tax in the cities that have imposed their own sales tax.

### Real Property Tax

The County derives its power to levy an ad valorem real property tax from Article 8, Section 10 of the State Constitution. The County's property tax levying powers, other than for debt service and certain other purposes, are limited to one and one-half per centum (subject to increase up to 2% by State legislative enactment) of the average full valuation of taxable real estate of the County. See "REVENUES - Municipally Generated Revenues - Real Property Tax" herein. On June 24, 2011, the Tax Levy Limit Law (as defined below in "FINANCIAL FACTORS - The Tax Levy Limit Law") was enacted and imposes a statutory tax levy limitation upon the County's power to increase its annual tax levy. (See "FINANCIAL FACTORS - The Tax Levy Limit Law" herein).



In 2017 and 2018 the County levied approximately 30.3% of its budgeted revenues from a direct real property tax. Set forth in the following table is the amount of the annual tax levy of the County for the past five years.

**TABLE 16**

Real Property Tax Levy

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Levy for County Purposes	\$559,391,937	\$548,423,468	\$548,423,468	\$548,423,468	\$548,423,468
Tax Levy for Sewer, Water and Refuse Disposal Districts	<u>146,173,838</u>	<u>146,173,838</u>	<u>146,173,838</u>	<u>146,176,838</u>	<u>146,186,075</u>
Total	<u>\$705,565,775</u>	<u>\$694,597,306</u>	<u>\$694,597,306</u>	<u>\$694,597,306</u>	<u>\$694,609,543</u>

*Tax Limit.* The amount that may be raised by the County-wide tax levy on real estate in any fiscal year for purposes other than for debt service on County indebtedness, is generally limited to one and one-half per centum (subject to increase up to 2% by State legislative enactment) of the average full valuation of taxable real estate of the County. However, the Tax Levy Limit Law imposes a statutory tax levy limitation on the County's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See "FINANCIAL FACTORS - The Tax Levy Limit Law" herein).

The following table sets forth such real estate taxing limit of the County for the fiscal year 2018.

**TABLE 17**

Computation of Constitutional Taxing Power-General Fund

For the Fiscal Year 2018

<u>Tax Year</u>	<u>2018 Full Valuation of Real Estate</u>
2018	\$174,189,428,026
2017	167,758,214,049
2016	163,815,785,746
2015	155,963,411,796
2014	<u>149,540,079,541</u>
Total	\$811,266,919,158
Five-year average full valuation	162,253,383,832
Tax Limit: (1.5%)	2,433,800,757
Total Additions	<u>145,174,524<sup>(a)</sup></u>
Total taxing power	2,578,975,281
Total levy for 2018	<u>705,565,775</u>
Tax Margin	<u>\$1,873,409,506</u>

<sup>(a)</sup> Excluded from the Constitutional Tax Limit is \$143,869,173 appropriated for Net Debt Service and \$1,305,351 for Equipment replacement/Additional Equipment as per the 2018 adopted budget.

**Full Valuation, General Fund County Tax Levy and Rates**

The following table sets forth five years of the full valuation of taxable real property, the County's real property tax levy for General Fund County purposes and rates of tax per \$1,000.

**TABLE 18**Historic Valuation, Tax Levy and Rates

<u>Tax Levy Year</u>	<u>Full Valuation</u>	<u>Levied for County Purposes</u>	<u>Rate per \$1,000 of Full Valuation</u>
2018	\$174,189,428,026	\$559,391,937	\$3.21
2017	167,758,214,049	548,423,468	3.27
2016	163,815,785,746	548,423,468	3.35
2015	155,963,411,796	548,423,468	3.35
2014	149,540,079,541	548,423,468	3.67

The County-wide real estate tax levy is determined by subtracting all other available revenues from total expenditures necessary for County purposes and Sewer, Water, and Refuse Disposal District purposes.

The County-wide real estate tax levy is collected by the cities and towns within the County, each of which constitutes a separate tax district and, as such, is required by statute to collect its proportionate share of such tax levy. Payment of such share must be made to the Commissioner of Finance of the County as collected, and in any event, not less than 60% must be paid by May 25th and the balance must be paid by October 15th of the year for which such taxes are levied.

Unlike most other counties within the State, the County is not legally responsible or liable to the cities, towns, and other municipal corporations and school districts in the County for the amount of any unpaid delinquent County or local taxes. Instead, pursuant to applicable provisions of its Charter and Administrative Code and the State Real Property Tax Law, the County is required to include the amount of any unpaid County-wide taxes in the levy for the subsequent fiscal year on the particular tax district. Consequently, the cities and towns within the County remain liable for the collection of delinquent taxes and bear the burden of enforcement procedures.

However, in the event of the failure of a tax district to pay when due the full amount of its share of taxes payable to the County, the County may sell tax anticipation notes, which notes are redeemable out of such delinquent taxes and any penalties thereon which are payable by the tax district to the County. The County sold tax anticipation notes for this purpose in 1972. See "FINANCIAL FACTORS - Tax Collection Record" and "- Temporary Borrowing."

These statutes relating to collection of the County-wide tax levy place the burden for collecting unpaid delinquent taxes together with enforcement proceedings therefor, upon the respective tax district, with the result that any liability for unpaid delinquent taxes is not shared by all County taxpayers.

### **Tax Collection Record**

On May 25, 2017 the County collected \$416,758,384 (60%) of the total 2017 Tax Levy of \$694,597,306. The balance of \$277,838,922 (40%) was collected on October 15, 2017. On May 25, 2018 the County received \$423,339,465 (60%) of the total 2018 Tax Levy of \$705,565,775. The balance of \$282,226,310 (40%) will be collected on October 15, 2018. Set forth below (and as a result of the statutory requirements above) is the tax collection record of the County and district levies for the most current and past four fiscal years.

**TABLE 19**Historic Tax Collection Record

<u>Fiscal Year Ending December 31</u>	<u>Total Ad Valorem or General Property Tax</u>	<u>Actual Collection</u>	<u>Uncollected at End of Tax or Fiscal Year</u>
2017	\$ 694,597,306	\$694,597,306	\$ --
2016	694,597,306	694,597,306	--
2015	694,597,306	694,597,306	--
2014	694,609,543	694,609,543	--
2013	694,904,941	694,904,941	--

**The Tax Levy Limit Law**

Prior to the enactment of Chapter 97 of the Laws of 2011 (the “Tax Levy Limit Law”) on June 24, 2011, all the taxable real property within the County has been subject to the levy of ad valorem taxes to pay the bonds and notes of the County and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law, as amended, imposes a tax levy limitation upon the County for any fiscal year commencing January 1, 2012 through June 15, 2016 or later as provided in the Tax Levy Limit Law, as amended, without providing an exclusion for debt service on obligations issued by the County. As a result, the power of the County to levy real estate taxes on all the taxable real property within the County, without limitation as to rate or amount, may or may not be subject to statutory limitations, according to the formulas set forth in the Tax Levy Limit Law. The actual effect of the Tax Levy Limit Law would depend upon the interpretation of such law by a court of competent jurisdiction in the event of a legal challenge.

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

The Tax Levy Limit Law, as amended, imposes a limitation on increases in the real property tax levy of the County, subject to certain exceptions. The Tax Levy Limit Law permits the County to increase its overall real property tax levy over the tax levy of the prior year by no more than the “Allowable Levy Growth Factor”, which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The “Inflation Factor” is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The County is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the County, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the County. The governing board of the County may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the County first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the County, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the County or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or

school district. Each of the County's 2013, 2014, 2015, 2016, 2017 and 2018 tax levies were below the respective limitations as prescribed by the Tax Levy Limit Law.

## Sales Tax

Since 1971, the County has imposed a 1-1/2% County-wide sales and use tax on all retail sales.

Additionally, the State imposes a 4% State sales tax and, since May 1, 2005, a 3/8% sales tax levied in the Metropolitan Transportation Authority District.

The cities of White Plains, Mount Vernon and New Rochelle, pursuant to State law, have imposed sales and use taxes at a rate of 2-1/2%. The city of Yonkers, pursuant to State law, has imposed sales and use taxes at a rate of 3.00%. Currently the city of Rye and the city of Peekskill do not impose such a sales tax.

In July 1991, the State Legislature authorized an additional 1% sales tax (above the 1-1/2% County-wide sales and use tax described above). The additional 1% sales tax is apportioned between the County (33-1/3%), school districts in the County (16-2/3%) and towns, villages and cities in the County which have not imposed sales taxes (50%). The County imposes this additional sales tax in localities other than cities which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991 and has been extended through May 31, 2020.

In February 2004, the State Legislature authorized an increase of 1/2% to the additional 1991 1% sales tax. The County retains 70% of this 1/2 percentage point increase, the municipalities 20% and school districts 10%. This increase became effective March 1, 2004 and expires on May 31, 2020.

In summary, the combined sales tax (County, State, and MTA) in the County, exclusive of cities that have imposed sales tax, is 7.375%. The sales tax rate in the city of Yonkers is 8.875%. In the other cities that impose a sales tax, the rate is 8.375%. The total County portion of sales tax equates to a rate of 1.5% on sales in locations with city sales tax and 2.183% on sales in locations that do not have city sales tax.

Set forth below is a summary of Sales Tax revenues.

**TABLE 20**  
**Sales Tax Revenue Westchester County**

<u>Fiscal Year</u>	<u>Gross</u>	<u>County Share</u>
2017	\$525,230,119	\$410,772,156
2016	507,445,900	397,296,155
2015	500,642,409	392,017,318
2014	503,322,529	394,068,933
2013	489,522,517	382,767,743
2012	460,997,517	361,665,155
2011	453,013,940	355,035,883

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Sales Tax for 2018 is budgeted at \$544,506,000 (Gross) and \$426,893,000 (County Share).

## Other Revenues

Since 1988, the County has imposed a Hotel Occupancy Tax. Since 1991, the County has imposed a Motor Vehicle Tax. Since 2004, the County has imposed a Mortgage Tax.

	Budget <u>2018</u>	Actual <u>2017</u>	Actual <u>2016</u>	Actual <u>2015</u>
Hotel Occupancy Tax	\$ 6,824,000	\$ 6,449,824	\$ 6,325,138	\$ 6,115,422
Motor Vehicle Tax	16,427,000	16,168,942	15,855,777	15,905,840
Mortgage Recording Tax	20,711,000	20,141,856	19,718,700	18,396,878

In 2016 State and Federal Aid totaled \$406.4 million. This included \$241.1 million in Federal and State aid for Social Service programs and \$165.3 million for mental health, public health, transportation and other County programs. Of such amounts 44% (\$177.5 million) is Federal aid and 56% (\$228.9 million) is State aid.

In 2017 State and Federal Aid totaled \$401.5 million. This included \$238.7million in Federal and State aid for Social Service programs and \$162.8 million for mental health, public health, transportation and other County programs. Of such amounts 42% (\$168.7 million) is Federal aid and 58% (\$232.8 million) is State aid.

The 2018 Adopted Budget anticipates a total of \$422.5 million of Federal and State aid, which includes \$257.6 million in Federal and State aid for Social Service programs and \$164.9 million for mental health, public health, transportation and other County programs. Of such amounts, approximately 42% (\$175.9 million) is Federal aid and 58% (\$246.6 million) is State aid. Also included in the 2018 budget is a \$19.9 million Appropriation of Fund Balance.

## Expenditures

The County's major expenditures are for social services, public health, public safety and transportation. Municipalities and school districts located within the County provide primary police and fire protection, refuse collection and primary and secondary education. General Fund expenditures and other financing uses totaled approximately \$1.791 billion during 2016, of which 31% was spent for economic assistance. The 2017 Audited Operating results for the General Fund expenditures and other financing uses totals approximately \$1.792 billion, of which 32% was spent for economic assistance. The 2018 Adopted Operating Budget for the General Fund expenditures and other financing uses totals approximately \$1.845 billion, with an estimated 33% being spent on economic assistance.

**TABLE 22**

Expenditures by Major Category  
General Fund  
(Dollars in thousands)

	2018 Adopted <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
General Government	\$212,524	\$ 205,365	\$ 204,368	\$198,621	\$ 194,069
Education	151,836	149,666	161,350	159,051	155,768
Public Safety	268,416	263,101	241,086	250,718	253,466
Health	37,382	36,684	35,131	37,845	38,194
Transportation	168,178	161,901	158,109	159,311	152,691
Economic Assistance	601,090	572,959	589,547	596,376	599,286
Culture and Recreation	46,200	45,008	44,071	48,100	46,715
Home & Community Services	3,669	5,044	4,285	4,361	3,265
Employee Benefits	259,920	250,540	243,327	223,092	211,317
Cost of Debt Issuance	773	1,077	303	702	351
Debt Service	91,512	97,044	103,037	97,940	97,238
Transfers Out	<u>3,366</u>	<u>3,495</u>	<u>6,136</u>	<u>3,617</u>	<u>3,208</u>
Total Expenditures	<u>\$1,844,866</u>	<u>\$1,791,884</u>	<u>\$1,790,750</u>	<u>\$1,779,734</u>	<u>\$1,755,568</u>

### County Deposits and Investments

New York State law strictly limits the investments of county funds and requires counties to designate, with legislative approval, one or more banks or trust companies for the deposit of public funds. All deposits must be made to the credit of the County and all such deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act must be fully collateralized by “eligible securities” held pursuant to a tri-party agreement (under New York State Law) among the County, each depository bank and each custodian bank. In certain instances the institution that holds the deposit can act as the custodian to the applicable collateral. Eligible securities that the County utilizes as collateral by the banks for benefit of the County, include the following: obligations issued by the United States of America, an agency thereof or a United States Government sponsored corporation or agency; obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America; and obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

Collateral agreements entered into by the County must stipulate that eligible securities are pledged by the bank as security for County deposits and must provide the conditions under which the securities held may be valued, sold, presented for payment, or released and the events of default which will enable the County to exercise its rights and define its obligations as they relate to the pledged securities. Such collateral agreements must also provide that pledged securities will be held by a bank as agent and custodian for the County, will be kept separate and apart from the general assets of the bank and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities of the bank.

The County has the power to invest funds of the County not required for immediate expenditure in special time deposit or money market accounts in, or certificates of deposits issued by, a bank or trust company located and authorized to do business in the State. Any such investments must be payable within such times as the proceeds shall be needed to meet expenditures for which such monies were obtained and must provide that such time deposit account or certificate of deposit be collateralized in the same manner as provided for deposits above. All such temporary investments are structured to be payable or redeemable at the option of the County within such times as the proceeds will be needed by the County. This “matching” investment policy frees the County from having to sell such investments prior to maturity or redemption and thereby avoids market risk for such investments. The County may also make temporary investments of public funds in obligations of the United States of America where the payment of principal and interest are guaranteed by the United States of America or in obligations of the State of New York or with the approval of the New York State Comptroller in short-term obligations of State municipal corporations.

The County's written Investment Policy, as approved by the Board, is conservative in practice as well as in design. All trading partners are either primary dealer investment banks chosen from The Federal Reserve Primary Dealer List or highly rated, well capitalized, commercial banks as determined by the County's own strict due diligence review.

Usual County investments consist of money market accounts, Certificates of Deposit, United States Government Bills, bonds or notes backed by the full faith and credit of the United States, and Repurchase Agreements based in the same United States Government securities, under standardized trading partner repurchase agreements. Securities purchased under Repurchase Agreements are held with third party custodians until repurchase date and are marked to market daily, valued at 102% of the Repurchase Agreement contract.

Commercial bank money market accounts and Certificates of Deposit are collateralized with "eligible securities" as described above and held for the benefit of the County.

## **BUDGETARY PROCESS**

The Department of the Budget (the "Budget Department") is by Charter responsible for the formulation and management of the budget and for its execution, revenue estimates, review and financial analysis. The Budget Department assists the County Executive with the preparation of the budget and presentation to the Board of Legislators. Budget formulation commences in June of each year with a call for budget submissions to all County Departments. By September 10th of each year, department heads submit their requests for the next fiscal year with expenditure and revenue estimates. These estimates are reviewed by the Budget Department and the County Executive, and the County Executive's proposed Operating Budget is then presented to the Board on or before November 10. In turn, the Committee on Budget and Appropriations of the Board of Legislators reviews the proposed budget and makes recommendations to amend and/or adopt the budget by December 27. The budget is presented on a department and program basis by object of expenditure and includes the general operating budget for the County, a budget for each of the water, sewer and refuse disposal districts and the capital budget for the County. The capital budget is presented with a five-year plan and is subject to a separate budget process. Not later than May 1st of each year the head of each department, institution, furnishes to the Budget Director, the County Planning Board, and the Capital Projects Committee detailed estimates of any capital projects which should be undertaken within the next five fiscal years. Not later than the tenth day of September, the Planning Board submits to the County Executive, to the Budget Director and the Capital Projects Committee its recommendations. The County Executive submits the Capital Budget along with the report of the Capital Projects Committee to the Board not later than October 15. In turn, the Committee on Budget and Appropriations of the Board reviews the proposed budget and makes recommendations to amend and/or adopt the budget by December 27. The budget is published both in its proposed and adopted form. For the widest possible dissemination, the County's Budget is available on the County's website at <http://www.westchestergov.com>.

The basic format and content of the operating and capital budgets are fixed by Charter. From time to time during the course of a fiscal year, additional appropriations and modifications of the budget may be enacted. Additional appropriations to the current year's budget requires the recommendation of the County Executive and approval of the Board.

## **FINANCIAL CONTROLS**

During the course of the year, the Budget Department, in addition to the Department of Finance, maintains supervision and control over expenditures and appropriations and monitors revenues. At least monthly, reports on the foregoing are rendered. Once adopted, the annual budget is released to the operating departments. No expenditures may be made unless they are included as part of an allocation. The County operates a full encumbrance accounting system based on allocations wherein requisitions, purchase orders and contracts are encumbered. In addition, all capital outlays must receive a separate allocation. Pursuant to the County Charter, with certain exceptions, contracts must receive prior approval by the Board of Acquisition and Contract, comprised of the Chairman of the Board, the County Executive and the Budget Director. A position control system is maintained with respect to employment. The Commissioner of Finance may not disburse money unless appropriated and allocated and not in excess of the amount of the appropriation or allocation. No appropriation may be used for any purpose other than that for which it is made. All unencumbered balances in the General Fund appropriation for each fiscal year lapse on the last day of the fiscal year.

## **RESULTS OF OPERATIONS FOR THE GENERAL FUND FOR THE 2016 AND 2017 FISCAL YEARS AND THE BUDGET FOR THE 2018 FISCAL YEAR**

The audited 2017 fiscal year resulted in a year-end unassigned General Fund balance of \$21.8 million compared to the unassigned 2016 General Fund balance of \$56.9 million. The December 31, 2017 General Fund balance totaled \$134.0 million. This balance is made up of the following items: unassigned - \$21.8, non-spendable - \$25.8 million, assigned – \$86.4 million. The detail of the assigned balance is as follows: New York State Retirement Stabilization - \$14.8 million, other post-employment benefits (GASB 45) - \$41.0 million, purchases on order - \$6.6 million, subsequent year's expenditures – \$19.9 million, and Medicaid claims - \$4.1 million.

### *2018 Budget*

The County Executive released his 2018 proposed budget on November 13, 2017. The Board adopted the 2018 budget, as modified by the Board, on December 21, 2017. Total expenditures are \$1.845 billion. Sales tax revenues are budgeted at \$544.5 million (29.5% of total), property tax is \$559.4 million (30.3% of total), and Federal and State aid is estimated at \$422.5. (22.9% of total). Also included in the 2018 budget is a \$19.9 million appropriation of fund balance.

## **EMPLOYEES**

As of November 9, 2017, the County provides services through approximately 4,594 full-time equivalent employees; 369 of these employees have been determined to be management level or confidential in nature and thus are not represented by any labor organization. All other employees are in titles that are represented for collective bargaining purposes. As of November 9, 2017, this representation is provided by nine labor organizations, which are:

The Local 456, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, AFL-CIO (the "Teamsters") representing 112 administrators and managers;

The Westchester County Correction Officers Benevolent Association (the "COBA") representing 733 correction officers;

The Westchester County Correction Department Superior Officers Association (the "SOA") representing 118 senior assistant wardens, sergeants, captains and specialists;

The New York State Nurses Association (the "NYSNA") representing 33 registered nurses in various County departments;

The Westchester County Police Officers Benevolent Association, Inc. (the "PBA") representing 250 police officers and sergeants in the Police Division, Public Safety Services;

The Westchester County Police Officers Benevolent Association, Superior Officers Unit (the "SPBA") representing 27 Captains and Lieutenants in the Police Division, Public Safety Services;

The District Attorney Investigators PBA of Westchester County (the "DA Investigators") representing 33 Criminal Investigators in the District Attorney's Office;

The Civil Service Employees Association (the "CSEA") representing 2,919 employees; and

The Civil Service Employees Association Local 1000, American Federation of State, County and Municipal Employees Union, AFL-CIO, Westchester County Local 860, Westchester H.O.U.R. Unit (the "HOUR").

The Primary Government has nine labor organizations which represent most of the County work force for collective bargaining purposes. The status of the various union contracts is as follows:

The County is a party to eight collective bargaining agreements. There are two police contracts which will expire on December 31, 2019, two Corrections contracts which will expire on December 31, 2019, one contract with the Teamsters which will expire on December 31, 2020 and one with the District Attorney Investigators which expired



December 31, 2015. The County's contract with the New York State Nurses Association also expired December 31, 2015. The remaining contract is with the CSEA which expired December 31, 2011. Each of these contracts is subject to negotiations or is already in negotiations. One additional bargaining unit consisting of seasonal and part time personnel represented by CSEA. That group was certified as a bargaining unit several years ago but as of this date has not entered into an agreement with the County. Negotiations with that group will likely resume upon completion of negotiations with the CSEA.

## Pension Systems

### *Defined Benefit Plan*

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

Funding Policy - The Systems are non-contributory with respect to those employees in tier 1 and tier 2. Those employees in tier 3 and tier 4 having less than ten years of service, must contribute 3% of their salary. Those employees in tier 5 contribute 3% of their salary without regard to their years of service. Tier 6 members are required to contribute from 3% to 6% of their salaries based on a sliding scale toward pension costs as long as they accumulate additional pension credits. Contributions are certified by the State Comptroller and expressed as a plan. Contribution rates for the plan year ended March 31, 2017 are as follows:

**TABLE 23**

	<b><u>Tier</u></b>	<b><u>Rates</u></b>
ERS	1	21.8%
	2	19.8% - 24.5%
	3	16.0% - 16.1%
	4	16.0% - 25.2%
	5	13.1% - 22.8%
	6	9.3% -13.3%
PFRS	1	29.2%
	2	24.1%
	3	23.8%
	5	19.5%
	6	14.5%

The County's expense in connection with the Systems is funded on an actuarial basis provided by the State and the billing is on a fiscal year basis of April 1 to March 31. The County's cost for the last five years is scheduled in Table 24:

**TABLE 24****Payments to Employees' Retirement System**

	<u>Years Ended December 31</u>				
	<u>2017<sup>(a)</sup></u>	<u>2016<sup>(b)</sup></u>	<u>2015<sup>(c)</sup></u>	<u>2014<sup>(d)</sup></u>	<u>2013<sup>(e)</sup></u>
ERS	\$70,122,171	\$66,986,134	\$60,990,054	\$56,395,201	\$49,555,181
PFRS	<u>11,813,367</u>	<u>11,168,677</u>	<u>8,126,385</u>	<u>11,201,208</u>	<u>7,141,711</u>
Total Payment	<u>\$81,935,538</u>	<u>\$78,154,811</u>	<u>\$69,116,439</u>	<u>\$67,596,409</u>	<u>\$56,696,892</u>

<sup>(a)</sup> In 2017 the County elected to amortize the maximum allowable ERS contribution (2018 Annual invoice due Feb. 1, 2018) of \$3,894,909. Therefore, gross bills for ERS and PFRS were \$74,017,080 and \$11,813,367, respectively.

<sup>(b)</sup> In 2016 the County elected to amortize a portion of the ERS and PFRS contributions (2017 Annual Invoice due February 1, 2017) of \$4,295,325 and \$179,223, respectively. Therefore, gross bills for ERS and PFRS are \$71,281,459 and \$11,347,900, respectively.

<sup>(c)</sup> In 2015 the County elected to amortize a portion of the ERS and PFRS contributions (2016 Annual Invoice due February 1, 2016) of \$14,087,528 and \$109,163, respectively. Therefore, gross bills for ERS and PFRS were \$75,077,582 and \$8,235,548, respectively.

<sup>(d)</sup> In 2014 the County elected to amortize a portion of the ERS and PFRS contributions (2015 Annual invoice due Feb. 1, 2015) of \$19,131,233 and \$7,539,106 respectively. Therefore, gross bills for ERS and PFRS were \$75,526,434 and \$18,740,314, respectively.

<sup>(e)</sup> In 2013 the County elected to amortize a portion of the ERS and PFRS contributions (2014 Annual invoice due Feb. 1, 2014) of \$40,877,835 and \$2,741,892 respectively. Therefore, gross bills for ERS and PFRS were \$90,433,016 and \$9,883,603, respectively.

***Defined Contribution Plan***

The New York State Voluntary Defined Contribution Program (VDC) is a defined contribution Retirement Plan and is an alternative option to the defined benefit plans described above. The VDC Program includes an employee and employer contribution. The employee contribution is required for the duration of employment. The employer contribution rate currently is 8% of gross salary. Retirement benefits will depend on the value of individually owned retirement contracts purchased and issued by one or more of the authorized investment providers.

Eligibility for the NYS VDC Program is limited to unrepresented employees hired on or after July 1, 2013 with an estimated annual salary rate of \$75,000 or greater. Vesting occurs after 366 days of active service. All contributions will become the property of, and all investments will be directed by, the participant upon vesting.

**GASB 45 and Other Post-employment Benefits (OPEB)**

The County provides post-retirement employment benefits to various categories of former employees. Those benefits are funded on a pay-as-you-go basis. Under the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 45 (GASB 45), all governmental entities are now required to report the estimated cost of the accrued liability for such post-employment benefits. Governments, including the County, with budgeted revenues in excess of \$100 million, must report that liability on an annual basis.

GASB 45 requires governments to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require governments to report a net OPEB obligation initially.

Under GASB 45, based on actuarial valuation, an annual required contribution (ARC) will be determined for each municipality. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by the current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality account for its unfunded accrued liability and compliance in meeting its ARC. The County contracted with SG Risk to perform the OPEB study and actuarial calculation. The County's total actuarial accrued liability reported in the 2017 audited financial report was determined to be \$2.333 billion. The County's ARC was \$207.710 million for 2017.

Actuarial valuations are required every two years since the County's OPEB plan has more than 200 members.

## LITIGATION

The County, its officers, and its employees are the defendants in a number of lawsuits. The County Department of Law, headed by the County Attorney, has determined that there are no pending lawsuits which will have the potential for an expenditure of more than \$5,000,000 in excess of any amounts not provided for in the self insurance reserves, except as noted below.

With regard to the other pending litigation, it is the opinion of the County Attorney that the final determination of such litigation, either individually or in the aggregate, would not materially affect the County's financial position.

The County also receives numerous notices of claim each year. These notices, however, are usually not explicit enough for the County Attorney to accurately ascertain their potential for liability to the County.

*Certiorari Proceedings.* The various towns and cities within the County are defendants in numerous certiorari proceedings, the results of which generally require tax refunds on the part of the County. The dollar value of the actions currently pending is not available. General Fund refunds of \$8,871,967 and \$7,468,562 were expended in 2016 and 2017, respectively. For 2018, the County has budgeted \$7,400,000 for expected certiorari claims.

In 2006, a lawsuit was filed against the County of Westchester entitled United States of America ex rel. Anti-Discrimination Center of Metro New York, Inc. v. Westchester County, New York, concerning the use of federal funds for affordable housing and community development projects. The parties reached an agreement and on August 10, 2009, a Stipulation and Order of Settlement of Dismissal was filed whereby the County is required to, among other things, expend a total of \$62,500,000. Initial payments totaling \$32,500,000 were made by the County as follows: \$30,000,000 was paid to the United States in full settlement of all claims and \$2,500,000 was paid to the opposing counsel. The United States will credit \$21,600,000 of the initial payment to the County's Housing and Urban Development (HUD) account for use by the County to affirmatively further fair housing pursuant to Community Development Block Grant (CDBG) regulations. The remaining \$30,000,000 will be spent on specific affordable housing projects as they are identified and subject to legislative approval of each such expenditure. There have been no material changes in the terms of the Stipulation and Order of Settlement and Dismissal.

On August 6, 2013, the United States Attorney for the Southern District of New York on behalf of the United States Environmental Protection Agency filed a complaint against the County of Westchester in the United States District Court for the Southern District of New York (United States of America v. The County of Westchester, New York 13 CV 5475). The complaint alleges non-compliance with the Safe Drinking Water Act and Enhanced Surface Water Treatment Rule by Westchester County Water District No. 1 and seeks injunctive relief and monetary fines. The action has been resolved pursuant to a Consent decree entered and filed on September 2, 2015.

On August 11, 2015, Connecticut Fund for the Environment, Inc. d/b/a Save the Sound filed a complaint against the County of Westchester in the United States District Court for the Southern District of New York (Connecticut Fund for the Environment, Inc. d/b/a Save the Sound v. Westchester County, New York 15 CV 6323). The complaint alleges non-compliance with the Clean Water Act by Westchester County and seeks declaratory and injunctive relief and civil penalties. Subsequent to the filing of this action, plaintiff Connecticut Fund for the Environment, Inc. served a "Notice of Violation and Intent to File Suit under the Clean Water Act" ("August Notice") on the County and the eleven local municipalities named in the lawsuit. As a result of the August Notice, Plaintiff and the County entered into a stipulation, with the Court's approval, that extended the County's time to respond until the date that the eleven municipalities were required to respond to a lawsuit filed pursuant to that notice. On November 4, 2015, Connecticut Fund For the Environment, Inc., d/b/a Save the Sound, joined by

Soundkeeper, Inc. and Atlantic Clam Farms of Connecticut, Inc. filed an Amended Complaint, which named the County and added eleven local municipalities as defendants. After service of the Amended Complaint, the date to file an answer or pre-motion letter had been set as November 27, 2015 (“Response Date”) for each of the local municipalities, and for the County in accordance with the previous stipulation. Defendants jointly requested, and the Court consented, to extending the Response Date to January 26, 2016, and then further extended to April 25, 2016. At a conference held prior to April 25, 2016, the District Court indefinitely adjourned the Response Date while the parties discuss potential resolution. At a conference held on April 18, 2017, the District Court continued this adjournment.

Yonkers Contracting Company, Inc. v. The County of Westchester, et al. (Supreme Court: Westchester County Index No.: 63929/2015). On August 26, 2015, Yonkers Contracting Company, Inc. (“Yonkers”) filed and served a civil complaint against the County of Westchester and nine (9) other defendants claiming monetary damages for delays and inefficiencies occurring during the construction of the Composite Performance Implementation and Expansion to the New Rochelle Wastewater Treatment Plant under County Contract No. 08-540 and the construction of the Biological Nutrient Removal Facilities at the New Rochelle Wastewater Treatment Plant under County Contract No. 09-514. The complaint alleges monetary damages in the amount of \$37,760,000. The time for all defendants to formally answer the complaint has been extended to May 23, 2016. Answers have been served/filed by all defendants. A motion for dismissal of plaintiff’s complaint served by several of the defendants is returnable on January 19, 2017. All dismissal motions were denied by the Court. A preliminary conference for all parties has been scheduled for November 13, 2017. The matter is in the discovery stage. The court imposed an expedited discovery schedule and a compliance conference has been set for March 1, 2018.

105 Mt. Kisco Assoc., et. al v. Carozza, Westchester County Department of Health, et. al. 105 Mt. Kisco Associates filed suit under CERCLA claiming, inter alia, that the County Department of Health was involved in activities that caused contamination to its real property. The County submitted a motion to dismiss, and successfully argued that only one remediation action could occur on the site and the statute of limitations found in the CERCLA statute applied to remediation activities that previously occurred on the site. Plaintiffs filed an amended complaint and a further motion to dismiss is now pending.

## **Self Insurance**

The County, in 1986, pursuant to the authority granted under New York General Municipal Law (“GML”) Section 6-n, is self-funding its casualty and liability exposures, including exposure for general, automobile, professional, and public officials, with certain exceptions where insurance coverage applies, as well as medical malpractice exposures deriving from the activities of the Westchester County Medical Center (the “6-n Fund”). The County’s medical malpractice exposures from the Westchester County Medical Center were limited after 1998 when the Westchester County Health Care Corporation took over those responsibilities. In 1989, pursuant to the authority granted under GML Section 6-j, the County began self-funding the administration and payment of its worker’s compensation claims (the “6-j Fund”). (The 6-n Fund and the 6-j Fund are collectively referred to as “Self-Insurance Funds.”)

The Laws of Westchester County section 295.21 provides that payment into the 6-n Fund during any fiscal year “shall not exceed \$33,000.00 or 1 2/3 per centum of the total budget for such fiscal year, whichever is the greater amount”.

Accordingly, the County has retained the services of an independent actuary to evaluate its loss history and provide recommendations in establishing the County’s liabilities for all past claims and its funding for future claims.

The actuary has certified as to the adequacy of the amount accrued as of December 31, 2017 for claims arising from 1986 through 2017 exposures, including a provision for incurred but not reported claims.

Of those cases instituted after the December 31, 2017 actuarial estimates which are covered by the County’s Self-Insurance Funds, none is expected to result in exposure in excess of \$5,000,000. The 6-n Fund retains an adequate and sufficient unallocated reserve to pay for claims exceeding that amount, as a contingency, in lieu of purchasing commercial insurance policies.

See “WESTCHESTER COUNTY - Utility Services” herein for a discussion of certain administrative proceedings involving the County and State and federal environmental regulatory agencies, relating to the County’s obligations to provide certain sewage treatment and sludge disposal facilities.



