



2019

COUNTY OF WESTCHESTER, NEW YORK COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDING DECEMBER 31, 2019

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

Prepared by the Finance Department

2019

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**COUNTY OF WESTCHESTER, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019**

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George Latimer
County Executive

Department of Finance
Ann Marie Berg
Commissioner

July 23, 2020

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, 2019 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, 2019.

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, 2019, are free from 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 unmodified opinions that the County's financial statements for the fiscal year ended December 31, 2019 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 auditors' report, Management's Discussion and Analysis (known as the MD&A), the basic financial statements, notes to the financial statements, required supplementary 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 as part of the basic financial statements for the governmental funds with appropriated annual budgets. 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

The onset of COVID-19 pandemic in March of 2020 has affected the economies of the County of Westchester and the Nation at large with many businesses forced to shut down, especially in the Tri-State region the County is in. The effect on the consumer has significantly decreased the County's budgeted revenues, in particular the sales tax revenues. As more entities continue to open for business within the County and surrounding communities, the County should see improvements in its sales tax revenues. In order to quantify the economic effects on the County of the COVID-19 virus, as measured by the County's key measurements on its economy of sales tax and mortgage tax, a discussion of these measurements below for the three months before March 31, 2020 and three months after through June 30, 2020 is deemed helpful.

The County's gross sales tax receipts for the three months ended March 31, 2020 and 2019 are \$140.8 million and \$109.8 million, respectively, an increase of \$31.0 million or 28.2 % (the 2020 sales tax includes the effect of the 1% increase in the County's sales tax rate that went into effect August 1, 2019). For the subsequent three months ended June 30, 2020 and 2019, sales tax was \$131.7 million and \$139.9, respectively, a decline of \$8.2 million due to the impact of the COVID19 virus. The yearly amounts (in millions) for 2019, 2018, 2017, 2016 and 2015 were \$630.3, \$551.9, \$525.2, \$507.4 and \$500.6.

The County's mortgage tax receipts for the three months ended March 31, 2020 and 2019 are \$4.3 million and \$3.7 million, respectively, an increase of \$.6 million. For the subsequent three months ended June 30, 2020 and 2019, mortgage tax receipts are \$3.9 million and \$5.1, respectively, a decline of \$1.2 million due to the impact of the COVID19 virus. The yearly amounts (in millions) for 2019, 2018, 2017, 2016 and 2015 were \$20.1, \$18.4, \$20.1, \$19.7 and \$18.4.

Financial Planning

During the past two and half years, the administration has been focused on the future operating expenditures of the County in order to diminish and subsequently reverse the drain on the County's fund balance. Some of the focus has been on settling union contracts, reducing the health care costs burden of the County, and reduced funding on Medicaid and other mandated programs by the State. With the County's necessary past 2018 and 2019 tax levy increases, the administration was mindful of the need to increase other revenues, such as the 2019 increased County sales tax, and is continuing to explore other revenues and reductions in expenditures.

The combined sales and mortgage tax revenues for the first six months of 2020 are higher by \$22.2 million from the prior year's comparative period as indicated in the *Local Economy* above. This increase in revenue however is below the County's budgeted revenue due to the effect of the COVID19 virus and further emphasizes the administration's concerns of expenditures in excess of revenues for the balance of 2020 and 2021.

Some of the actions taken by the County in 2019 and subsequent to 2019 are as follows:

- Increased the County's sales tax rate by 1% in August 2019 which gave the County the opportunity to start restoring the County's depleted fund balance.
- The County was eligible for and received on April 24, 2020 the Coronavirus Aid, Relief and Economic Security (CARES) Act funds of \$168.8 million. The funding is to be used for the County's operation as aid for unforeseen COVID-19 expenditures.
- Additionally, the County has been granted \$23,607,111 of CARES Act grant for airport operations exclusively.
- In addition, the Metropolitan Transportation Council, through its Program, Finance and Administration Committee, has designated to the County \$30.2 million for transit funding from CARES ACT funding.
- In order to partially offset the decline in revenues brought about by the COVID-19 Virus, the County has implemented a Voluntary Separation Program in July 2020 to reduce some of its workforce by August 1, 2020.

As of June 2020, the County's bond rating from Standard and Poor's Corporation is AA+(negative watch), Fitch Ratings is AA+ (negative watch) and Moody's Investors Service is Aa1(negative watch). The benefit of the County's high bond rating is lower borrowing costs.

Looking forward to the 2021 budget, the administration continues its commitment to provide its various operations with the necessary resources for carrying out the services being provided by each department. As in the past, revenue sources as well as labor costs and related fringe benefits will be addressed, especially in light of the COVID-19 virus pandemic.

Long Term Projects

The following are some of the major capital programs for economic growth and public infrastructure approved as part of the 2020 Capital Budget:

- \$32.0 million for continued rehabilitation of the County's network of parkways, roads and bridges.
- \$54.0 million for the continued replacement of the 108 Orion V 40 foot bus fleet. In 2018, the County started the replacement of its aging diesel articulated buses with new state of the art hybrid electric articulated buses of which 78 have been received through 2019.
- \$10.0 million for the New Homes Land Acquisition Fund and \$10.0 million for the Housing Implementation Fund for the construction of infrastructure necessary to support the development of affordable housing.
- \$66.0 million for the Sewer and Water districts facilities inclusive of an additional \$15.0 million for engine replacement and blower reconditioning in the Yonkers Joint Treatment Plant.
- \$18.7 million for the Airport's aircraft deicing system implementation.

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 2019, the County's long-term bond debt increased by \$37.7 million. The major factor contributing to this increase was the issuance of \$195.6 million of long term debt (inclusive of \$46.8 million of Refunding Bonds), partially offset by debt payments of \$157.9 million (inclusive of bond defeasance of \$52.7 million).

Subsequent to year-end 2019, the County issued a tax anticipation note (TAN) on January 15, 2020 for \$200.0 million maturing on May 27, 2020 with a coupon rate of 1.5%. The TANs were issued to provide cash flow assistance to the County leading up to the May 26, 2020 property tax collection. The \$200 million TAN matured on May 27, 2020 and was paid in full. Also, on April 30, 2020 the County issued two Bond Anticipation Notes ("BANs") that mature on April 30, 2021. The Series A note is in the amount of \$33.9 million and the Series B note is in the amount of \$9.5 million.

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, \$3,894,909 for 2017, \$4,189,788 for 2018 and none for 2019. For 2020, the County did not use the stabilization program.

Additional information on pension arrangements can be found in Note 3, I 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, 2018. This was the twelfth 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, especially working through the “stay at home” order put into effect in mid-March 2020. This report could not have been possible without the diligent efforts of Finance First Deputy Commissioner Cesar A. Vargas, Deputy Commissioner 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 a garden within the County’s Lasdon Park, a 234 acre property which is an Arboretum, with flowers and shrub specimens from all around the world, and which also contains four Military Memorials and a museum that honor all Westchester County men and women who have served their country in various branches of the military.

Respectfully submitted,



Ann Marie Berg
Commissioner of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

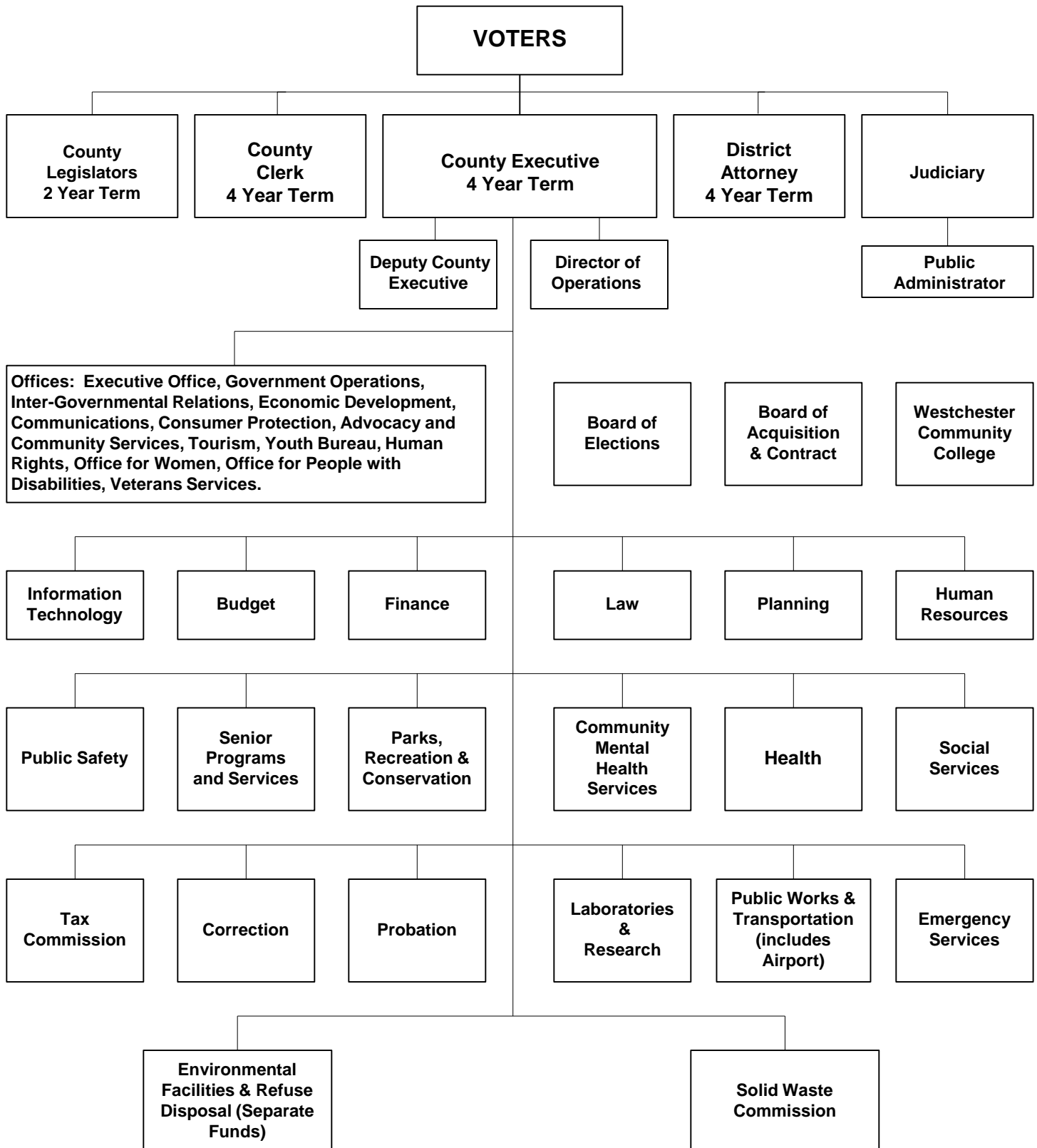
**Westchester County
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Executive Director/CEO

COUNTY OF WESTCHESTER ORGANIZATIONAL CHART



COUNTY OF WESTCHESTER, NEW YORK
PRINCIPAL OFFICIALS

COUNTY EXECUTIVE
George Latimer

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

	<u>District Number</u>
Alfreda A. Williams, Vice Chair	8
José I. Alvarado	17
Nancy Barr	6
Catherine Borgia	9
Terry Clements	11
Kitley S. Covill	2
Margaret A. Cunzio	3
Vedat Gashi	4
Christopher Johnson	16
Damon R. Maher	10
Catherine F. Parker	7
MaryJane C. Shimsky	12
Colin D. Smith	1
David J. Tubiolo	14
Ruth Walter	15
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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 County'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 County'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, 2019, 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 Matters

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.

As discussed in Note 7 in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 ("Coronavirus"). 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, 2019 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, 2019 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, 2019 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, 2019.

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, 2018 (not presented herein), and have issued our report thereon dated July 12, 2019, 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, 2018 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 2018 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2018 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, 2018.

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, 2019 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 July 23, 2020 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
July 23, 2020

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COUNTY OF WESTCHESTER, NEW YORK 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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1- 6 of this report.

For the year ended December 31, 2018, the County implemented Governmental Accounting Standards Board ("GASB") Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("OPEB"). This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/ inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to actuarial present value and attribute that present value to the periods of employee service.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of the County's governmental activities exceeded its assets and deferred outflows of resources at the year ended December 31, 2019 and 2018 by \$1,297,770,879 and \$1,249,402,822, respectively, a decrease in total net position of \$48,368,057. The unrestricted net deficit portion at December 31, 2019 was \$3,307,350,462, which was a decrease from the year 2018 by \$142,911,876. This was primarily due to the recording in accordance with GASB Statement No.75 of an increase in the estimated post-retirement health insurance liability of \$142,818,203 in 2019, net of related deferred inflows decrease of \$4,249,613 and deferred outflow increase of \$235,391,629 (this excludes the decrease in amount charged to the restricted Special Revenue Funds of \$3,186,540, which is net of the decrease in related deferred inflows of \$335,483 and increase in deferred outflow of \$13,758,265), the increase in GASB 68 and 71 long-term pension obligation of \$59,125,891 (exclusive of the increased amount allocated to the restricted Special Revenue Funds of \$2,635,944), the net decrease in other working capital and other non-debt long term liabilities of \$26,489,791, and the increase in available bond and ban proceeds of \$13,136,574, partially offset by the decrease in net pension deferred outflows and inflows of \$60,510,544 (exclusive of restricted Special Revenue Funds amount of \$3,606,955), decrease in accounts payable and accrued expenses of \$25,713,794, and the net decrease in the New York Retirement Stabilization liability of \$12,222,246. 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.
- Taxes on Real Property revenue increased by \$14,109,039 to \$719,674,814 in 2019 from \$705,565,775 in 2018. Sales Tax revenue increased by \$78,404,977 to \$630,288,471 in 2019 from \$551,883,494 in 2018, Mortgage Tax revenue increased by \$1,721,381 to \$20,135,934 in 2019 from \$18,414,553 in 2018, and tobacco settlement revenues ("TSR's") residual payment from Westchester Tobacco Asset Securitization Corporation ("WTASC") for 2019 and 2018 were \$1,885,516 and \$1,643,586, respectively, an increase of \$241,930.
- For 2019 the County's governmental funds reported combined ending fund balances of \$223,235,233, an increase of \$5,208,862 in comparison with the 2018 restated fund balance of \$218,026,371. The 2018 governmental funds previously reported combined fund balance of \$212,573,417 was increased for the Airport Fund's 2018 prior period adjustment of \$9,524,808 on passenger facility charges revenue recognition less the reduction on passenger facility charges revenue of \$4,071,853 previously recognized in 2018. The governmental funds increase is composed of increases in the Capital Projects Fund of \$17,047,482 and the General Fund of \$13,837,125, partially offset by the decreases in the Combined Sewer Districts Fund of \$5,468,414, Refuse Disposal Fund of \$9,878,521, the Grants Fund of \$4,555,777 and the Nonmajor governmental funds of \$5,773,033.

- 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 \$75,603,227 or 3.83% of the total General Fund expenditures for 2019 and \$64,919,423 or 3.42 % of the total General Fund expenditures for 2018.
- As of June 2020 the County's bond rating from Standard and Poor's Corporation is AA+ (negative outlook), Fitch Ratings is AA+ (negative outlook) and Moody's Investors Service is Aa1 (negative outlook).
- The County's total long-term bond debt (exclusive of the Westchester Tobacco Asset Securitization (WTASC)) blended component unit debt) increased \$37,699,150 (3.1%) during 2019. The major factor contributing to this increase was the issuance of \$195,632,652 of long term debt (inclusive of \$46,775,000 of Refunding Bonds), partially offset by debt payments of \$157,933,502 (inclusive of bonds defeasance of \$52,695,000).

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 (WCC)
- 3) Westchester County Local Development Corporation

The Combining Statement of Net Position for these component units is reported separately in Exhibit D-1 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 financing requirements.

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

The County maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, 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 2019, 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-1 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), liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,297,770,879 and \$1,249,402,822 for 2019 and 2018, respectively.

The largest component of the County's net position reflects its 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. 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**

	Governmental Activities		Business-type Activities		Total	
	2019	2018-Restated	2019	2018	2019	2018-Restated
Current and other assets	\$ 746,491,361	\$ 730,966,242	\$ 27,986,971	\$ 26,232,987	\$ 774,478,332	\$ 757,199,229
Capital assets, net	3,348,606,953	3,219,535,344	—	—	3,348,606,953	3,219,535,344
Total assets	4,095,098,314	3,950,501,586	27,986,971	26,232,987	4,123,085,285	3,976,734,573
Deferred outflows of resources	381,743,269	206,144,141	4,208,595	4,342,554	385,951,864	210,486,695
Current liabilities	605,499,975	573,130,672	5,772,259	4,355,839	611,272,234	577,486,511
Long-term liabilities	5,021,315,099	4,539,351,405	174,691,607	178,167,085	5,196,006,706	4,717,518,490
Total liabilities	5,626,815,074	5,112,482,077	180,463,866	182,522,924	5,807,278,940	5,295,005,001
Deferred inflows of resources	147,797,388	293,566,472	—	—	147,797,388	293,566,472
Net position:						
Net investment in capital assets	1,980,284,625	1,880,534,602	—	—	1,980,284,625	1,880,534,602
Restricted	29,294,958	34,501,162	—	—	29,294,958	34,501,162
Unrestricted	(3,307,350,462)	(3,164,438,586)	(148,268,300)	(151,947,383)	(3,455,618,762)	(3,316,385,969)
Total net position	\$ (1,297,770,879)	\$ (1,249,402,822)	\$ (148,268,300)	\$ (151,947,383)	\$ (1,446,039,179)	\$ (1,401,350,205)

A portion of the County's 2019 net position of \$29,294,958 represents resources that are subject to external restrictions on how they may be used. The 2019 unrestricted deficit is \$3,307,350,462.

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 \$148,268,300, a decrease of \$3,679,083 from the 2018 deficit balance of \$151,947,383.

Governmental Activities

Governmental activities decreased the County's total net position for 2019 by \$48,368,057. The 2018 total net position decreased by \$1,774,774,322 includes a decrease for the cumulative effect of an accounting change of \$1,695,535,891 for implementing GASB Statement No. 75, an increase for a prior period adjustment of \$9,524,808 for the change in the Airport Fund's passenger facility charges revenue recognition and also, a decrease in 2018 for the restatement of miscellaneous income by \$4,071,853 for the effect of the Airport Fund's prior period adjustment on passenger facility charges revenue. A comparative analysis of the changes in net position follows:

COUNTY OF WESTCHESTER CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018- Restated	2019	2018	2019	2018 Restated
Revenues:						
Program Revenues:						
Charges for Services	\$ 257,178,919	\$ 236,942,111	\$ —	\$ —	\$ 257,178,919	\$ 236,942,111
Operating Grants and Contributions	549,631,183	537,399,404	—	—	549,631,183	537,399,404
Capital Grants and Contributions	61,798,896	36,376,203	—	—	61,798,896	36,376,203
Total Program Revenues	868,608,998	810,717,718	—	—	868,608,998	810,717,718
General Revenues:						
Taxes on Real Property	719,674,814	705,565,775	—	—	719,674,814	705,565,775
Sales Tax	630,288,471	551,883,494	—	—	630,288,471	551,883,494
Auto Use Tax	16,423,208	16,382,152	—	—	16,423,208	16,382,152
Hotel Tax	6,881,646	6,825,805	—	—	6,881,646	6,825,805
Mortgage Tax	20,135,934	18,414,553	—	—	20,135,934	18,414,553
Payments in Lieu of Taxes	10,413,195	9,934,442	—	—	10,413,195	9,934,442
Intergovernmental Transfer	108,305,098	111,792,988	—	—	108,305,098	111,792,988
Earnings on Investments	12,540,283	12,310,435	579,708	579,562	13,119,991	12,889,997
Tobacco Settlement Revenues	—	—	13,613,831	11,867,048	13,613,831	11,867,048
Miscellaneous	23,948,268	25,782,001	—	—	23,948,268	25,782,001
Total General Revenues	1,548,610,917	1,458,891,645	14,193,539	12,446,610	1,562,804,456	1,471,338,255
Total Revenues	2,417,219,915	2,269,609,363	14,193,539	12,446,610	2,431,413,454	2,282,055,973
Expenses:						
General Government	342,175,705	319,930,591	154,991	153,992	342,330,696	320,084,583
Education	168,827,834	165,254,135	—	—	168,827,834	165,254,135
Public Safety	488,084,027	456,177,132	—	—	488,084,027	456,177,132
Health Services	124,126,260	120,399,430	—	—	124,126,260	120,399,430
Transportation	250,904,153	244,765,103	—	—	250,904,153	244,765,103
Economic Assistance and Opportunity	755,486,005	745,686,456	—	—	755,486,005	745,686,456
Culture and Recreation	84,093,278	78,484,794	—	—	84,093,278	78,484,794
Home and Community Services	197,892,409	196,276,530	—	—	197,892,409	196,276,530
Interest	55,883,817	33,042,017	8,473,949	8,543,738	64,357,766	41,585,755
Total Expenses	2,467,473,488	2,360,016,188	8,628,940	8,697,730	2,476,102,428	2,368,713,918
Increase/(Decrease)						
in Net Position Before Transfers	(50,253,573)	(90,406,825)	5,564,599	3,748,880	(44,688,974)	(86,657,945)
Transfers	1,885,516	1,643,586	(1,885,516)	(1,643,586)	—	—
Increase/ (Decrease) in Net Position	(48,368,057)	(88,763,239)	3,679,083	2,105,294	(44,688,974)	(86,657,945)
Net Position at Beginning of Year	(1,249,402,822)	525,371,500	(151,947,383)	(154,052,677)	(1,401,350,205)	371,318,823
Prior Period Adjustment	—	9,524,808	—	—	—	9,524,808
Cumulative Effect of Change						
in Accounting Principle	—	(1,695,535,891)	—	—	—	(1,695,535,891)
Net Position at End of Year	<u>\$ (1,297,770,879)</u>	<u>\$ (1,249,402,822)</u>	<u>\$ (148,268,300)</u>	<u>\$ (151,947,383)</u>	<u>\$ (1,446,039,179)</u>	<u>\$ (1,401,350,205)</u>

To conform to the current year's presentation, a prior year reclass was made increasing program revenues - capital grants and contributions by \$3,115,327 with a corresponding decrease in earnings on investments by \$892,933 and miscellaneous income by \$2,222,394.

For the Year 2019—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 \$57.9 million higher in 2019 than in 2018 due to increases or (decreases) in the following governmental activities:

- *General Government:* \$.5 million increase is due to increases in charges for services of \$4.7 million, partially offset by operating grants and contributions of \$2.2 million and capital grants and contributions of \$2.0 million. The increase in charges for services is attributed to fees collected for services agreements through the department of Information Technology and permit/ license fees from the department of Solid Waste Commission. Decreases to operating grants and contributions are related to State Aid decrease to child and youth services from the Office of Children and Family Services. Capital grants and contributions decrease is related to prior year's program revenue from the Planning Department's affordable housing development program.

	2019	2018	Increase/ (Decrease)
Charges for Services	\$ 40,469,426	\$ 35,706,676	\$ 4,762,750
Operating Grants and Contributions	2,296,867	4,540,009	(2,243,142)
Capital Grants and Contributions	-	1,991,378	(1,991,378)
Total	<u>\$ 42,766,293</u>	<u>\$ 42,238,063</u>	<u>\$ 528,230</u>

- *Education:* \$6.3 million increase is primarily due to the operating grants and contributions increase for education /services for children with disabilities. The increase is from state aid school transportation services provided to special needs students and education of handicap children program.

	2019	2018	Increase/ (Decrease)
Operating Grants and Contributions	\$ 80,129,941	\$ 76,264,223	\$ 3,865,718
Capital Grants and Contributions	4,691,361	2,229,408	2,461,953
Total	<u>\$ 84,821,302</u>	<u>\$ 78,493,631</u>	<u>\$ 6,327,671</u>

- *Public Safety:* \$7.2 million increase is attributed to increases in the charges for services of \$1.8 million and operating grants and contributions of \$5.4 million which is primarily for increased State Aid of \$5.4 million related to "Raise the Age" law on criminal offenders in New York State.

	2019	2018	Increase/ (Decrease)
Charges for Services	\$ 26,418,349	\$ 24,612,479	\$ 1,805,870
Operating Grants and Contributions	41,575,585	36,165,263	5,410,322
Total	<u>\$ 67,993,934</u>	<u>\$ 60,777,742</u>	<u>\$ 7,216,192</u>

- *Health Services:* (\$.3) million decrease is due to a decrease of \$4.5 million in operating grants and contributions, partially offset by \$4.2 million in charges for services. These variances are related to the pre-school medicaid reimbursement programs within the County's Health Department.

	2019	2018	Increase/ (Decrease)
Charges for Services	\$ 13,970,218	\$ 9,828,811	\$ 4,141,407
Operating Grants and Contributions	65,797,372	70,277,504	(4,480,132)
Total	<u>\$ 79,767,590</u>	<u>\$ 80,106,315</u>	<u>\$ (338,725)</u>

- *Transportation:* \$21.7 million increase is due to increases of \$1.9 million in transit service fees, \$5.8 million in operating grants and contribution due to increases in State Operating Assistance Program Aid, and an increase of \$14.1 million in capital grants and contributions which was primarily due to the 2019 increase of \$13.2 million in Federal and State Aid for the purchase of new hybrid electric articulated buses.

	2019	2018	Increase/ (Decrease)
Charges for Services	\$ 91,424,823	\$ 89,568,202	\$ 1,856,621
Operating Grants and Contributions	82,210,461	76,457,465	5,752,996
Capital Grants and Contributions	41,299,906	27,186,632	14,113,274
Total	<u>\$ 214,935,190</u>	<u>\$ 193,212,299</u>	<u>\$ 21,722,891</u>

- *Economic Assistance and Opportunity:* \$9.7 million increase is attributed to an increase in charges for services of \$4.7 million and operating grants and contributions of \$4.9 million primarily due to increased Federal and State Aid for social service programs.

	2019	2018	Increase/ (Decrease)
Charges for Services	\$ 8,816,965	\$ 4,103,142	\$ 4,713,823
Operating Grants and Contributions	266,360,770	261,411,152	4,949,618
Total	<u>\$ 275,177,735</u>	<u>\$ 265,514,294</u>	<u>\$ 9,663,441</u>

- *Culture and Recreation:* \$5.8 million increase is due to increases in charges for services of \$2.5 million for parking facilities and park ride fees. Operating grants and contributions of \$2.8 million related to federally declared disaster grants assigned to the County's park land and capital grants and contributions of \$.5 million.

	2019	2018	Increase/ (Decrease)
Charges for Services	\$ 34,426,611	\$ 31,930,833	\$ 2,495,778
Operating Grants and Contributions	3,703,441	872,930	2,830,511
Capital Grants and Contributions	496,146	-	496,146
Total	<u>\$ 38,626,198</u>	<u>\$ 32,803,763</u>	<u>\$ 5,822,435</u>

- *Home and Community Services:* \$6.6 million increase is due to increases in charges for services of \$.5 million, and capital grants and contributions of \$10.0 million relating to Sewer District infrastructure improvements, partially offset by a decrease in operating grants and contributions of \$3.9 million for senior program services through the NYS Office for the Aging.

	2019	2018	Increase/ (Decrease)
Charges for Services	\$ 41,652,527	\$ 41,191,968	\$ 460,559
Operating Grants and Contributions	7,556,746	11,410,858	(3,854,112)
Capital Grants and Contributions	14,046,544	4,075,852	9,970,692
Total	\$ 63,255,817	\$ 56,678,678	\$ 6,577,139

- Interest on capital grants and contributions, in general, increased by \$.4 million.

General Revenues are taxes and other items not identified as program revenues above. General revenues were \$89.7 million higher in 2019 than in 2018 due to increases or (decreases) as indicated in the following table:

	2019	2018	Increase/ (Decrease)
Taxes on Real Property	\$ 719,674,814	\$ 705,565,775	\$ 14,109,039
Sales Tax	630,288,471	551,883,494	78,404,977
Auto Use Tax	16,423,208	16,382,152	41,056
Hotel Tax	6,881,646	6,825,805	55,841
Mortgage Tax	20,135,934	18,414,553	1,721,381
Payments in Lieu of Taxes	10,413,195	9,934,442	478,753
Intergovernmental Transfer	108,305,098	111,792,988	(3,487,890)
Earnings on Investments	12,540,283	12,310,435	229,848
Miscellaneous	23,948,268	25,782,001	(1,833,733)
Total	\$ 1,548,610,917	\$ 1,458,891,645	\$ 89,719,272

Taxes on real property increased \$14.1 million, which was a 2.0% increase from the prior year, due to an increase in the tax levy.

Sales tax (before distribution to municipalities) increased \$78.4 million, which was a 14.2% increase from the prior year. Included in general government expense below is an increase of \$21.8 million in sales tax distribution to municipalities within the County. The net sales tax increase after distribution to municipalities was \$56.6 million. This was primarily the result of a 1% increase in the sales tax rate that went into effect August 1, 2019.

Mortgage tax increased \$1.7 million, which was a 9.3% increase from the prior year.

Intergovernmental transfer revenue decreased \$3.5 million. Included in Economic Assistance and Opportunity expense below is a corresponding decrease in the disproportionate share of medical assistance for Westchester County Health Care Corporation of \$3.5 million.

Miscellaneous revenues decreased by \$1.8 million primarily due to the 2019 decrease in services being rendered for reimbursement by WCHCC of \$1.0 million and other net changes of \$.8 million.

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 \$107.5 million higher in 2019 than they were in 2018 due to increases or (decreases) as indicated in the table below:

	2019	2018	Increase/ (Decrease)
General Government	\$ 342,175,705	\$ 319,930,591	\$ 22,245,114
Education	168,827,834	165,254,135	3,573,699
Public Safety	488,084,027	456,177,132	31,906,895
Health Services	124,126,260	120,399,430	3,726,830
Transportation	250,904,153	244,765,103	6,139,050
Economic Assistance and Opportunity	755,486,005	745,686,456	9,799,549
Culture and Recreation	84,093,278	78,484,794	5,608,484
Home and Community Services	197,892,409	196,276,530	1,615,879
Interest	55,883,817	33,042,017	22,841,800
Total	\$ 2,467,473,488	\$ 2,360,016,188	\$ 107,457,300

As stated in the financial highlights section of this MD&A, the County recorded in accordance with GASB Statement No. 75, an increase in the estimated post-retirement health insurance liability of \$393.4 million in 2019, a decrease of \$1,364.9 million over the prior year's increase of \$1,758.3 million. The 2018 increase was largely due to the 2018 implementation of GASB Statement No.75 over GASB Statement No.45 which was the previous accounting principle utilized for the estimated post-retirement health insurance accrual. This amount is 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. Also stated in the financial highlights is a current year net decrease of \$2.4 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 increased by \$22.2 million primarily due to increases in personal service costs of \$1.3 million and net other employee fringe benefit costs of \$7.0 million, contract costs of \$10.3 million, distribution of sales tax to municipalities of \$21.8 million (see sales tax above), depreciation expense of \$3.1 million, partially offset by decreases in certiorari expense of \$3.2 million, material ,supplies and equipment of \$1.6 million, casualty and workers' compensation insurance costs of \$1.9 million and net decrease in other expenses of \$14.6 million.

Education expenses increased by \$3.6 million primarily due to increases in children with special needs programs of \$4.3 million, support to community colleges of \$.2 million, and depreciation expense of \$.4 million, partially offset by decreased equipment costs of \$1.3 million.

Public Safety expenses increased by \$31.9 million primarily due to increase personal service costs of \$1.6 million and net other employee fringe benefit costs of \$29.1 million, increased contract costs of \$6.2

million and other net costs of \$.5 million, partially offset by decreased material and equipment costs of \$5.5 million.

Health Services expenses increased by \$3.7 million primarily due to an increases in personal services and other fringe benefit costs of \$1.3 million, contract costs of \$1.7 million and net other expense of \$.7 million.

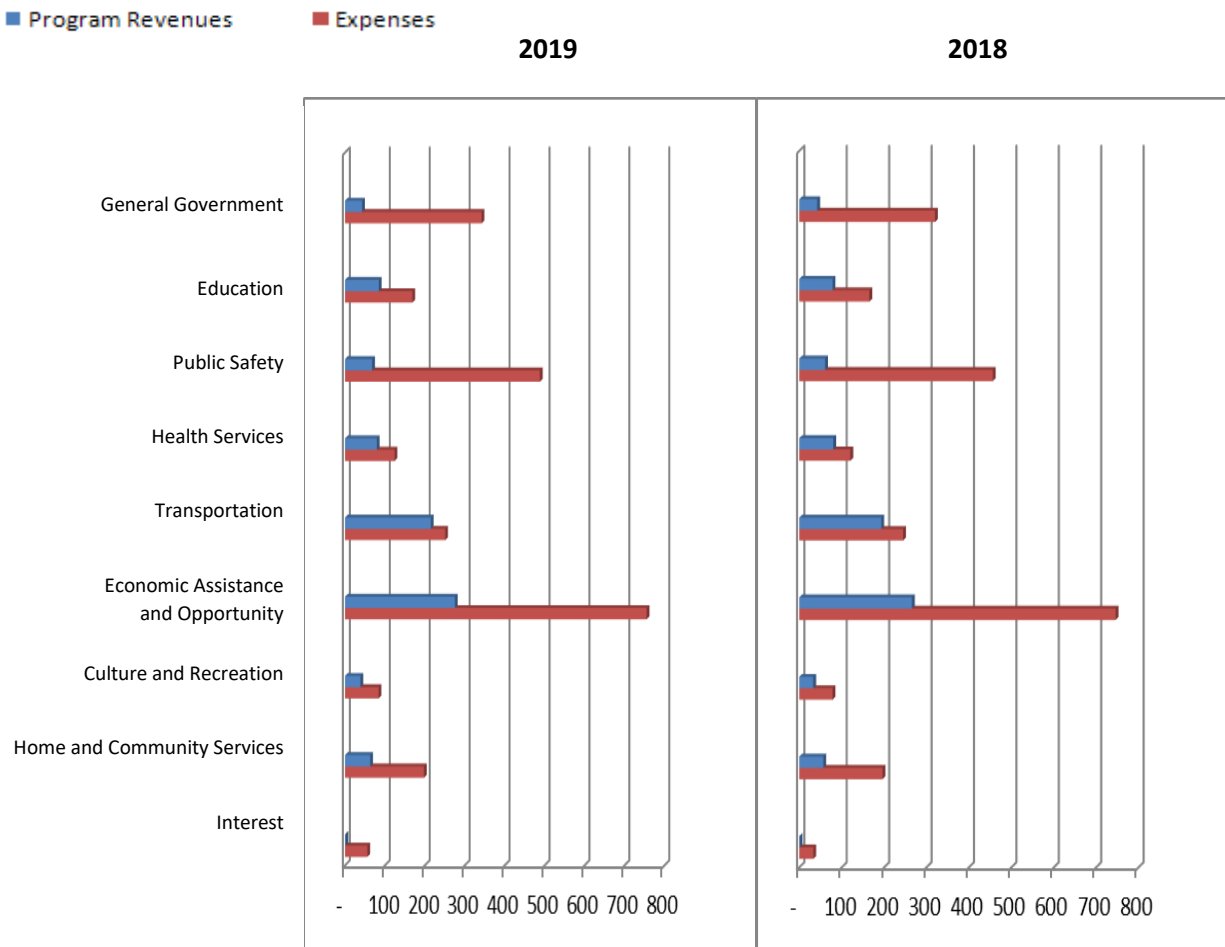
Transportation expenses increased by \$6.1 million due to the increases in contractual costs for bus transportation of \$5.4 million and the Airport of \$ 1.7 million, personal service and employee fringe benefits of \$.8 million, partially offset by net other expenses of \$1.8 million.

Economic Assistance and Opportunity expenses increased by \$9.8 million due to increases in contractual costs of \$17.8 million, personal services and other fringe benefit costs of \$4.3 million, partially offset by decreases in the disproportionate share of medical assistance for Westchester County Health Care Corporation of \$3.5 million and aid program costs of \$8.8 million.

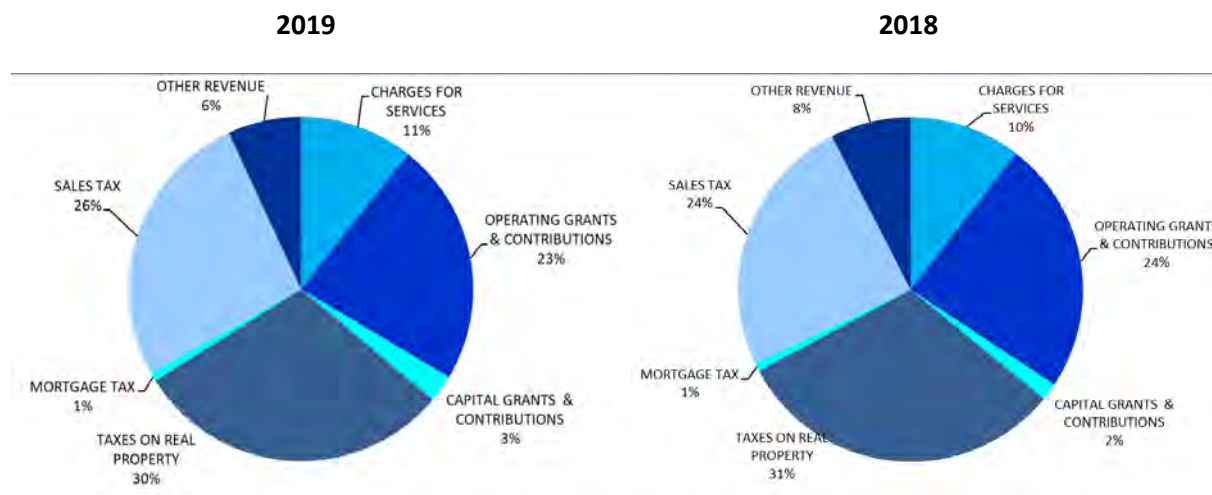
Interest expense increased by \$22.8 million in 2019 primarily due to increases for the change in accretion on capital lease of \$4.4 million and the increase in bond interest expense of \$20.5 million related to increased levels of debt, partially offset by the net amortization of deferred bond premium and loss on refunding of \$2.1 million.

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

Program Revenues and Expenses – Governmental Activities
(in millions)



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, 2019, the County's governmental funds reported a combined ending fund balance of \$223.2 million, an increase of \$5.2 million in comparison with the 2018 restated fund balance of \$218.0 million. The 2018 restatement is discussed in the previous *Financial Highlights* section. The ***non-spendable*** fund balance is \$34.1 million composed primarily for the collection of Federal and State receivables and prepaid retirement and Medicaid costs. The ***restricted*** fund balance of \$ 22.8 million is comprised of \$7.2 million for unspent bond proceeds restricted for debt service, \$11.7 million restricted for capital fund projects and \$3.9 million for the use of passenger facility charges on eligible airport improvements approved by the Federal Aviation Administration. The ***assigned*** fund balance aggregates of \$138.7 million and is comprised of \$48.0 million in the General Fund, \$35.0 million in the Combined Sewer Districts Fund, \$27.4 million in the Refuse Disposal District Fund, \$5.1 million in the Grants Fund and \$23.2 million in the other governmental funds. The General Fund *assigned* items are comprised of \$7.0 million for encumbrances, and \$41.0 million for future OPEB funding. Since the unassigned classification is reported only in the General Fund, the assigned items for the aforementioned other funds amounting to \$90.7 million are by definition "assigned" for the purposes of these funds. The remaining fund balance of \$27.6 million is ***unassigned*** and is comprised of the General Fund of \$27.6 million that are available for any purpose.

The General Fund is the primary operating fund of the County. At the end of the 2019 and 2018 fiscal years, the total fund balance of the General Fund was \$108.3 million (comprised of non-spendable \$32.7 million, assigned \$48.0 million and unassigned \$27.6 million) and \$94.4 million (comprised of non-spendable \$29.5 million, assigned \$47.0 million and unassigned \$17.9 million), respectively. The General Fund's change in 2019 fund balance, an increase of \$13.8 million, was greater than the 2018 change in fund balance, a decrease of \$39.6 million, by \$53.4 million. This increase of \$53.4 million was primarily due to the 2019 increase in taxes on real property of \$11.2 million, net sales tax revenue increase of \$56.6 million

(net of \$21.8 million related increase in sales tax distribution to municipalities), partially offset by increased employee health insurance costs of \$4.9 million and increased State retirement pension costs of \$9.8 million.

The Combined Sewer Districts Fund (a major fund) 2019 change in fund balance, a decrease of \$5.5 million, was less than the 2018 change in fund balance, a decrease of \$11.6 million, by \$6.1 million. This \$6.1 million improvement was primarily due to an increase in taxes on real property of \$2.9 million, an increase in departmental revenue of \$.9 million and a decrease in personal services of \$1.8 million.

The Refuse Disposal District Fund (a major fund) 2019 change in fund balance, a decrease of \$9.9 million, was more than the 2018 change in fund balance, a decrease of \$8.7 million, by \$1.2 million. This \$1.2 million decrease was primarily due to decreases in taxes on real property of \$.5 million and departmental revenues of \$1.6 million, partially offset by a net decrease in transfers out of \$1.0 million.

The Grants Fund (a major fund) 2019 change in fund balance, a decrease of \$4.6 million, was more than the 2018 change in fund balance, a decrease of \$2.0 million, by \$2.6 million. This \$2.6 million decrease was primarily due to a decrease in Federal and State aid of \$9.8 million and a net decrease in other revenues of \$2.1 million, partially offset by a decrease in expenditures of \$6.1 million and an increase in transfers-in of \$3.2 million.

The Capital Projects Fund (a major fund) is used to account for capital project activity throughout the County. Total capital outlay activity for 2019 was \$212.6 million (major items being costs for 32 new hybrid electric articulated buses of \$40.6 million, aircraft deicing equipment of \$4.9 million, radio systems replacement for first responders and other government personnel of \$6.9 million, Westchester County Community College building renovations and improvements of \$6.9 million, continuation of the New Homes Land Acquisition Fund of \$12.4 million for the construction of fair and affordable housing, Long Island Sound biological nutrient removal remediation of \$7.3 million and treatment plant sludge handling equipment of \$3.8 million and reconstruction of Sprain Ridge pool facility of \$ 6.9 million). The Capital Projects Fund 2019 change in fund balance, an increase of \$17.1 million, was less than the 2018 change in fund balance, an increase of \$67.2 million, by \$50.1 million. This \$50.1 million decrease was primarily due to a decrease in new debt issued of \$33.0 million, defeasance of bonds of \$54.5 million, a decrease in net transfers in of \$7.0 million and a deficiency of revenues over expenditures of \$11.7 million, partially offset by refunding bonds issued of \$46.8 million and related premium on refunding bonds of \$5.2 million and increase in bond premium of \$4.1 million.

Nonmajor Governmental Funds consist of the Special Revenue Funds. The Special Revenue Funds are comprised of the following individual funds: Airport Fund and Water Districts Fund. The 2019 change in fund balance, a decrease of \$5.8 million was less than the 2018 change in fund balance (after restatement for passenger facility charges revenue recognition as previously discussed), a decrease of \$8.3 million, by \$2.5 million. This \$2.5 million decrease was primarily due to a decrease in net transfers out of \$2.7 million, partially offset by deficiency of revenues over expenditures of \$.2 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

When the fiscal 2019 budget was adopted, it anticipated the use of \$6.0 million of fund balance for the carry forward of 2018's encumbrances and amounts assigned for subsequent year's expenditures. General Fund expenditures were \$1,975.4 million, which was \$33.4 million lower than the final budget. The favorable variances are primarily the result of decreases for personal service of \$3.2 million, materials and supplies and equipment costs of \$3.8 million, contractual costs of approximately \$15.4 million, employee benefits costs of \$4.6 million, services to Westchester County Health Care Corporation (WCHCC) of \$1.7 million, municipal sales tax distribution of \$3.3 million, contingency of \$5.0 million and other expenditure decreases of \$1.9 million, partially offset by reduced services to other departments of \$5.5 million.

The functions where spending was less than budget are general government \$11.7 million, education \$.2 million, public safety \$11.4 million, health services \$1.8 million, transportation \$.6 million, economic

assistance and opportunity \$1.4 million, culture and recreation \$.8 million, home and community services \$.6 million and employee benefits of \$4.6 million. The General Fund expenditures and other financing uses final budget was increased from the original budget by \$68.6 million. This increase was comprised of \$29.4 million for the higher than anticipated disproportionate share hospital payment to the WCHCC, an increase in Health department various Special Needs programs of \$3.2 million, an increase in sales tax distribution to local municipalities of \$20.1 million due to increased sales tax revenue from the County's 1% sales tax rate increase, an increase in pension costs of \$4.8 million due to the County's non amortized pension contribution, an increase in transportation department of \$2.0 million for bus operating assistance, an increase in board of elections of \$3.2 million for additional operating costs, and other various increases of \$5.9 million.

During the year, the General Fund's actual revenues were less than the final budget in the amount of \$13.2 million primarily due to decreases of \$16.5 million in sales tax, \$17.7 million in Federal and State Aid for social services and other, \$3.5 million in departmental income, \$.8 million reduced reimbursement for debt service payments on WCC's behalf, and \$1.7 million in service revenue to WCHCC, partially offset by increases in intergovernmental transfers of \$18.9 million, \$1.7 million in mortgage tax and other-miscellaneous revenues of \$6.4 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2019, amounts to \$3,348,606,953 (net of accumulated depreciation) as compared to \$3,219,535,344 in 2018, an increase of \$129,071,609. 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 4.0%.

COUNTY OF WESTCHESTER CAPITAL ASSETS (NET OF DEPRECIATION)

	Total Governmental Activities	
	2019	2018
Land	\$ 320,065,310	\$ 314,664,365
Buildings	1,110,930,482	1,101,231,907
Equipment	631,976,542	557,343,511
Construction-in-Progress	1,084,357,753	980,749,673
Infrastructure	1,748,372,699	1,726,397,999
Total	4,895,702,786	4,680,387,455
Less Accumulated Depreciation	1,547,095,833	1,460,852,111
Net Capital Assets	<u>\$ 3,348,606,953</u>	<u>\$ 3,219,535,344</u>

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

Major capital asset expenditures during 2019 included the following:

- Buildings increased by \$9.7 million (major items include \$6.9 million of renovations and improvements for Westchester Community College, \$.8 million for Fair and Affordable Housing, \$.2 million for Armory/Public Safety rehabilitation).
- Equipment increased by \$74.6 million (major items include \$40.6 million for 32 new hybrid electric articulated buses, \$ 3.8 million for Yonkers Joint Treatment Plant (YJTP) equipment for sludge handling equipment, \$6.9 million for radio systems replacement for first responders and other government personnel, and \$4.9 million for airport terminal system upgrade to aircraft deicing).
- Construction-in-Progress increased by \$103.6 million (major items include \$12.4 million for the continuation of the New Homes Land Acquisition Fund which is used to acquire property for the construction of fair and affordable housing, \$9.9 million for the underground steam main and valve chamber replacement at the Valhalla campus, \$7.3 million for the Long Island Sound Biological Nutrient removal remediation and \$6.9 million for the Sprain Ridge pool reconstruction).
- Infrastructure increased by \$22.0 million (major items include \$3.9 million for golf course fairway renovations and irrigation rehabilitation, \$1.2 million for storm water management program, and \$5.4 million on Yonkers Joint Plant blower reconditioning).

Long-Term Debt

At the end of 2019, the County had a total bonded long-term debt outstanding of \$1,249,373,825 and a capital lease liability of \$37,769,030 for governmental activities.

General Obligation Bonds	
Total Governmental Activities	
2019	2018
<u>\$ 1,249,373,825</u>	<u>\$ 1,211,674,675</u>

The County's total long-term bond debt (exclusive of the WTASC blended component unit debt) increased \$37,699,150 (3.1%) during 2019. The major factor contributing to this increase was the issuance of \$195,632,652 of long term debt (inclusive of \$46,775,000 of Refunding Bonds), partially offset by debt payments of \$157,933,502 (inclusive of bond defeasance of \$52,695,000).

New York 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 2019 the five year average full valuation is \$174,236,956,684. The current debt limitation for the County is therefore \$12,196,586,968, which is significantly in excess of the County's outstanding debt. The percentage of debt contracting power exhausted as of December 31, 2019 is 6.63%.

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.

ECONOMIC FACTORS:

New York State Legislation affecting the County of Westchester

The New York State legislature passed the Property Tax Payer Protection Act which was also signed into law by the Governor on June 30, 2019. Part of this legislation was an approval of a 1% increase in the County's sales tax rate, which gave the County the opportunity to budget a zero percent real property tax increase for the years 2020 and 2021, begin to restore the County's depleted fund balance, as well as improve the County's bond ratings with various credit agencies. The sales tax increase also provided additional revenue to the towns, villages, small city governments and school districts located within the County.

COVID-19 Pandemic

The 2019 increased sales tax revenue experienced by the County and the related increase in distributions to County local governments and school districts have been diminished for 2020 due to the COVID-19 pandemic.

The onset of COVID-19 pandemic in March of 2020 has affected the economies of the County of Westchester and the Nation at large with many businesses forced to shut down, especially in the Tri-State region the County is in. The effect on the consumer has significantly decreased the County's budgeted

revenues, in particular the sales tax revenues discussed above. In order to partially offset the decline in revenues, the County has implemented a Voluntary Severance program in July 2020 to reduce some of its workforce by August 1, 2020. Other reductions in costs are currently under review and will be acted upon based on the longevity of the COVID-19 virus and its effects on County revenues and operations.

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.

County of Westchester, New York

Statement of Net Position

December 31, 2019

Exhibit 1

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
ASSETS				
Current assets:				
Cash	\$ 179,053,809	\$ 113,894	\$ 179,167,703	\$ 97,952,814
Investments	31,322,809	—	31,322,809	35,603,546
Accounts Receivable, Net	175,915,267	13,735,230	189,650,497	8,723,411
Due From Federal and State Governments	287,505,651	—	287,505,651	—
Due From Other Governments	—	—	—	1,782
Inventory	50,000	—	50,000	—
Prepaid Expenses	24,093,193	—	24,093,193	4,744
Escrow Deposit Receivable	—	—	—	2,959
Total Current Assets	697,940,729	13,849,124	711,789,853	142,289,256
Non-current assets:				
Restricted Cash	48,550,632	4,222	48,554,854	—
Assets Limited as to Use	—	14,133,625	14,133,625	—
Promissory Note Receivable	—	—	—	7,000,000
Net Pension Asset	—	—	—	1,977,269
Land	320,065,310	—	320,065,310	125,000
Buildings	1,110,930,482	—	1,110,930,482	—
Equipment	631,976,542	—	631,976,542	26,693,331
Construction-in-Progress	1,084,357,753	—	1,084,357,753	—
Infrastructure	1,748,372,699	—	1,748,372,699	—
Accumulated Depreciation	(1,547,095,833)	—	(1,547,095,833)	(24,930,015)
Other	—	—	—	119,224
Total Non-Current Assets	3,397,157,585	14,137,847	3,411,295,432	10,984,809
Total Assets	4,095,098,314	27,986,971	4,123,085,285	153,274,065
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts on Refunding Bonds	11,408,901	4,208,595	15,617,496	—
Deferred Amounts on Pension Obligations	121,184,474	—	121,184,474	9,725,059
Deferred Amounts on Other Post Employment Benefit Obligations	249,149,894	—	249,149,894	6,944,346
Total Deferred Outflows of Resources	381,743,269	4,208,595	385,951,864	16,669,405
LIABILITIES				
Current liabilities:				
Accounts Payable and Accrued Liabilities	261,667,578	731,743	262,399,321	77,707,998
Internal Balances	(1,885,516)	1,885,516	—	—
Accrued Interest Payable	29,612,318	—	29,612,318	—
Due to Other Governments	—	—	—	920,625
Unearned Revenues	988,424	—	988,424	—
Bond Anticipation Notes Payable	62,280,800	—	62,280,800	—
Due to Agency Fund	85,692,882	—	85,692,882	—

LIABILITIES (Continued)				
Current liabilities (Continued):				
Due Within One Year:				
Bonds Payable	110,420,701	3,155,000	113,575,701	—
Capital Lease Payable	10,179,924	—	10,179,924	—
Compensated Absences	5,190,000	—	5,190,000	795,000
Landfill Post-Closure Costs	1,206,729	—	1,206,729	—
Claims Payable	27,517,887	—	27,517,887	—
Pollution Remediation	30,000	—	30,000	—
NYS Retirement Stabilization Program	12,598,248	—	12,598,248	—
Total Current Liabilities	605,499,975	5,772,259	611,272,234	79,423,623
Non-Current liabilities:				
Due in More Than One Year:				
Due to Other Governments	—	—	—	7,000,000
Bonds Payable	1,243,224,685	174,691,607	1,417,916,292	—
Capital Lease Payable	27,589,106	—	27,589,106	—
Compensated Absences	46,701,689	—	46,701,689	7,155,067
Landfill Post-Closure Costs	23,591,805	—	23,591,805	—
Claims Payable	103,891,400	—	103,891,400	—
Pollution Remediation	235,506	—	235,506	—
Net Pension Liability	120,699,707	—	120,699,707	6,389,608
NYS Retirement Stabilization Program	49,066,835	—	49,066,835	—
Other Post Employment Benefit Obligations	3,406,314,366	—	3,406,314,366	199,002,047
Other Custodial Funds	—	—	—	122,183
Total Non-Current Liabilities	5,021,315,099	174,691,607	5,196,006,706	219,668,905
Total Liabilities	5,626,815,074	180,463,866	5,807,278,940	299,092,528
DEFERRED INFLOWS OF RESOURCES				
Deferred Amounts from Service Concession Arrangements	83,068,930	—	83,068,930	—
Deferred Amounts on Pension Obligations	46,388,076	—	46,388,076	6,147,871
Deferred Amounts on Other Post Employment Benefit Obligations	18,340,382	—	18,340,382	30,800,925
Deferred Amounts for Tuition Assistance Payments	—	—	—	1,116,925
Total Deferred Inflows of Resources	147,797,388	—	147,797,388	38,065,721
NET POSITION				
Net Investment in Capital Assets	1,980,284,625	—	1,980,284,625	1,888,316
Restricted For:				
Special Revenue Funds:				
Grants	5,078,136	—	5,078,136	—
Airport	3,865,447	—	3,865,447	—
Water Districts	606,535	—	606,535	—
Casualty Claims	12,500,496	—	12,500,496	—
Debt Service	7,244,344	—	7,244,344	—
Component Unit - Westchester Community College	—	—	—	255,284
Unrestricted	(3,307,350,462)	(148,268,300)	(3,455,618,762)	(169,358,379)
Total Net Position	\$ (1,297,770,879)	\$ (148,268,300)	\$ (1,446,039,179)	\$ (167,214,779)

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

County of Westchester, New York

Statement of Activities

Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	\$ 342,175,705	\$ 40,469,426	\$ 2,296,867	\$ —
Education	168,827,834	—	80,129,941	4,691,361
Public Safety	488,084,027	26,418,349	41,575,585	—
Health Services	124,126,260	13,970,218	65,797,372	—
Transportation	250,904,153	91,424,823	82,210,461	41,299,906
Economic Assistance and Opportunity	755,486,005	8,816,965	266,360,770	—
Culture and Recreation	84,093,278	34,426,611	3,703,441	496,146
Home and Community Services	197,892,409	41,652,527	7,556,746	14,046,544
Interest	55,883,817	—	—	1,264,939
	2,467,473,488	257,178,919	549,631,183	61,798,896
Business type activities-				
Westchester Tobacco Asset Securitization Corporation	8,628,940	—	—	—
Total Primary Government	<u>\$ 2,476,102,428</u>	<u>\$ 257,178,919</u>	<u>\$ 549,631,183</u>	<u>\$ 61,798,896</u>
Component units:				
County of Westchester, New York Industrial Development Agency	\$ 872,829	\$ 1,017,734	\$ —	\$ —
Westchester Community College	132,291,825	35,321,083	124,053,285	—
Westchester County Local Development Corporation	227,614	76,817	—	—
Total Component Units	<u>\$ 133,392,268</u>	<u>\$ 36,415,634</u>	<u>\$ 124,053,285</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 Settlement Revenues
 Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION

Beginning, as restated

End of year

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
\$ (299,409,412)	\$ —	\$ (299,409,412)	\$ —
(84,006,532)	—	(84,006,532)	—
(420,090,093)	—	(420,090,093)	—
(44,358,670)	—	(44,358,670)	—
(35,968,963)	—	(35,968,963)	—
(480,308,270)	—	(480,308,270)	—
(45,467,080)	—	(45,467,080)	—
(134,636,592)	—	(134,636,592)	—
(54,618,878)	—	(54,618,878)	—
(1,598,864,490)	—	(1,598,864,490)	—
—	(8,628,940)	(8,628,940)	—
(1,598,864,490)	(8,628,940)	(1,607,493,430)	—
—	—	—	144,905
—	—	—	27,082,543
—	—	—	(150,797)
—	—	—	27,076,651
719,674,814	—	719,674,814	—
630,288,471	—	630,288,471	—
16,423,208	—	16,423,208	—
3,219	—	3,219	—
6,881,646	—	6,881,646	—
20,135,934	—	20,135,934	—
10,413,195	—	10,413,195	—
108,305,098	—	108,305,098	—
12,540,283	579,708	13,119,991	1,196,485
—	13,613,831	13,613,831	—
23,945,049	—	23,945,049	—
1,885,516	(1,885,516)	—	—
1,550,496,433	12,308,023	1,562,804,456	1,196,485
(48,368,057)	3,679,083	(44,688,974)	28,273,136
(1,249,402,822)	(151,947,383)	(1,401,350,205)	(195,487,915)
\$ (1,297,770,879)	\$ (148,268,300)	\$ (1,446,039,179)	\$ (167,214,779)

County of Westchester, New York
Governmental Funds—
Balance Sheet
December 31, 2019

	General	Combined Sewer Districts	Refuse Disposal District	Grants
ASSETS				
Cash	\$ 12,485,049	\$ 400	\$ —	\$ 34,033
Accounts Receivable, Net	111,717,040	1,638,565	4,977,466	81,264
Due from Federal and State Governments	264,467,781	—	—	22,887,505
Due from Other Funds	75,536,790	37,894,495	28,020,535	38,204,733
Inventory	50,000	—	—	—
Prepaid Expenditures	22,633,995	1,459,198	—	—
Restricted Cash	—	—	—	—
Total Assets	<u>\$ 486,890,655</u>	<u>\$ 40,992,658</u>	<u>\$ 32,998,001</u>	<u>\$ 61,207,535</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 159,130,576	\$ 4,477,684	\$ 5,622,554	\$ 56,129,399
Bond Anticipation Notes Payable	—	—	—	—
Due to Other Funds	219,472,857	—	—	—
Unearned Revenue	—	—	—	—
Total Liabilities	<u>378,603,433</u>	<u>4,477,684</u>	<u>5,622,554</u>	<u>56,129,399</u>
Fund Balances:				
Nonspendable	32,683,995	1,459,198	—	—
Restricted	—	—	—	—
Assigned	47,960,422	35,055,776	27,375,447	5,078,136
Unassigned	27,642,805	—	—	—
Total Fund Balances	<u>108,287,222</u>	<u>36,514,974</u>	<u>27,375,447</u>	<u>5,078,136</u>
Total Liabilities and Fund Balances	<u>\$ 486,890,655</u>	<u>\$ 40,992,658</u>	<u>\$ 32,998,001</u>	<u>\$ 61,207,535</u>

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

Exhibit A-1

Capital Projects	Nonmajor Governmental	Total Governmental Funds
\$ 125,231,536	\$ 22,454,629	\$ 160,205,647
—	14,980,211	133,394,546
150,365	—	287,505,651
—	3,006,661	182,663,214
—	—	50,000
—	—	24,093,193
48,550,632	—	48,550,632
<u>\$ 173,932,533</u>	<u>\$ 40,441,501</u>	<u>\$ 836,462,883</u>
\$ 21,646,242	\$ 12,401,154	\$ 259,407,609
62,280,800	—	62,280,800
71,077,960	—	290,550,817
—	988,424	988,424
<u>155,005,002</u>	<u>13,389,578</u>	<u>613,227,650</u>
—	—	34,143,193
18,927,531	3,865,447	22,792,978
—	23,186,476	138,656,257
—	—	27,642,805
<u>18,927,531</u>	<u>27,051,923</u>	<u>223,235,233</u>
<u>\$ 173,932,533</u>	<u>\$ 40,441,501</u>	<u>\$ 836,462,883</u>

County of Westchester, New York

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

December 31, 2019

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

Fund Balances of Governmental Funds	\$	223,235,233
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
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-		3,348,606,953
Receivables Related to Service Concession Arrangements		36,829,495
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 Pension Obligations	121,184,474	
Deferred Amounts on Other Post Employment Benefit Obligations	<u>249,149,894</u>	<u>370,334,368</u>
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	(104,271,561)	
Loss on Refunding Bonds	<u>11,408,901</u>	<u>(92,862,660)</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued Interest Payable	(29,612,318)	
Bonds Payable	(1,249,373,825)	
Capital Leases Payable	(37,769,030)	
Compensated Absences Payable	(51,891,689)	
Landfill Post-Closure Costs	(24,798,534)	
Claims Payable	(31,913,287)	
Pollution Remediation	(265,506)	
Net Pension Liability	(120,699,707)	
NYS Retirement Stabilization Program	(61,665,083)	
Other Post Employment Benefit Obligations	<u>(3,406,314,366)</u>	<u>(5,014,303,345)</u>
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	(83,068,930)	
Deferred Amounts on Pension Obligations	(46,388,076)	
Deferred Amounts on Other Post Employment Benefit Obligations	<u>(18,340,382)</u>	<u>(147,797,388)</u>
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.		
Net Position of Governmental Activities		<u>(21,813,535)</u>
	\$	<u><u>(1,297,770,879)</u></u>

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

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County of Westchester, New York

Governmental Funds—

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2019

	General	Combined Sewer Districts	Refuse Disposal District	Grants
REVENUES				
Taxes on Real Property	\$ 570,579,000	\$ 103,452,736	\$ 42,920,793	\$ —
Sales Tax	630,288,471	—	—	—
Federal Aid	166,557,498	—	—	43,861,383
State Aid	286,486,488	—	201,754	54,734,885
Departmental Income	155,072,469	4,954,500	16,173,123	11,108,877
Earnings on Investments	1,522,359	8,512,476	401,651	—
Miscellaneous	177,196,560	638,594	83,910	2,368,528
Total Revenues	1,987,702,845	117,558,306	59,781,231	112,073,673
EXPENDITURES				
Current				
General Government	241,639,616	1,044,161	4,273,477	4,362,629
Education	160,306,636	—	—	—
Public Safety	279,129,514	—	—	16,690,063
Health Services	40,068,618	—	—	57,499,777
Transportation	177,602,628	—	—	2,612,021
Economic Assistance and Opportunity	645,649,205	—	—	37,754,524
Culture and Recreation	49,924,941	—	—	2,024,214
Home and Community Services	5,068,748	60,003,202	62,025,425	2,869,699
Employee Benefits	257,855,092	15,483,202	1,407,323	—
Debt Service				
Principal	84,033,645	27,000,646	1,613,406	—
Interest	33,533,243	18,335,283	403,121	—
Costs of Issuance	583,962	—	—	—
Advance Refunding Escrow	—	—	—	—
Capital Outlay	—	909,411	—	—
Total Expenditures	1,975,395,848	122,775,905	69,722,752	123,812,927
Excess (Deficiency) of Revenues Over Expenditures	12,306,997	(5,217,599)	(9,941,521)	(11,739,254)
OTHER FINANCING SOURCES (USES)				
Bonds Issued	6,711,548	—	—	—
Bonds Premium	—	—	—	—
Refunding Bonds Issued	—	—	—	—
Premium on Refunding Bonds	—	—	—	—
Transfers In	4,778,404	317,185	63,000	7,183,477
Transfers Out	(9,959,824)	(568,000)	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Total Other Financing Sources (Uses)	1,530,128	(250,815)	63,000	7,183,477
Net Change in Fund Balances	13,837,125	(5,468,414)	(9,878,521)	(4,555,777)
FUND BALANCES				
Beginning of Year, as restated	94,450,097	41,983,388	37,253,968	9,633,913
End of Year	\$ 108,287,222	\$ 36,514,974	\$ 27,375,447	\$ 5,078,136

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

Exhibit A-2

Capital Projects	Nonmajor Governmental	Governmental Funds
\$ —	\$ 2,722,285	\$ 719,674,814
—	—	630,288,471
35,009,540	—	245,428,421
23,105,728	—	364,528,855
—	65,888,148	253,197,117
1,264,939	113,239	11,814,664
2,418,689	5,186,143	187,892,424
<u>61,798,896</u>	<u>73,909,815</u>	<u>2,412,824,766</u>
—	—	251,319,883
—	—	160,306,636
—	—	295,819,577
—	—	97,568,395
—	43,977,017	224,191,666
—	—	683,403,729
—	—	51,949,155
—	19,201,870	149,168,944
—	3,622,422	278,368,039
—	2,275,408	114,923,105
—	1,362,847	53,634,494
579,824	—	1,163,786
1,394,683	—	1,394,683
212,562,017	4,199,760	217,671,188
<u>214,536,524</u>	<u>74,639,324</u>	<u>2,580,883,280</u>
<u>(152,737,628)</u>	<u>(729,509)</u>	<u>(168,058,514)</u>
142,146,104	—	148,857,652
23,618,258	—	23,618,258
46,775,000	—	46,775,000
5,265,278	—	5,265,278
8,010,871	—	20,352,937
(2,896,073)	(5,043,524)	(18,467,421)
(53,134,328)	—	(53,134,328)
<u>169,785,110</u>	<u>(5,043,524)</u>	<u>173,267,376</u>
17,047,482	(5,773,033)	5,208,862
<u>1,880,049</u>	<u>32,824,956</u>	<u>218,026,371</u>
<u>\$ 18,927,531</u>	<u>\$ 27,051,923</u>	<u>\$ 223,235,233</u>

County of Westchester, New York

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

Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net Change in Fund Balances—Total Governmental Funds		\$ 5,208,862
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	215,315,331	
Depreciation Expense	<u>(86,243,722)</u>	<u>129,071,609</u>
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net position.		
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds-		
Service Concession Arrangements		2,834,263
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:		
Bonds Issued	(148,857,652)	
Bond Premium	(23,618,258)	
Refunding Bonds Issued	(46,775,000)	
Refunding Bond Premium	(5,265,278)	
Payment to Refunded Bond Escrow Agent	53,134,328	
Advance Refunding Escrow	1,394,683	
Principal Paid on Bonds	105,238,502	
Principal Paid on Capital Lease	9,684,603	
Payment on NYS Retirement Stabilization Program	12,222,246	
Amortization of Loss on Refunding Bonds and Issuance Premium	<u>12,605,912</u>	<u>(30,235,914)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Accrued Interest	(14,855,235)	
Compensated Absences	(2,139,522)	
Pollution Remediation	(963,424)	
Pension Obligations	2,355,664	
Claims	573,568	
Landfill Post-Closure Costs	1,603,075	
Other Post Employment Benefit Obligations	<u>(139,631,663)</u>	<u>(153,057,537)</u>
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.		
Change in Net Position of Governmental Activities.		<u>(2,189,340)</u>
		<u>\$ (48,368,057)</u>

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

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County of Westchester, New York
General, Sewer and Refuse Disposal District Funds—
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2019

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes on Real Property	\$ 570,579,000	\$ 570,579,000	\$ 570,579,000	\$ —
Sales Tax	578,717,737	646,778,737	630,288,471	(16,490,266)
Federal Aid	177,580,551	177,580,551	166,557,498	(11,023,053)
State Aid	290,135,621	293,128,621	286,486,488	(6,642,133)
Departmental Income	183,174,947	158,539,947	155,072,469	(3,467,478)
Earnings on Investments	775,000	775,000	1,522,359	747,359
Miscellaneous	131,341,470	153,500,470	177,196,560	23,696,090
Total Revenues	1,932,304,326	2,000,882,326	1,987,702,845	(13,179,481)
EXPENDITURES				
Current				
General Government	227,266,998	253,329,793	241,639,616	11,690,177
Education	155,756,576	160,490,553	160,306,636	183,917
Public Safety	289,564,673	290,514,673	279,129,514	11,385,159
Health Services	43,007,841	41,885,863	40,068,618	1,817,245
Transportation	176,296,474	178,155,157	177,602,628	552,529
Economic Assistance and Opportunity	617,554,688	647,002,212	645,649,205	1,353,007
Culture and Recreation	49,218,746	50,710,681	49,924,941	785,740
Home and Community Services	5,670,192	5,670,192	5,068,748	601,444
Employee Benefits	257,893,766	262,416,766	257,855,092	4,561,674
Debt Service				
Principal	80,135,003	84,072,293	84,033,645	38,648
Interest	37,911,941	33,534,715	33,533,243	1,472
Costs of Issuance	1,026,696	1,026,696	583,962	442,734
Capital Outlay	—	—	—	—
Total Expenditures	1,941,303,594	2,008,809,594	1,975,395,848	33,413,746
Excess (Deficiency) of Revenues Over Expenditures	(8,999,268)	(7,927,268)	12,306,997	20,234,265
OTHER FINANCING SOURCES (USES)				
Bonds Issued	8,500,000	8,500,000	6,711,548	(1,788,452)
Bonds Premium	250,000	250,000	—	(250,000)
Transfers In	3,275,619	3,275,619	4,778,404	1,502,785
Transfers Out	(9,023,852)	(10,095,852)	(9,959,824)	136,028
Total Other Financing Sources (Uses)	3,001,767	1,929,767	1,530,128	(399,639)
Net Change in Fund Balances	(5,997,501)	(5,997,501)	13,837,125	19,834,626
FUND BALANCES				
Beginning of year	5,997,501	5,997,501	94,450,097	88,452,596
End of year	\$ —	\$ —	\$ 108,287,222	\$ 108,287,222

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)
\$ 103,452,736	\$ 103,452,736	\$ 103,452,736	\$ —	\$ 42,920,793	\$ 42,920,793	\$ 42,920,793	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	201,754	201,754
4,487,303	4,487,303	4,954,500	467,197	17,716,726	17,716,726	16,173,123	(1,543,603)
8,341,492	8,341,492	8,512,476	170,984	397,934	397,934	401,651	3,717
810,000	810,000	638,594	(171,406)	90,000	90,000	83,910	(6,090)
117,091,531	117,091,531	117,558,306	466,775	61,125,453	61,125,453	59,781,231	(1,344,222)
1,930,000	1,959,000	1,044,161	914,839	4,787,983	4,806,983	4,273,477	533,506
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
65,082,265	64,977,265	60,003,202	4,974,063	65,339,749	65,281,952	62,025,425	3,256,527
16,853,470	16,258,470	15,483,202	775,268	1,441,604	1,479,401	1,407,323	72,078
27,783,855	27,936,855	27,000,646	936,209	1,613,406	1,614,406	1,613,406	1,000
18,903,242	19,095,242	18,335,283	759,959	407,872	407,872	403,121	4,751
—	—	—	—	—	—	—	—
910,289	910,289	909,411	878	—	—	—	—
131,463,121	131,137,121	122,775,905	8,361,216	73,590,614	73,590,614	69,722,752	3,867,862
(14,371,590)	(14,045,590)	(5,217,599)	8,827,991	(12,465,161)	(12,465,161)	(9,941,521)	2,523,640
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
72,000	72,000	317,185	245,185	63,000	63,000	63,000	—
(242,000)	(568,000)	(568,000)	—	—	—	—	—
(170,000)	(496,000)	(250,815)	245,185	63,000	63,000	63,000	—
(14,541,590)	(14,541,590)	(5,468,414)	9,073,176	(12,402,161)	(12,402,161)	(9,878,521)	2,523,640
14,541,590	14,541,590	41,983,388	27,441,798	12,402,161	12,402,161	37,253,968	24,851,807
\$ —	\$ —	\$ 36,514,974	\$ 36,514,974	\$ —	\$ —	\$ 27,375,447	\$ 27,375,447

County of Westchester, New York

Proprietary Funds—

Statement of Net Position

December 31, 2019

Exhibit B-1

	Business Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Westchester Tobacco Asset Securitization Corporation	
ASSETS		
Current assets:		
Cash	\$ 113,894	\$ 18,848,162
Investments	—	31,322,809
Accounts receivable	13,735,230	5,691,226
Due from other funds	—	26,653,551
Total Current Assets	13,849,124	82,515,748
Non-current assets:		
Restricted cash	4,222	—
Assets limited as to use	14,133,625	—
Total Non-Current Assets	14,137,847	—
Total Assets	27,986,971	82,515,748
DEFERRED OUTLOWS OF RESOURCES		
Deferred amounts on refunding bonds	4,208,595	—
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	731,743	2,259,969
Current portion of claims payable	—	27,049,600
Bonds payable	3,155,000	—
Due to other funds	1,885,516	2,573,314
Total Current Liabilities	5,772,259	31,882,883
Non-current liabilities:		
Claims payable, less current portion	—	72,446,400
Bonds payable	174,691,607	—
Total Non-Current Liabilities	174,691,607	72,446,400
Total Liabilities	180,463,866	104,329,283
NET POSITION		
Unrestricted	\$ (148,268,300)	\$ (21,813,535)

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

County of Westchester, New York

Proprietary Funds—

Statement of Revenues, Expenses and

Changes in Net Position

Year Ended December 31, 2019

Exhibit B-2

	Business Type Activities - Enterprise Fund Westchester Tobacco Asset Securitization Corporation	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ —	\$ 215,509,065
Tobacco settlement revenues	13,613,831	—
Total Operating Revenues	13,613,831	215,509,065
OPERATING EXPENSES		
Professional fees	91,480	—
Insurance expense	63,511	—
Claims	—	16,627,179
Claims adjustments	—	3,660,000
Employee benefits	—	200,035,398
Total Operating Expenses	154,991	220,322,577
Income (Loss) from Operations	13,458,840	(4,813,512)
NONOPERATING REVENUES (EXPENSES)		
Earnings on investments	579,708	1,990,558
Interest expense	(8,473,949)	—
Net change in fair value of investments	—	633,614
Total Nonoperating Revenues (Expenses)	(7,894,241)	2,624,172
Income (Loss) Before Transfers	5,564,599	(2,189,340)
TRANSFERS OUT	(1,885,516)	—
Change in Net Position	3,679,083	(2,189,340)
NET POSITION		
Beginning of Year	(151,947,383)	(19,624,195)
End of Year	\$ (148,268,300)	\$ (21,813,535)

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

County of Westchester, New York
Proprietary Funds—
Statement of Cash Flows
Year Ended December 31, 2019

Exhibit B-3

	Business Type Activities - Enterprise Fund Westchester Tobacco Asset Securitization Corporation	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ —	\$ 216,041,373
Cash received from tobacco settlement revenues	11,867,048	—
Payments to providers and claimants	(154,991)	(218,687,815)
	<u>11,712,057</u>	<u>(2,646,442)</u>
Net Cash from Operating Activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayment of bonds payable	(2,085,000)	—
Interest paid	(8,555,978)	—
Transfer to County of Westchester, New York	(1,643,586)	—
Advances to other funds	—	(339,103)
Payments from other funds	—	1,752,713
	<u>(12,284,564)</u>	<u>1,413,610</u>
Net Cash from Noncapital Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Earnings on investments	<u>579,708</u>	<u>2,033,238</u>
Net Change in Cash	7,201	800,406
CASH		
Beginning of year	<u>110,915</u>	<u>18,047,756</u>
End of year	<u>\$ 118,116</u>	<u>\$ 18,848,162</u>
Cash	\$ 113,894	\$ 18,848,162
Restricted cash	<u>4,222</u>	<u>—</u>
Total Cash	<u>\$ 118,116</u>	<u>\$ 18,848,162</u>

continued

County of Westchester, New York
Proprietary Funds—
Statement of Cash Flows (cont'd)
Year Ended December 31, 2019

Exhibit B-3

	Business Type Activities - Enterprise Fund Westchester Tobacco Asset Securitization Corporation	Governmental Activities - Internal Service Funds
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ 13,458,840	\$ (4,813,512)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(1,746,783)	532,308
Accounts payable and accrued liabilities	—	(2,025,238)
Claims payable	—	3,660,000
Net Cash from Operating Activities	<u>\$ 11,712,057</u>	<u>\$ (2,646,442)</u>
NONCASH NONCAPITAL FINANCING ACTIVITIES		
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	—
NONCASH INVESTING ACTIVITIES		
Change in fair value of investments	—	633,614

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

County of Westchester, New York

Fiduciary Fund

Statement of Assets and Liabilities

December 31, 2019

Exhibit C-1

	<u>Agency Fund</u>
ASSETS	
Cash	\$ 34,217,435
Accounts Receivable	19,778,782
Restricted Investments	3,321,708
Due from Other Funds	<u>85,692,882</u>
Total Assets	<u><u>\$ 143,010,807</u></u>
LIABILITIES	
Accounts Payable	\$ 54,043,935
Securities and Deposits Payable	<u>88,966,872</u>
Total Liabilities	<u><u>\$ 143,010,807</u></u>

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

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County of Westchester, New York

Component Units—

Combining Statement of Net Position

December 31, 2019

	County of Westchester Industrial Development Agency	Westchester Community College
ASSETS		
Current assets:		
Cash	\$ 2,221,390	\$ 95,222,791
Investments	—	35,603,546
Accounts Receivable, Net	128,250	8,595,161
Due from Other Governments	—	—
Prepaid Expenses	—	—
Escrow Deposit Receivable	2,959	—
Total Current Assets	2,352,599	139,421,498
Non-current assets:		
Promissory Note Receivable	7,000,000	—
Net Pension Asset	—	1,977,269
Land	125,000	—
Equipment	—	26,693,331
Accumulated Depreciation	—	(24,930,015)
Other	119,224	—
Total Non-Current Assets	7,244,224	3,740,585
Total Assets	9,596,823	143,162,083
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts on Pension Obligations	—	9,725,059
Deferred Amounts on Other Post Employment Benefit Obligations	—	6,944,346
Total Deferred Outflows of Resources	—	16,669,405
LIABILITIES		
Current liabilities:		
Accounts Payable and Accrued Expenses	232,097	77,436,229
Due to Other Governments	775,468	—
Total Current Liabilities	1,007,565	77,436,229
Non-current liabilities:		
Due Within One Year-		
Compensated Absences	—	795,000
Due in More Than One Year:		
Due to Other Governments	7,000,000	—
Compensated Absences	—	7,155,067
Net Pension Liability	—	6,389,608
Other Post Employment Benefit Obligations	—	199,002,047
Other Custodial Funds	122,183	—
Total Non-Current Liabilities	7,122,183	213,341,722
Total Liabilities	8,129,748	290,777,951
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts on Pension Obligations	—	6,147,871
Deferred Amounts on Other Post Employment Benefit Obligations	—	30,800,925
Deferred Amounts for Tuition Assistance Payments	—	1,116,925
Total Deferred Inflows of Resources	—	38,065,721
NET POSITION		
Net Investment in Capital Assets	125,000	1,763,316
Restricted	—	255,284
Unrestricted	1,342,075	(171,030,784)
Total Net Position	\$ 1,467,075	\$ (169,012,184)

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

Exhibit D-1

Westchester County Local Development Corporation	Totals
\$ 508,633	\$ 97,952,814
—	35,603,546
—	8,723,411
1,782	1,782
4,744	4,744
—	2,959
<u>515,159</u>	<u>142,289,256</u>
—	7,000,000
—	1,977,269
—	125,000
—	26,693,331
—	(24,930,015)
—	119,224
<u>—</u>	<u>10,984,809</u>
<u>515,159</u>	<u>153,274,065</u>
—	9,725,059
—	6,944,346
<u>—</u>	<u>16,669,405</u>
39,672	77,707,998
<u>145,157</u>	<u>920,625</u>
<u>184,829</u>	<u>78,628,623</u>
—	795,000
—	7,000,000
—	7,155,067
—	6,389,608
—	199,002,047
—	122,183
<u>—</u>	<u>220,463,905</u>
<u>184,829</u>	<u>299,092,528</u>
—	6,147,871
—	30,800,925
—	1,116,925
<u>—</u>	<u>38,065,721</u>
—	1,888,316
—	255,284
<u>330,330</u>	<u>(169,358,379)</u>
<u>\$ 330,330</u>	<u>\$ (167,214,779)</u>

County of Westchester, New York

Component Units—

Combining Statement of Activities

Year Ended December 31, 2019

Exhibit D-2

	County of Westchester Industrial Development Agency	Westchester Community College	Westchester County Local Development Corporation	Totals
EXPENSES				
Program operations	\$ 872,829	\$ 132,291,825	\$ 227,614	\$ 133,392,268
PROGRAM REVENUES				
Charges for services	1,017,734	35,321,083	76,817	36,415,634
Operating grants and contributions	—	124,053,285	—	124,053,285
Total Program Revenues	1,017,734	159,374,368	76,817	160,468,919
Net Program Revenues (Expenses)	144,905	27,082,543	(150,797)	27,076,651
GENERAL REVENUES				
Earnings on investments	30,192	1,155,757	10,536	1,196,485
Change in Net Position	175,097	28,238,300	(140,261)	28,273,136
NET POSITION				
Beginning of Year	1,291,978	(197,250,484)	470,591	(195,487,915)
End of Year	\$ 1,467,075	\$ (169,012,184)	\$ 330,330	\$ (167,214,779)

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1

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 GASB 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 31st 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The County does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds 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 Note 1,D), 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, "*Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*." 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 and Equivalents, Investments and Risk Disclosure

Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

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.

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. Generally, the County does not invest in any long-term investment obligations.

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, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3,*" 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, 2019.

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, 2019, 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 (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.

On December 22, 2016, WTASC issued \$180,990,000 of Tobacco Settlement Asset-Backed Bonds Series 2016 (Series 2016), comprised 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". In addition, as of December 31, 2019, there is \$4,222 of cash restricted to the payment of debt obligations on WTASC bonds.

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 \$988,424 for 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.

Deferred outflows and inflows of resources have been reported on the government-wide Statement of Net Position for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:		
New York State and Local Employees' Retirement System	\$ 97,587,366	\$ 40,224,661
New York State and Local Police and Fire Retirement System	23,597,108	6,163,415
Other Post Employment Benefit Obligations	249,149,894	18,340,382
Refunding Bonds	11,408,901	—
Service Concession Arrangements	—	83,068,930
Governmental Activities		
Deferred Outflows/Inflows of Resources	<u>\$ 381,743,269</u>	<u>\$ 147,797,388</u>
Business-type Activities:		
Refunding Bonds	<u>\$ 4,208,595</u>	<u>\$ —</u>
College (Component Unit):		
New York State and Local Employees' Retirement System ERS	4,142,767	2,476,386
New York State Teachers' Retirement System	5,582,292	3,671,485
Other Post Employment Benefit Obligations	6,944,346	30,800,925
Tuition Assistance Payments	—	1,116,925
College (Component Unit)		
Deferred Outflows/Inflows of Resources	<u>\$ 16,669,405</u>	<u>\$ 38,065,721</u>

The amount reported as deferred inflows of resources from service concession arrangements result from agreements with third parties 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. These amounts are detailed in the discussion of the County's service concession arrangements in Note 3, H.

The amount reported as deferred outflows of resources on refunding bonds in the government-wide Statement of Net Position for governmental and business-type activities results 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 and College (component unit) also report deferred outflows and deferred inflows of resources in relation to their pension and other post employment benefit obligations. These amounts are detailed in the discussion of the County's and College's pension and other post employment benefit plans in Note 3, I.

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 expended 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 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 July 23, 2020.

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NOTE 2

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 15th 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 10th.
- c) Subsequent to November 10th, 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 27th.
- 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 General Fund appropriations budget in the amount of \$68,578,000 was passed for various departmental expenditures. Also, an amendment to the Airport Fund appropriations budget in the amount of \$2,844,000 was passed for Passenger Facility Charges and transferred to the Capital Projects Fund.

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.

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-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.

In addition to the Tax Levy Limitation, 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 2019 was \$2,526,330,941 which exceeded the actual levy by \$1,966,300,674.

C. Fund Deficits

The following have unassigned/unrestricted deficits at December 31, 2019:

	Unassigned/ Unrestricted Deficits December 31, 2019
WTASC	148,268,300
Workers' Compensation Reserve Fund	46,300,713
College (Component Unit)	171,030,784

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

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.

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

Details of the County's investment portfolio by fund as of December 31, 2019 were:

Investments	Quoted Prices in Active Markets for Identical Assets (Level 1)
Internal Service Fund -	
US Treasuries	\$ 31,322,809
Fiduciary Fund:	
Equity Securities	2,647,134
Bond Mutual Funds	674,574
Total Fiduciary Fund	\$ 3,321,708
Total Primary Government	\$ 34,644,517
Component Unit -	
US Treasuries	\$ 35,603,546

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, 2019 consisted of the following:

Security Benefit Life Insurance Company	
fixed annuity due April 2045; interest at 4.1%	\$ 14,133,625
Restricted cash	4,222
	<u>\$ 14,137,847</u>

C. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2019 were as follows:

	Due From	Due To
General Fund	\$ 75,536,790	\$ 219,472,857
Combined Sewer Districts Fund	37,894,495	—
Refuse Disposal District Fund	28,020,535	—
Grants Fund	38,204,733	—
Capital Projects Fund	—	71,077,960
Water Districts Fund	3,006,661	—
Agency Fund	85,692,882	—
Health Insurance Fund	26,653,551	—
Casualty Reserve Fund	—	683,876
Workers' Compensation Reserve Fund	—	1,889,438
WTASC	—	1,885,516
	<u>\$ 295,009,647</u>	<u>\$ 295,009,647</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:

Class	Balance January 1, 2019	Additions (Transfers)	Deletions	Balance December 31, 2019
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 314,664,365	\$ 5,400,945	\$ —	\$ 320,065,310
Construction-in-progress	980,749,673	124,060,586	20,452,506	1,084,357,753
Total Capital Assets, not being depreciated	1,295,414,038	129,461,531	20,452,506	1,404,423,063
Capital Assets, being depreciated:				
Buildings	1,101,231,907	9,698,575	—	1,110,930,482
Equipment	557,343,511	74,633,031	—	631,976,542
Infrastructure	1,726,397,999	21,974,700	—	1,748,372,699
Total Capital Assets, being depreciated	3,384,973,417	106,306,306	—	3,491,279,723
Less Accumulated Depreciation for:				
Buildings	411,863,920	27,688,304	—	439,552,224
Equipment	339,310,173	25,330,362	—	364,640,535
Infrastructure	709,678,018	33,225,056	—	742,903,074
Total Accumulated Depreciation	1,460,852,111	86,243,722	—	1,547,095,833
Total Capital Assets, being depreciated, net	1,924,121,306	20,062,584	—	1,944,183,890
Governmental Activities Capital Assets, net	\$ 3,219,535,344	\$ 149,524,115	\$ 20,452,506	\$ 3,348,606,953

Depreciation expense was charged to the primary government's functions and programs as follows for the year ended December 31, 2019:

Governmental Activities:	
General Government	\$ 13,018,062
Education	6,546,783
Public Safety	14,265,652
Health Services	1,210,935
Transportation	20,034,575
Economic Assistance and Opportunity	879,644
Culture and Recreation	6,667,236
Home and Community Services	23,620,835
Total Depreciation Expense—Governmental Activities	\$ 86,243,722

E. Capital Assets — Component Units

IDA

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

College

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

Class	Balance September 1, 2018	Additions	Balance August 31, 2019
Capital Assets, being depreciated:			
Equipment	\$ 25,394,922	\$ 1,298,409	\$ 26,693,331
Total Accumulated Depreciation	24,116,759	813,256	24,930,015
Capital Assets, net	<u>\$ 1,278,163</u>	<u>\$ 485,153</u>	<u>\$ 1,763,316</u>

F. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at December 31, 2019 were as follows:

	Governmental Activities	Business Type Activities	Component Units
Payroll and employee benefits	\$ 6,677,400	\$ —	\$ 8,082,282
Unpaid Claims	254,990,178	—	41,537,577
Other	—	731,743	28,088,139
Total Accounts Payable and Accrued Liabilities	<u>\$ 261,667,578</u>	<u>\$ 731,743</u>	<u>\$ 77,707,998</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 26, 2019. The County received the balance (40%) of the property tax levy on October 15, 2019.

Type	Date Issued	Maturity Date	Net Interest Rate	Balance January 1, 2019	New Issue	Redemptions	Balance December 31, 2019
TAN	1/15/2019	5/28/2019	1.60%	\$ —	\$ 150,000,000	\$ 150,000,000	\$ —
TAN	1/15/2019	10/16/2019	1.70%	—	50,000,000	50,000,000	—
				<u>\$ —</u>	<u>\$ 200,000,000</u>	<u>\$ 200,000,000</u>	<u>\$ —</u>

Interest expenditure/expense of \$1,527,292 was recorded in the General Fund in the fund financial statements and in the government-wide financial statements for governmental activities relative to these TANs in 2019.

Bond Anticipation Notes Payable

The following table summarizes the changes in the County's short-term capital financing for the year ended December 31, 2019. The 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	January 1, 2019	New Issues	Redemption	December 31, 2019
<i>Capital Projects Fund</i>							
Sewer Improvements *	2014	2019	1.06%	\$ 1,000,000	\$ —	\$ (1,000,000)	\$ —
Sewer Improvements *	2014	2019	0.00%	1,000,000	—	(1,000,000)	—
Sewer Improvements *	2014	2019	1.06%	2,350,000	—	(2,350,000)	—
Sewer Improvements *	2014	2019	0.00%	2,350,000	—	(2,350,000)	—
Sewer Improvements *	2015	2020	0.00%	357,200	—	(40,500)	316,700
Sewer Improvements *	2018	2019	1.65%	4,096,100	—	(4,096,100)	—
Sewer Improvements *	2018	2019	0.00%	4,096,100	—	(4,096,100)	—
Sewer Improvements *	2018	2019	1.65%	4,795,950	—	(4,795,950)	—
Sewer Improvements *	2018	2019	0.00%	4,795,950	—	(4,795,950)	—
Sewer Improvements *	2018	2020	1.65%	3,240,550	—	—	3,240,550
Sewer Improvements *	2018	2020	0.00%	3,240,550	—	(11,780)	3,228,770
Sewer Improvements *	2018	2020	1.65%	1,815,800	—	—	1,815,800
Sewer Improvements *	2018	2020	0.00%	1,815,800	—	(14,570)	1,801,230
Sewer Improvements *	2018	2020	1.65%	896,400	—	—	896,400
Sewer Improvements *	2018	2020	0.00%	896,400	—	(4,650)	891,750
Sewer Improvements *	2018	2023	1.67%	8,220,000	—	—	8,220,000
Sewer Improvements *	2018	2023	1.67%	3,810,000	—	(3,810,000)	—
Sewer Improvements *	2018	2023	0.00%	3,810,000	—	(3,810,000)	—
Sewer Improvements *	2018	2023	1.67%	1,600,000	—	(1,600,000)	—
Sewer Improvements *	2019	2022	1.74%	—	6,690,000	—	6,690,000
Sewer Improvements *	2019	2022	0.00%	—	6,690,000	—	6,690,000
Sewer Improvements *	2019	2022	1.74%	—	2,130,000	—	2,130,000
Sewer Improvements *	2019	2022	0.00%	—	2,130,000	—	2,130,000
Sewer Improvements *	2019	2021	1.75%	—	1,350,000	—	1,350,000
Sewer Improvements *	2019	2021	0.00%	—	1,350,000	(6,555)	1,343,445
Sewer Improvements *	2019	2021	1.75%	—	1,000,000	—	1,000,000
Sewer Improvements *	2019	2021	0.00%	—	1,000,000	(2,945)	997,055
Sewer Improvements *	2019	2020	1.75%	—	4,096,100	(63,705)	4,032,395
Sewer Improvements *	2019	2020	0.00%	—	4,096,100	(108,470)	3,987,630
Sewer Improvements *	2019	2020	1.75%	—	4,795,950	—	4,795,950
Sewer Improvements *	2019	2020	0.00%	—	4,795,950	(70,325)	4,725,625
Sewer Improvements *	2019	2021	1.79%	—	1,000,000	(2,500)	997,500
Sewer Improvements *	2019	2021	0.00%	—	1,000,000	—	1,000,000
				<u>\$ 54,186,800</u>	<u>\$ 42,124,100</u>	<u>\$ (34,030,100)</u>	<u>\$ 62,280,800</u>

*\$31,165,232 of the Sewer Improvements has been drawn at December 31, 2019.

The County has a liability to repay only the amount drawn from 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 period's equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$126,455 was recorded in the Sewer District fund and as interest expense in the government-wide financial statements for governmental activities.

H. Service Concession Arrangements

The County follows the provisions of GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements" in accounting for and reporting its service concession arrangements (SCAs), a type of public-private partnership entered into by state and local governments.

The County has determined that there are seven service concession arrangements which are reported in the County's Statement of Net Position as of December 31, 2019; (1) Westchester Airport Associates LP located at the airport garage; (2) PepsiCo at airport Hangar V; (3) Interlaken Capital Aviation Services, Inc. at airport Hangar V; (4) IBM at airport Hangar W; (5) West Air/ Million Air at airport Hangar M; (6) Panorama Flight Service at airport Hangar T; (7) Million Air Interlink at airport Hangar R. The County has recorded receivables of \$36,829,495, capital assets of \$46,239,435, and deferred inflows of \$83,068,930 in the Statement of Net Position. See details below.

The County's agreement with Westchester Airport Associates LP (WAA) granted WAA the use of airport non-aeronautical space to construct a parking garage for passenger use. The agreement runs from August 1, 1994 through August 1, 2024. Pursuant to the agreement, ownership of the facility becomes the County's, at the County's option, at the end of the agreement. The agreement also calls for minimum lease payments from WAA to the County for base rent. The rent is increased by \$25,000 each year until the end of the agreement. The County reported in its Statement of Net Position a receivable with a carrying amount of \$3,500,000, capital asset of \$3,037,179 and a corresponding deferred inflow of resources of \$6,537,179 as of December 31, 2019, pursuant to the service concession arrangement.

The County's agreement with PepsiCo granted the use of airport aeronautical space to construct an airplane hangar for non-passenger use. The agreement runs from May 1, 1996 through May 1, 2026. Pursuant to the agreement, ownership of the facility becomes the County's, at the County's option, at the end of the agreement. The agreement also calls for minimum lease payments from PepsiCo to the County for base rent. The County reported in its Statement of Net Position a receivable with a carrying amount of \$1,212,204, capital asset of \$1,515,971 and a corresponding deferred inflow of resources of \$2,728,175 as of December 31, 2019, pursuant to the service concession arrangement.

The County's agreement with Interlaken Capital Aviation Services, Inc. (Interlaken) granted Interlaken the use of airport aeronautical space to construct an airplane hangar for non-passenger use. The agreement runs from May 1, 1996 through May 1, 2026. Pursuant to the agreement, ownership of the facility becomes the County's, at the County's option, at the end of the agreement. The agreement also calls for minimum lease payments from Interlaken to the County for base rent. The County reported in its Statement of Net Position a receivable with a carrying amount of \$1,034,628, capital asset of \$1,245,434 and a corresponding deferred inflow of resources of \$2,280,062 as of December 31, 2019, pursuant to the service concession arrangement.

The County's agreement with IBM granted the use of airport aeronautical space to construct an airplane hangar for non-passenger use. The agreement runs from January 1, 1997 through January 1, 2027. Pursuant to the agreement, ownership of the facility becomes the County's, at the County's option, at the end of the agreement. The agreement also calls for minimum lease payments from Interlaken to the County for base rent. The County reported in its Statement of Net Position a receivable with a carrying amount of \$1,404,564, capital asset of \$1,166,666 and a corresponding deferred inflow of resources of \$2,571,230 as of December 31, 2019, pursuant to the service concession arrangement.

The County's agreement with West Air, Inc. (West Air) granted West Air the use of airport aeronautical space to construct an airplane hangar for non-passenger use. The agreement runs from June 1, 2007 through June 1, 2032. Pursuant to the agreement, ownership of the facility becomes the County's, at the County's option, at the end of the agreement. The County reported in its Statement of Net Position a capital asset of \$2,340,000 and a corresponding deferred inflow of resources of \$2,340,000 as of December 31, 2019, pursuant to the service concession arrangement.

The County's agreement with Panorama Flight Service (Panorama) granted Panorama the use of airport aeronautical space to construct an airplane hangar for non-passenger use. The agreement runs from July 30, 1999 through July 30, 2029. Pursuant to the agreement, ownership of the facility becomes the County's, at the County's option, at the end of the agreement. The County reported in its Statement of Net Position a capital asset of \$1,870,000 and a corresponding deferred inflow of resources of \$1,870,000 as of December 31, 2019, pursuant to the service concession arrangement.

The County's agreement with Million Air Interlink (Million Air) granted Million Air the use of airport aeronautical space to construct an airplane hangar for passenger use. The agreement runs from June 1, 2016 through June 1, 2046. Pursuant to the agreement, ownership of the facility becomes the County's, at the County's option, at the end of the agreement. The agreement also calls for minimum lease payments from Million Air to the County for base rent. The rent is increased by 3% annually until the end of the agreement. The County reported in its Statement of Net Position a receivable with a carrying amount of \$29,678,099, capital asset of \$35,064,185 and a corresponding deferred inflow of resources of \$64,742,284 as of December 31, 2019, pursuant to the service concession arrangement.

I. Long-term Liabilities

The following table summarizes changes in the County's long-term indebtedness for the year ended December 31, 2019.

	Balance January 1, 2019	New Issues/ Additions	Amortization, Defeasance and/or Payments	Balance December 31, 2019	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 1,211,674,675	\$ 195,632,652	\$ (157,933,502) *	\$ 1,249,373,825	\$ 110,420,701
Add: Unamortized premium on bonds	90,554,476	28,883,536	(15,166,451)	104,271,561	—
	<u>1,302,229,151</u>	<u>224,516,188</u>	<u>(173,099,953)</u>	<u>1,353,645,386</u>	<u>110,420,701</u>
Capital Lease Payable	47,453,633	—	(9,684,603)	37,769,030	10,179,924
Compensated Absences	49,752,167	6,169,688	(4,030,166)	51,891,689	5,190,000
Landfill Post-Closure Costs	26,401,609	—	(1,603,075)	24,798,534	1,206,729
Claims Payable	128,322,855	31,385,455	(28,299,023)	131,409,287	27,517,887
Pollution Remediation	365,368	—	(99,862)	265,506	30,000
Net Pension Liability	58,937,872	61,761,835	—	120,699,707	—
NYS Retirement					
Stabilization Program	73,887,329	—	(12,222,246)	61,665,083	12,598,248
Other Post Employment Benefit Obligations	3,012,947,713	473,670,196	(80,303,543)	3,406,314,366	—
Governmental Activities Long-term Liabilities	<u>\$ 4,700,297,697</u>	<u>\$ 797,503,362</u>	<u>\$ (309,342,471)</u>	<u>\$ 5,188,458,588</u>	<u>\$ 167,143,489</u>
Business Type Activities:					
Bonds Payable	\$ 176,185,000	\$ —	\$ (2,085,000)	\$ 174,100,000	\$ 3,155,000
Add: Unamortized premium on bonds	3,957,085	—	(210,478)	3,746,607	—
Business type Activities Long-term Liabilities	<u>\$ 180,142,085</u>	<u>\$ —</u>	<u>\$ (2,295,478)</u>	<u>\$ 177,846,607</u>	<u>\$ 3,155,000</u>
Component Units:					
Compensated Absences	\$ 7,749,218	\$ 1,579,786	\$ 1,378,937	\$ 7,950,067	\$ 795,000
Net Pension Liability	2,473,473	3,916,135	—	6,389,608	—
Other Post Employment- Benefit Obligations	213,599,208	—	14,597,161	199,002,047	—
Component Units Long-term Liabilities	<u>\$ 223,821,899</u>	<u>\$ 5,495,921</u>	<u>\$ 15,976,098</u>	<u>\$ 213,341,722</u>	<u>\$ 795,000</u>

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

Governmental fund liabilities for costs are primarily liquidated by the General Fund and the Sewer Districts Fund. The liabilities for landfill post-closure costs, 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, 2019 are comprised of the following individual issues:

Year/Name of Issue	(if applicable) EFC Designation	Original Issue	Final Maturity	Range of Interest Rates*		Outstanding December 31, 2019
2002B	EFC 2002A	\$ 8,900,000	October, 2021	4.952%	4.982%	\$ 890,000
2003A	EFC 2003F	38,454,487	January, 2033	4.315%	4.612%	17,740,000
2004A	EFC 2004D	43,491,552	August, 2033	4.749%	5.150%	20,825,000
2005A	EFC 2005A	27,033,150	November, 2034	4.064%	4.569%	13,345,000
2005B	EFC 2005B	5,163,580	October, 2023	3.819%	3.939%	1,080,000
2006A	EFC 2006C	223,215	October, 2035	4.593%	4.861%	80,000
2006B	EFC 2006C	4,211,710	October, 2036	4.593%	4.731%	2,320,000
2008A	EFC 2008 DIRECT	15,212,688	April, 2038	2.700%		10,080,000
2009D	EFC 2009 DIRECT	2,991,715	April, 2034	4.247%		1,790,000
2010D	EFC 2010C	4,293,666	April, 2037	3.008%	4.603%	2,855,000
2010E	EFC 2010C	27,976,578	October, 2039	3.008%	4.603%	18,630,000
2011A		46,780,000	October, 2024	3.000%	5.000%	8,506,173
2011B		126,900,000	July, 2023	2.750%	5.000%	23,950,000
2011C		29,390,000	July, 2031	2.000%	3.500%	20,010,000
2011E	EFC 2011 DIRECT	100,470,000	June, 2040	2.656%	4.746%	72,625,000
2011F	EFC 2011 A	15,445,000	July, 2020	3.829%		435,000
2011G	EFC 2011 C	17,185,000	October, 2021	2.656%	3.207%	2,350,000
2012A		22,360,000	October 2027	4.000%	5.000%	18,510,000
2012B		55,410,000	July, 2026	2.000%	4.000%	33,120,000
2012C		14,425,000	July, 2030	2.000%	3.000%	10,035,000
2012D	EFC 2012E	8,317,595	May, 2042	0.879%	4.098%	6,330,000
2013A	EFC 2013B	127,039,000	May, 2043	1.379%	4.756%	99,225,000
2013B		52,650,000	July, 2027	2.403%	5.000%	31,480,000
2013C		4,305,000	July, 2024	5.000%		2,410,000
2014A		9,245,000	October, 2023	2.000%	2.690%	1,600,000
2014B	EFC 2014B	85,957,000	May, 2044	1.552%	4.293%	67,675,000
2015A	EFC 2015B	14,252,000	September, 2044	1.300%	4.267%	12,375,000
2015B		81,530,000	November, 2027	2.500%	5.000%	60,140,000
2015C		4,260,000	November, 2020	2.000%		1,095,000
2015D		3,660,000	November, 2032	2.250%	5.000%	3,150,000
2016A		109,980,000	January, 2029	5.000%		103,415,000
2016B	EFC 2016B	26,494,000	February, 2044	0.728%	3.351%	23,590,000
2017A		135,870,000	July, 2029	4.000%	5.000%	126,305,000
2017B		23,090,000	July, 2029	2.250%	3.100%	21,235,000
2017C		18,930,000	July, 2034	4.000%	5.000%	18,120,000
2017D	EFC 2017C	19,549,660	February, 2047	1.081%	3.976%	18,280,000
2018A		163,715,000	December, 2029	4.000%	5.000%	160,425,000
2018B		8,630,000	November, 2031	3.500%	4.000%	8,175,000
2018C		9,810,000	December, 2036	3.000%	5.000%	9,595,000
2019A		32,325,000	January, 2040	4.000%	5.000%	32,325,000
2019B		14,450,000	October, 2022	5.000%		14,450,000
2019C	EFC 2019A	8,816,104	August, 2048	1.297%	3.799%	8,761,104
2019D		111,370,000	December, 2031	4.000%	5.000%	111,370,000
2019E		6,711,548	November, 2024	1.690%	1.900%	6,711,548
2019F		21,960,000	December, 2038	2.000%	5.000%	21,960,000
						<u>\$ 1,249,373,825</u>
						Bonds Sold to EFC 401,281,104
						Bonds Sold to Other 848,092,721
						<u>\$ 1,249,373,825</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 or Build America Bonds. Bonds may have been sold at a premium or a discount.

Interest expenditures of \$49,403,099 was recorded in the fund financial statements in the funds identified below. Interest expense of \$51,652,422 was recorded in the government-wide financial statements for governmental activities.

<u>Fund</u>	<u>Amount</u>
Governmental Fund:	
General	\$ 29,428,303
Combined Sewer Districts	18,208,828
Refuse Disposal District	403,121
Airport Fund	406,645
Combined Water Districts	956,202
	<u>\$ 49,403,099</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>
2020	\$ 3,155,000	\$ 8,450,919	\$ 11,605,919
2021	3,295,000	8,296,544	11,591,544
2022	3,435,000	8,128,294	11,563,294
2023	3,610,000	7,952,169	11,562,169
2024	3,800,000	7,766,918	11,566,918
2025-2051	156,805,000	121,850,084	278,655,084
	<u>\$ 174,100,000</u>	<u>\$ 162,444,928</u>	<u>\$ 336,544,928</u>
Unamortized Original Issue Net Premium	3,746,607		
	<u>\$ 177,846,607</u>		

The annual requirements to amortize all issued bond debt outstanding as of December 31, 2019 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>
2020	\$ 110,420,701	\$ 52,514,415	\$ 3,155,000	\$ 8,450,919	\$ 113,575,701	\$ 60,965,334
2021	121,463,134	47,549,663	3,295,000	8,296,544	124,758,134	55,846,207
2022	120,219,995	41,833,209	3,435,000	8,128,294	123,654,995	49,961,503
2023	110,859,995	36,664,384	3,610,000	7,952,169	114,469,995	44,616,553
2024	100,105,000	32,018,099	3,800,000	7,766,918	103,905,000	39,785,017
2025-2029	421,435,000	102,244,588	21,535,000	35,724,469	442,970,000	137,969,057
2030-2034	150,575,000	38,176,260	23,095,000	30,066,219	173,670,000	68,242,479
2035-2039	85,280,000	14,637,085	8,865,000	24,602,637	94,145,000	39,239,722
2040-2044	26,555,000	2,663,539	39,080,000	18,479,656	65,635,000	21,143,195
2045-2049	2,460,000	170,121	27,325,000	10,140,031	29,785,000	10,310,152
2050-2051	—	—	36,905,000	2,837,072	36,905,000	2,837,072
	<u>\$ 1,249,373,825</u>	<u>\$ 368,471,363</u>	<u>\$ 174,100,000</u>	<u>\$ 162,444,928</u>	<u>\$ 1,423,473,825</u>	<u>\$ 530,916,291</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:

2020	\$	12,406,625
2021		12,405,750
2022		12,406,500
2023		6,203,625
		<u>43,422,500</u>
Less amounts representing unaccrued amounts and interest		<u>(5,653,469)</u>
Present Value of Lease Payments	\$	<u>37,769,030</u>

Interest expenditures of \$2,577,648 were recorded in the fund financial statements in the General Fund and as interest expense in the government-wide financial statements for governmental activities.

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	\$	33,533,243	
Sewer Districts		18,335,283	
Refuse Disposal District		<u>403,121</u>	
Total Major Funds			\$ 52,271,647
Airport Fund		406,645	
Water Districts		<u>956,202</u>	
Total Non-Major Funds			<u>1,362,847</u>
Total Governmental Funds			53,634,494
Statement of Activities:			
Change in Accrued Interest Payable		14,855,235	
Amortization of Bond Premium and Loss on Refunding		<u>(12,605,912)</u>	<u>2,249,323</u>
Total Statement of Activities			<u>\$ 55,883,817</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.

Refunding

On May 30, 2019, the County delivered Refunding Bonds Series A (par value of \$32,325,000) and entered into agreements to deliver on July 18, 2019 Refunding Bonds Series B (par value of \$14,450,000). Together these refunding bonds were used to currently refund \$12,040,000 Series 2009 A Bonds, \$1,485,000 Series 2009 B bonds, \$16,035,000 Series 2010 A Bonds and \$23,135,000 Series 2010 C-2 Bonds. The refunding plan provides that a portion of the proceeds of the Refunding Bonds (\$52,040,280 including reoffering premium of \$5,265,280), along with a cash contribution by the County (\$2,019,661 of which \$624,978 was used to make previously scheduled interest payments) will be used to purchase non-callable Government Obligations (\$53,759,305). The balance of the proceeds (\$300,636) is for Cost of Issuance and Underwriter fees. The securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments. The transaction will reduce the County's total debt service in the years 2019 through 2040 by a present value of \$3,912,272.

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, 2019, \$32,735,000 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, 2019, the value of the accumulated sick and vacation leave was \$42,317,980 and \$9,573,709 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 \$6,722,763. The County anticipates funding this cost through the issuance of bonds. The revised estimated post-closure maintenance and monitoring functions will cost approximately \$18,075,771 over the years 2020 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 \$4,861,504, with revised estimated post-closure costs of \$8,437,571 for the years 2020 through 2031.

Sprout Brook Ash Landfill has estimated capital closure costs of \$1,861,259, with revised estimated post-closure costs of \$9,638,200 for the years 2020 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, 2019. 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, 2019 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:

	Health Insurance	Casualty Reserve	Workers' Compensation
<u>Fiscal 2019</u>			
Unpaid claims - Beginning of Year	\$ 19,000,000	\$ 27,956,000	\$ 48,880,000
Incurred claims including IBNR's	200,035,398	6,183,527	14,103,652
Claims paid	(200,035,398)	(5,053,527)	(11,573,652)
Unpaid claims - End of Year	<u>\$ 19,000,000</u>	<u>\$ 29,086,000</u>	<u>\$ 51,410,000</u>
Due within one year	<u>\$ 19,000,000</u>	<u>\$ 2,908,600</u>	<u>\$ 5,141,000</u>
	Health Insurance	Casualty Reserve	Workers' Compensation
<u>Fiscal 2018</u>			
Unpaid claims - Beginning of Year	\$ 19,500,000	\$ 33,010,000	\$ 42,900,000
Incurred claims including IBNR's	192,702,486	2,750,144	17,866,423
Claims paid	(193,202,486)	(7,804,144)	(11,886,423)
Unpaid claims - End of Year	<u>\$ 19,000,000</u>	<u>\$ 27,956,000</u>	<u>\$ 48,880,000</u>
Due within one year	<u>\$ 19,000,000</u>	<u>\$ 2,795,600</u>	<u>\$ 4,888,000</u>

Tax certiorari payable in the amount of \$468,287 is included in the current portion of claims payable 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, 2019, as a result of costs incurred, the balance has been reduced to \$265,506.

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 assets and record changes in fiduciary 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/retirement/publications 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 2020 are as follows:

	Tier	Plan	Rates
ERS	1	75I	21.4%
	2	75I	19.5%-19.6%
	3	A14	15.8%-15.9%
	4	89ET3	20.7%
	4	89ET4	20.7%
	4	A15	15.8%-15.9%
	4	WCI03	24.9%
	4	WCI04	24.9%
	5	89ET4	18.1%
	5	A15	13.2%-13.3%
	5	WCI04	22.6%
	6	89ET4	13.4%
	6	A15	9.3%-9.4%
	6	WCI04	18.1%
PFRS	2	384D	24.3%
	3	384D	24.2%
	5	384D	19.8%
	6	384D	14.6%

At December 31, 2019, the County and the College (component unit) reported liabilities as follows for their proportionate share of the net pension liability:

	Primary Government		College (Component Unit)
	ERS	PFRS	ERS
Measurement Date	March 31, 2019	March 31, 2019	March 31, 2019
Net pension liability	\$ 103,788,214	\$ 16,911,493	\$ 6,389,608
County/College's proportion of the net pension liability	1.4648378 %	1.0083993 %	0.0901917 %
Change in proportion since the prior measurement date	(0.0483478) %	0.0090849 %	0.013563 %

The net pension liability was measured as of March 31, 2019, 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.

For the year ended December 31, 2019, the County and College (component unit) recognized pension expense in the government-wide financial statements of \$59,285,680 for ERS and \$13,261,741 for PFRS. Pension expenditures of \$73,249,411 for ERS and \$13,875,922 for PFRS were recorded in the primary government's fund financial statements. \$5,234,663 was recognized as ERS pension expense in the College's (component unit) financial statements.

At December 31, 2019, the County and the College (component unit) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government			
	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,438,070	\$ 6,967,108	\$ 4,108,270	\$ 1,805,581
Changes in assumptions	26,088,115	—	6,144,397	—
Net differences between projected and actual earnings on pension plan investments	—	26,637,792	—	3,386,959
Changes in proportion and differences between County/College contributions and proportionate share of contributions	22,146	6,619,761	4,063,232	970,875
County/College contributions subsequent to the measurement date	51,039,035	—	9,281,209	—
	<u>\$ 97,587,366</u>	<u>\$ 40,224,661</u>	<u>\$ 23,597,108</u>	<u>\$ 6,163,415</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	\$ 24,546,340	\$ 8,772,689	\$ 1,258,247	\$ 428,922
Changes in assumptions	32,232,512	—	1,606,086	—
Net differences between projected and actual earnings on pension plan investments	—	30,024,751	—	1,639,926
Changes in proportion and differences between County/College contributions and proportionate share of contributions	4,085,378	7,590,636	1,363	407,538
County/College contributions subsequent to the measurement date	60,320,244	—	1,277,071	—
	<u>\$ 121,184,474</u>	<u>\$ 46,388,076</u>	<u>\$ 4,142,767</u>	<u>\$ 2,476,386</u>

The amounts reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the County/ College'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, 2020. 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:

	ERS		PFRS
Years Ended March 31,	Primary Government	College (Component Unit)	Primary Government
2020	\$ 18,915,515	\$ 1,164,505	\$ 4,775,107
2021	(22,499,787)	(1,385,165)	(343,940)
2022	(3,431,833)	(211,276)	680,912
2023	13,339,775	821,246	2,391,951
2024	—	—	648,454

The total pension liability for the March 31, 2019 measurement date was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liabilities to March 31, 2019. Significant actuarial assumptions used in the April 1, 2018 valuation were as follows:

	Primary Government		College (Component Unit)
	ERS	PFRS	ERS
Investment rate of return	7.0 % *	7.0 %	7.0 % *
Salary scale	4.2 %	5.0 %	4.2 %
Inflation rate	2.5 %	2.5 %	2.5 %
Cost of living adjustments	1.3 %	1.3 %	1.3 %

*Compounded annually, net of pension plan investment expenses, including inflation.

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, 2018 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bond and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.25
	<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 County's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the 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:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Primary Government's proportionate share of the ERS net pension liability (asset)	<u>\$ 453,781,922</u>	<u>\$ 103,788,214</u>	<u>\$ (190,229,943)</u>
Primary Government's proportionate share of the PFRS net pension liability (asset)	<u>\$ 61,115,609</u>	<u>\$ 16,911,493</u>	<u>\$ (20,004,074)</u>
College's (component unit) proportionate share of the ERS net pension liability (asset)	<u>\$ 27,936,385</u>	<u>\$ 6,389,608</u>	<u>\$ (11,711,213)</u>

The components of the collective net pension liability as of the March 31, 2019 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 189,803,429,000	\$ 34,128,100,000	\$ 223,931,529,000
Fiduciary net position	<u>182,718,124,000</u>	<u>(32,451,037,000)</u>	<u>(215,169,161,000)</u>
Employers' net position liability	<u>\$ 7,085,305,000</u>	<u>\$ 1,677,063,000</u>	<u>\$ 8,762,368,000</u>
Fiduciary net position as a percentage of total pension liability	<u>96.27%</u>	<u>95.09%</u>	<u>96.09%</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 31st. Retirement contributions as of December 31, 2019 represent the employer contribution for the period of April 1, 2019 through December 31, 2019 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, 2019 were \$51,039,035 and \$9,281,209, respectively. Retirement contributions for the College (component unit) to ERS for the five months ended August 31, 2019 were \$1,277,071.

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:

	Original Amount Amortized	Current Year Installment Payments	Balance Due	Due Within One Year*
2012-2013 ERS	\$ 23,578,507	\$ 2,455,885	\$ 7,818,623	\$ 2,529,562
2012-2013 PFRS	1,874,083	195,200	621,445	201,056
2013-2014 ERS	41,062,415	4,158,592	18,217,619	4,311,213
2013-2014 PFRS	2,754,268	278,938	1,221,949	289,175
2014-2015 ERS	19,205,535	1,883,519	10,345,830	1,942,850
2014-2015 PFRS	7,568,385	742,244	4,077,014	765,625
2015-2016 ERS	14,087,528	1,343,323	9,015,503	1,386,444
2015-2016 PFRS	109,163	10,409	69,861	10,743
2016-2017 ERS	4,295,325	405,777	3,117,880	415,233
2016-2017 PFRS	179,223	16,932	130,092	17,326
2017-2018 ERS	3,908,567	376,592	3,194,314	361,266
2018-2019 ERS	4,189,788	354,835	3,834,953	367,755
	<u>\$ 122,812,787</u>	<u>\$ 12,222,246</u>	<u>\$ 61,665,083</u>	<u>\$ 12,598,248</u>

*Amount included in 2020 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 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 2019 was 10.62%.

At August 31, 2019, the College reported the following for its proportionate share of the net pension asset for TRS:

	College (Component Unit) TRS
Measurement Date	June 30, 2019
Net pension (asset)	\$ (1,977,269)
College's proportion of the net pension (asset)	0.076107 %
Change in proportion since the prior measurement date	(0.004326) %

The net pension asset was measured as of June 30, 2019, 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.

For the year ended August 31, 2019, the College recognized pension expense of \$2,262,740. At August 31, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,339,945	\$ 147,034
Changes in assumptions	3,735,326	910,778
Net differences between projected and actual earnings on pension plan investments	—	1,585,668
Changes in proportion and differences between College contributions and proportionate share of contributions	282,169	1,028,005
College contributions subsequent to the measurement date	224,852	—
	<u>\$ 5,582,292</u>	<u>\$ 3,671,485</u>

The \$224,852 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to TRS will be recognized in pension expense as follows:

Year Ended June 30,	
2020	\$ 722,473
2021	(115,311)
2022	719,230
2023	451,221
2024	(58,210)
Thereafter	(33,448)

The total pension liability for the June 30, 2019 measurement date was determined by using an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019. The actuarial valuation used the following actuarial assumptions:

	College
	(Component Unit)
	TRS
Investment rate of return	7.1 % *
Salary scale	1.9 % - 4.72 %
Inflation rate	2.2 %
Cost of living adjustments	1.3 %

*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014, 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 are summarized in the following table:

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	33 %	6.30 %
International Equity	16	7.80
Global Equity	4	7.20
Private Equity	8	9.90
Real Estate Equity	11	4.60
Domestic Fixed Income Securities	16	1.30
Global Fixed Income Securities	2	0.90
Private Debt	1	6.50
Real Estate Debt	7	2.90
High Yield Fixed Income Securities	1	3.60
Short-Term	1	0.30
	100 %	

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

The discount rate used to measure the total pension liability was 7.1%. 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 7.1%, 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 (6.1%) or one percentage point higher (8.1%) than the current rate:

	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
College's proportionate share of the net pension liability (asset)	<u>\$ 8,925,186</u>	<u>\$ (1,977,269)</u>	<u>\$ (11,123,199)</u>

The components of the collective net pension asset of TRS as of the June 30, 2019 measurement date were as follows:

Total pension liability	\$ 119,879,473,882
TRS fiduciary net position	122,477,480,654
Employers' net pension asset	<u>\$ (2,598,006,772)</u>
TRS fiduciary net position as a percentage of total pension liability	<u>102.17%</u>

Employer and employee contributions for the year ended June 30, 2019 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, 2019 represent employee and employer contributions for the fiscal year ended August 31, 2019 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, 2019 were \$224,852.

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% for the first seven years of service, and 10% thereafter
Tier 6	April 1, 2012	8% for the first seven years of

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, 2019, employee contributions totaled \$183,736 and the College recognized pension expense of \$2,461,966. At August 31, 2019, the College reported payables to the defined contribution pension plan of \$136,910 for legally required employer contributions and \$29,784 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA-CREF.

Other Post Employment Benefit Obligations (OPEB)

In addition to providing benefits, the County and College (component unit) provide certain health care benefits for retired employees through a single employer defined benefit OPEB plan. 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. The cost of providing post employment health care benefits is shared between the County and their retired employee or the College (component unit) and their retired employee as noted below. Substantially all employees may become eligible for those benefits if they reach normal retirement age while working for either of the entities. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

The following employees were covered by the benefit terms:

	Primary Government December 31, 2019	College (Component Unit) August 31, 2019
Inactive employees currently receiving benefit payments	4,521	381
Active employees	4,540	518
	<u>9,061</u>	<u>899</u>

The County's total OPEB liability of \$3,406,314,366 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2019. The College's total OPEB liability of \$199,002,047 was measured as of August 31, 2019 and was determined by an actuarial valuation as of September 1, 2018.

The total OPEB liability in the actuarial valuations was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	Primary Government	College (Component Unit)
Salary increases	3.00%	2.00%
Discount rate	3.26%	2.63%
Healthcare cost trend rates (County/College)	8.0%/4.75% for 2019, decreasing by up to .05%/.25% per year to an ultimate rate of 4.25%/5.0% for 2025/2026 and later years	
Retirees' share of benefit-related costs (County/College)	Varies from 0% to 100%/75%, depending on applicable retirement year and bargaining unit	

The discount rate was based on the S&P Municipal Bond 20-year High Grade Bond Index.

Mortality rates are based on the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2019, and then adjusted for mortality improvements with scale MP-2019 on a fully generational basis.

The actuarial assumptions used in the valuation for turnover are based on the Sarason T-5 table, and for retirement are based on rates from age 55, or from 20 or 25 years of service.

The change in the total OPEB liability for the year ended December 31, 2019 is as follows:

	County December 31, 2019	College (Component Unit) August 31, 2019
Total OPEB Liability - Beginning of Year	\$ 3,012,947,713	\$ 213,599,208
Service cost	66,480,551	6,045,639
Interest	108,209,772	6,598,868
Changes in assumption or other inputs	199,367,361	—
Differences between expected and actual experience	99,612,512	(29,739,748)
Changes in assumption or other inputs	—	7,768,467
Benefit payments	(80,303,543)	(5,270,387)
Total OPEB Liability - End of Year	<u>\$ 3,406,314,366</u>	<u>\$ 199,002,047</u>

The following presents the total OPEB liability of the County and College, as well as what the County and College's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.26%)	Current Assumption (3.26%)	1% Increase (4.26%)
Primary Government Total OPEB Liability	<u>\$ 3,930,733,189</u>	<u>\$ 3,406,314,366</u>	<u>\$ 2,881,895,543</u>
College (Component Unit) Total OPEB Liability	<u>\$ 234,999,415</u>	<u>\$ 199,002,047</u>	<u>\$ 170,278,681</u>

The following presents the total OPEB liability of the County and College, as well as what the County and College's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Primary Government Total OPEB Liability	<u>\$ 2,812,158,968</u>	<u>\$ 3,406,314,366</u>	<u>\$ 4,117,875,966</u>
	1% Decrease (3.75% decreasing to 2.784%)	Healthcare Cost Trend Rates (4.75% decreasing to 3.784%)	1% Increase (5.75% decreasing to 4.784%)
College (Component Unit) Total OPEB Liability	<u>\$ 161,233,785</u>	<u>\$ 199,002,047</u>	<u>\$ 247,416,270</u>

For the year ended December 31, 2019, the County recognized OPEB expense of \$219,935,206 in the government-wide financial statements. At December 31, 2019 and August 31, 2019, the County and College, respectively, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		College (Component Unit)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$ 166,139,467	\$ —	\$ 6,572,333	\$ 6,628,036
Differences between expected and actual experience	83,010,427	18,340,382	372,013	24,172,889
	<u>\$ 249,149,894</u>	<u>\$ 18,340,382</u>	<u>\$ 6,944,346</u>	<u>\$ 30,800,925</u>

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

	Primary Government Year Ended December 31,	College (Component Unit) Year Ended August 31,
2020	\$ 45,244,883	2020 \$ (5,853,369)
2021	45,244,883	2021 (5,862,603)
2022	45,244,883	2022 (5,873,499)
2023	45,244,883	2023 (4,707,281)
2024	49,829,980	2024 (1,356,349)
Thereafter	—	Thereafter (203,478)

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:

Transfers Out	Transfers In					Total
	General	Sewer Districts	Refuse Disposal District	Grants Fund	Capital Projects	
General	\$ —	\$ 72,000	\$ 63,000	\$ 7,183,477	\$ 2,641,347	\$ 9,959,824
Sewer Districts	242,000	—	—	—	326,000	568,000
Capital Projects	2,650,888	245,185	—	—	—	2,896,073
Non-Major Governmental	—	—	—	—	5,043,524	5,043,524
Business-type WTASC	1,885,516	—	—	—	—	1,885,516
	<u>\$ 4,778,404</u>	<u>\$ 317,185</u>	<u>\$ 63,000</u>	<u>\$ 7,183,477</u>	<u>\$ 8,010,871</u>	<u>\$ 20,352,937</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	\$ 6,960,422
Sewer Districts	2,900,043
Refuse Disposal District	215,478
Non-Major Governmental Funds	1,817,149
	<u>\$ 11,893,092</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.

	2019						
	General Fund	Combined Sewer Districts Fund	Refuse Disposal District Fund	Grants Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:							
Inventory	\$ 50,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 50,000
Federal and State Receivables	10,000,000	—	—	—	—	—	10,000,000
Prepaid Expenditures	22,633,995	1,459,198	—	—	—	—	24,093,193
Total Nonspendable	32,683,995	1,459,198	—	—	—	—	34,143,193
Restricted:							
Debt service	—	—	—	—	7,244,344	—	7,244,344
Capital Projects	—	—	—	—	11,683,187	—	11,683,187
Passenger Facility Charges	—	—	—	—	—	3,865,447	3,865,447
Total Restricted	—	—	—	—	18,927,531	3,865,447	22,792,978
Assigned:							
Purchases on order:							
Information Technology	1,667,662	—	—	—	—	—	1,667,662
Public Works Operations	1,204,537	—	—	—	—	—	1,204,537
Department of Corrections	241,195	—	—	—	—	—	241,195
Department of Public Safety	414,286	—	—	—	—	—	414,286
Social Services Operations	158,961	—	—	—	—	—	158,961
Labs & Research	209,583	—	—	—	—	—	209,583
Sewer Districts Operations	—	2,900,043	—	—	—	—	2,900,043
Other	3,064,198	—	215,478	—	—	1,817,149	5,096,825
	6,960,422	2,900,043	215,478	—	—	1,817,149	11,893,092
GASB 75	41,000,000	—	—	—	—	—	41,000,000
For subsequent year's expenditures, reported in:							
Special Revenue Funds	—	13,524,818	15,816,556	—	—	2,168,149	31,509,523
Major Funds	—	18,630,915	11,343,413	5,078,136	—	—	35,052,464
Non-major Funds:							
Airport	—	—	—	—	—	17,172,039	17,172,039
Water Districts	—	—	—	—	—	2,029,139	2,029,139
Total Assigned	47,960,422	35,055,776	27,375,447	5,078,136	—	23,186,476	138,656,257
Unassigned	27,642,805	—	—	—	—	—	27,642,805
Total Fund Balances	\$ 108,287,222	\$ 36,514,974	\$ 27,375,447	\$ 5,078,136	\$ 18,927,531	\$ 27,051,923	\$ 223,235,233

2018 (Restated)

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
19,480,674	850,000	—	—	—	—	20,330,674
29,530,674	850,000	—	—	—	—	30,380,674
—	—	—	—	3,333,436	—	3,333,436
—	—	—	—	—	—	—
—	—	—	—	—	5,452,954	5,452,954
—	—	—	—	3,333,436	5,452,954	8,786,390
1,817,405	—	—	—	—	—	1,817,405
1,539,629	—	—	—	—	—	1,539,629
186,052	—	—	—	—	—	186,052
266,447	—	—	—	—	—	266,447
16,913	—	—	—	—	—	16,913
141,372	—	—	—	—	—	141,372
—	2,749,576	—	—	—	—	2,749,576
2,029,683	—	109,038	—	—	2,258,690	4,397,411
5,997,501	2,749,576	109,038	—	—	2,258,690	11,114,805
41,000,000	—	—	—	—	—	41,000,000
—	11,792,014	12,293,123	—	—	6,607,790	30,692,927
—	26,591,798	24,851,807	9,633,913	—	—	61,077,518
—	—	—	—	—	14,157,636	14,157,636
—	—	—	—	—	4,347,886	4,347,886
46,997,501	41,133,388	37,253,968	9,633,913	—	27,372,002	162,390,772
17,921,922	—	—	—	(1,453,387)	—	16,468,535
\$ 94,450,097	\$ 41,983,388	\$ 37,253,968	\$ 9,633,913	\$ 1,880,049	\$ 32,824,956	\$ 218,026,371

Restatement of Prior Year Fund Balance

During the current year, as a result of communications between the County and the FAA, it was determined that unspent PFC monies were more appropriately reported as restricted fund balance rather than as unearned revenues. Accordingly, the opening fund balance as of January 1, 2018 (the earliest year presented) in the Airport Fund was adjusted to effectuate this change.

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 2019 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 and Medicaid 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.

Restricted fund balances

Debt Service: This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Passenger Facility Charges: A portion of the fund balance of the Airport in the amount of \$3,865,447 has been restricted for use. The Airport charges a Passenger Facility Charge ("PFC") of \$4.50 per enplaned passenger. The PFC is collected by ticket-issuing airlines and remitted to the Airport. The PFC fees can only be used for eligible improvements approved by the Federal Aviation Administration ("FAA").

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.

Other Post-Employment Benefits (GASB 75): The County has assigned \$41,000,000 to provide funding for post-retirement health care employee benefits effective for the fiscal year 2019.

Subsequent Year's Expenditures: At December 31, 2019, the County has assigned \$13,524,818 of the Sewer Districts Fund, \$15,816,556 of the Refuse Disposal District Fund, and \$2,222,344 of the Water Districts Fund to be used to fund 2020 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	\$ 125,374	\$ 1,985,321	\$ 249,172	\$ 1,407,593	\$ 3,767,460
Bronx Valley.....	385,243	3,863,846	765,640	3,366,725	8,381,454
Central Yonkers.....	22,691	466,357	45,096	437,649	971,793
Hutchinson Valley.....	102,085	1,845,770	202,887	1,633,655	3,784,397
Mamaroneck Valley	235,631	1,792,383	468,299	1,792,088	4,288,401
New Rochelle	113,467	1,439,953	225,507	415,000	2,193,927
North Yonkers	74,346	790,002	147,757	547,007	1,559,112
Ossining	43,776	1,109,935	87,001	579,520	1,820,232
Peekskill	57,405	1,141,002	114,088	11,776	1,324,271
Port Chester	28,192	443,028	56,029	190,185	717,434
Saw Mill Valley	219,989	2,935,269	437,210	2,394,916	5,987,384
South Yonkers	27,477	434,480	54,608	407,711	924,276
Upper Bronx Valley.....	23,522	383,569	46,749	340,993	794,833
	<u>\$ 1,459,198</u>	<u>\$ 18,630,915</u>	<u>\$ 2,900,043</u>	<u>\$ 13,524,818</u>	<u>\$ 36,514,974</u>
WATER DISTRICTS FUND					
Water District No. 1 *	\$ —	\$ —	\$ 335,068	\$ 867,475	\$ 1,202,543
Water District No. 2	—	448	—	—	448
Water District No. 3	—	1,701,947	136,331	1,300,674	3,138,952
Water District No. 4	—	326,744	—	—	326,744
	<u>\$ —</u>	<u>\$ 2,029,139</u>	<u>\$ 471,399</u>	<u>\$ 2,168,149</u>	<u>\$ 4,668,687</u>

* The County designated \$921,670 for subsequent year's expenditure, this amount exceeded the available fund balance by \$54,195 and is shown as a reduction to the Assigned for Subsequent Year's expenditures.

NOTE 4

LEASES**Operating Lease Commitments**

The County has commitments under various operating leases for equipment and facilities with rentals totaling \$119,556,333 with various expiration dates through December 31, 2043. Annual required payments on existing leases are payable as follows:

2020	\$	12,596,099
2021		12,249,842
2022		10,323,204
2023		8,783,648
2024		6,228,780
2025-2029		27,882,500
2030-2034		27,046,356
2035-2039		12,909,168
2040-2043		1,536,736
	\$	<u>119,556,333</u>

Operating Lease Rental Revenue

The County leases to others real property under operating leases which expire at various dates through 2038. The following schedule presents the future minimum lease rentals to be received as of December 31, 2019.

2020	\$	16,926,050
2021		14,361,592
2022		12,717,092
2023		11,589,265
2024		11,489,388
2025-2029		16,018,634
2030-2034		652,750
2035-2038		424,288
	\$	<u>84,179,059</u>

NOTE 5

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 three 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. Appeals in these matters have been fully briefed and are awaiting argument. Due to the inherent uncertainty of this type of proceeding, this Office 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 have been no material changes in the terms of the Stipulation and Order of Settlement and Dismissal during the course of the settlement period. The County and the Department of Justice are in agreement that the County has substantially met its obligations under the Settlement; at this juncture the parties await a report by the Settlement's Monitor that should conclude the matter.

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 ("SWDA") 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. 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 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, this Office 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 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 Office is unable to express an opinion on the probable outcome of the case at this stage.

Airport Deicing and Retention Basins. The County has a Consent Order with the Department of Environmental Conservation ("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, and 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. Upon information and belief, the County is on schedule to complete the ordered provisions by the stated deadlines.

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 January 27, 2019, the County entered into a Consent Order regarding alleging Multi-Sector General ("MSG") permit violations stemming from concerns regarding leachate controls. The County paid a fine of \$7,000 related thereto. The County hired a consultant to redesign the leachate collection system, construction of which is currently in progress and proceeding according to schedule. Should the leachate collection system prove unsuccessful in managing leachate control at the facility, the Consent Order contemplates additional time for the County to develop a secondary mechanism for leachate control.

Westchester County Airport Per- and Polyfluoroalkyl substances ("PFAS"). The County has been contacted by the DEC with respect to the recent classification of perfluorooctanoic acid ("PFOA") and perfluorooctanesulfonic acid ("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 two off-site private drinking water wells. DEC has requested and the County has agreed to address this issue and is negotiating a Consent Order with DEC. Additionally, we have been contacted by Connecticut's Department of Energy and Environmental Projects ("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. Discovery has concluded in this matter, and both a trial readiness order and note of issue have been filed. The County's motion for summary judgment was denied. The County has appealed from this denial. The appeal has been fully perfected. Oral argument has not yet been scheduled. Due to the inherent uncertainty of this proceeding this Office is unable to express an opinion on the probable outcome of the case at this stage.

Yonkers Joint Collection Waste Water Treatment Plant. On or about March 21, 2019, the County Attorney's office received an Information Request and Administrative Compliance Order ("ACO") for alleged SPDES permit violations at the Yonkers Joint Collection Waste Water Treatment Plant. A response was drafted and sent to the EPA on April 17, 2019, for which the EPA has acknowledged receipt. The County sought additional time to investigate some issues and the Department of Environmental Facilities Staff is working to rectify the other concerns in accordance with the ACO. Upon information and belief, the County is on schedule to complete the final ordered provision by the stated December 31, 2020 deadline.

In re Chappaqua Station, LLC. This threatened litigation relates to the construction of an affordable housing development located at 54 Hunts Place in the Town of New Castle. The County, through a contract with the Developer, agreed to have certain infrastructure improvements done for the development. The infrastructure work was awarded to a contractor through a public bid. The Contractor's work was deficient, which the Developer asserts has caused delays in the development process, and the Developer has claimed has increased costs by hundreds of thousands of dollars. The Developer has accused the County of defaulting in its obligations to enforce the terms of the public bid contract against the Contractor. The County has found the Contractor in default and, with the Developer's consent, provided the Contractor a final opportunity to cure, before seeking any remedies through the Contractor's Surety. The County has entered into a Liquidation Agreement with the Developer, in which the Developer agrees not to bring an action against the County, and in exchange has received the right to go directly after the Contractor and its Surety for any damages it may claim.

105 Mt. Kisco Assoc., et. al v. Carozza, Westchester County Department of Health, et. Al. In this federal lawsuit brought under the Comprehensive Environmental Response, Compensation, and Liability Act, plaintiffs allege actions by various parties, including the Westchester County department of Health ("WCDOH") in connection with the contamination of their property. Specifically, plaintiffs assert that the WCDOH arranged for the transportation and disposal of contaminated soil. The County's motion to dismiss the Amended Complaint was denied on December 20, 2019. On June 15, 2020, the County filed an Amended Answer to the Amended Complaint and discovery is in initial stages. The County will continue to vigorously defend this action. Due to the inherent uncertainty of this type of proceeding, this Office 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, 2019 for claims arising from 1986 through 2019 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. Of the nine union contracts, five are expired, three are settled, and one is in mediation.

The following contracts are expired as of December 31, 2019:

Westchester County Correction Officers Benevolent Association
Westchester County Correction Department Superior Officers Association
Westchester County Police Officers Benevolent Association, Inc.
Westchester County Police Officers Benevolent Association, Superior Officers Unit
District Attorney Investigators PBA of Westchester County

The contract with 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 this bargaining unit as of December 31, 2019.

c) *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.

d) *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 a prior 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 had a substantial financial impact on those SSDs. The 2008 Consent Order extended 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 Month Rolling Average" 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 met its obligations for total nitrogen removal under the Consent Order by achieving the 12-month rolling average limit by May 2015, ahead of the required August, 2017 deadline.

The County had originally authorized approximately \$407.7 million in bonds 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 \$22,944,000. The New York State Environmental Facilities Corporation (the “EFC”) which administered and financed the subject debt, forgave 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 (the “Tarrytown Consent Order”) 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 Tarrytown 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 EFC as a Bond Anticipation Note on July 10, 2014. In 2016, this note was refinanced to long term with the EFC 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 Tarrytown 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 are performing investigation and remediation work as required by the inter-municipal agreements and the Compliance Schedule contained in the Order on Consent.

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) at the Brockway Solid Waste Transfer Station in White Plains. 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 site. 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. Source investigation is now being conducted.

NOTE 6

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 2019 there were five 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:

County share	\$ 696,047
New York State share	1,531,303
Local municipality share	<u>1,392,094</u>
	<u><u>\$ 3,619,444</u></u>

Sales Tax Abatement

In 2019 there were thirteen projects that received sales tax abatements. The breakdown of the abatement is as follows:

County share	\$ 1,493,493
New York State share	3,040,649
Metropolitan Transit Authority share	285,061
Local municipality share	310,186
Local school district share	112,029
City of White Plains share	<u>607,966</u>
	<u><u>\$ 5,849,384</u></u>

NOTE 7

SUBSEQUENT EVENTS

On January 15, 2020 the County issued a \$200 million Tax Anticipation Note (“TAN”) with a coupon rate of 1.5%. The TAN was issued to provide cash flow assistance to the County leading up to the May 26, 2020 property tax collection. The TAN matured on May 27, 2020 and was paid in full.

On April 30, 2020 the County issued two Bond Anticipation Notes (“BAN”). The BANs mature on April 30, 2021. The Series A note is in the amount of \$33,852,764 and the Series B note is in the amount of \$9,474,269. Both notes have a coupon rate of 1.5%. The Series A note was issued at a premium of \$221,751 and yields an interest rate of .842%. The Series B note was issued at a premium of \$46,992 and yields an interest rate of 1%.

In March 2020 the COVID-19 virus, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak could have an adverse impact on the County’s financial condition and operating results. Currently, the spread of COVID-19 has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. New York State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impact of COVID-19, including closing schools and non-essential businesses. The County Executive declared a local State of Emergency for the County on March 16, 2020. On April 24, 2020 the County received \$168,822,336 from the recently enacted Coronavirus Aid, Relief and Economic Security (CARES) Act. The funding is to be used for the County’s operation as aid for unforeseen COVID-19 expenditures. Additionally, the County has been granted \$23,607,111 of CARES Act grant for airport operations exclusively. The New York Metropolitan Transportation Council (NYMTC), through its Program, Finance and Administration Committee (PFAC) has designated the County of Westchester \$30,180,206 of transit aid from CARES Act funding. There can be no assurances that any additional federal stimulus funding will be available.

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County of Westchester, New York
Required Supplementary Information - Schedule of Changes in the
County's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years(1)(2)

Exhibit E-1

	2019	2018
Total OPEB Liability:		
Service cost	\$ 66,480,551	\$ 60,879,625
Interest	108,209,772	105,991,755
Changes of benefit terms	-	-
Differences between expected and actual experience	99,612,512	(27,510,574)
Changes of assumptions or other inputs	199,367,361	-
Benefit payments	(80,303,543)	(76,548,984)
Net Change in Total OPEB Liability	393,366,653	62,811,822
Total OPEB Liability – Beginning of Year	3,012,947,713	2,950,135,891 (3)
Total OPEB Liability – End of Year	<u>\$ 3,406,314,366</u>	<u>\$ 3,012,947,713</u>
County's covered-employee payroll	<u>\$ 450,000,000</u>	<u>\$ 411,000,000</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>756.96%</u>	<u>733.08%</u>

Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

See independent auditors' report

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

Exhibit E-2

Last Ten Fiscal Years⁽¹⁾

	2019	2018	2017	2016 (2)	2015
Primary Government's proportion of the net pension liability	1.4648378%	1.5131856%	1.5446506%	1.5786907%	1.5655805%
Primary Government's proportionate share of the net pension liability	\$ 103,788,214	\$ 48,837,233	\$ 145,134,069	\$ 253,384,265	\$ 52,889,142
Primary Government's covered payroll	\$ 408,806,562	\$ 356,765,012	\$ 353,251,620	\$ 361,751,213	\$ 352,591,208
Primary Government's proportionate share of the net pension liability as a percentage of its covered payroll	25.39%	13.69%	41.09%	70.04%	15.00%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%

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".
- (2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

See independent auditors' report

County of Westchester, New York
Required Supplementary Information—
Schedule of Contributions
New York State and Local Employees'
Retirement System
Last Ten Fiscal Years(1)

Exhibit E-3

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 64,452,825	\$ 56,742,492	\$ 57,432,735	\$ 59,639,210	\$ 65,106,276
Contributions in relation to the contractually required contribution	64,452,825	56,742,492	57,432,735	59,639,210	65,106,276
Contribution excess	\$ —	\$ —	\$ —	\$ —	\$ —
Primary Government's covered payroll	\$ 386,881,488	\$ 403,861,874	\$ 356,638,853	\$ 353,887,652	\$ 364,517,126
Contributions as a percentage of covered payroll	16.66%	14.05%	16.10%	16.85%	17.86%

(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

**County of Westchester, New York
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)

	2019	2018	2017	2016 (2)	2015
Primary Government's proportion of the net pension liability	1.0083993%	0.9993144%	1.0244298%	1.0801746%	1.3178962%
Primary Government's proportionate share of the net pension liability	\$ 16,911,493	\$ 10,100,639	\$ 21,232,864	\$ 31,981,669	\$ 3,627,635
Primary Government's covered payroll	\$ 53,486,255	\$ 43,421,015	\$ 42,259,950	\$ 41,671,605	\$ 40,037,004
Primary Government's proportionate share of the net pension liability as a percentage of its covered payroll	31.62%	23.26%	50.24%	76.75%	9.06%
Plan fiduciary net position as a percentage of the total pension liability	95.09%	96.93%	93.50%	90.20%	99.00%

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".
(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

See independent auditors' report

County of Westchester, New York
Required Supplementary Information—
Schedule of Contributions
New York State and Local Police and Fire
Retirement System
Last Ten Fiscal Years⁽¹⁾

Exhibit E-5

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 12,477,922	\$ 10,134,837	\$ 10,245,241	\$ 9,892,964	\$ 6,793,549
Contributions in relation to the contractually required contribution	12,477,922	10,134,837	10,245,241	9,892,964	6,793,549
Contribution excess	\$ —	\$ —	\$ —	\$ —	\$ —
Primary Government's covered payroll	\$ 49,596,244	\$ 52,913,720	\$ 42,265,356	\$ 42,469,381	\$ 40,604,890
Contributions as a percentage of covered payroll	25.16%	19.15%	24.24%	23.29%	16.73%

(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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County of Westchester, New York
General Fund—
Comparative Balance Sheet
December 31, 2019 and 2018

Exhibit F-1

	2019	2018
ASSETS		
Cash	\$ 12,485,049	\$ 13,991,604
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$3,251,248 in 2019 and 2018	111,717,040	120,976,493
Due from Federal and State Governments	264,467,781	227,597,083
Due from Other Funds	75,536,790	64,926,833
Inventory	50,000	50,000
Prepaid Expenditures	22,633,995	19,480,674
 Total Assets	 <u>\$ 486,890,655</u>	 <u>\$ 447,022,687</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 159,130,576	\$ 182,819,132
Due to Other Funds	219,472,857	169,753,458
 Total Liabilities	 <u>378,603,433</u>	 <u>352,572,590</u>
Fund Balance:		
Nonspendable	32,683,995	29,530,674
Assigned	47,960,422	46,997,501
Unassigned	27,642,805	17,921,922
 Total Fund Balance	 <u>108,287,222</u>	 <u>94,450,097</u>
 Total Liabilities and Fund Balance	 <u>\$ 486,890,655</u>	 <u>\$ 447,022,687</u>

See independent auditors' report

County of Westchester, New York
General Fund—
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance—Budget and Actual
Years Ended December 31, 2019 and 2018

	2019			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Taxes on Real Property	\$ 570,579,000	\$ 570,579,000	\$ 570,579,000	\$ —
Sales Tax	578,717,737	646,778,737	630,288,471	(16,490,266)
	1,149,296,737	1,217,357,737	1,200,867,471	(16,490,266)
Federal Aid:				
Social Services	160,642,000	160,642,000	150,454,531	(10,187,469)
Other	16,938,551	16,938,551	16,102,967	(835,584)
	177,580,551	177,580,551	166,557,498	(11,023,053)
State Aid:				
Social Services	114,133,000	112,219,000	111,619,610	(599,390)
Other	176,002,621	180,909,621	174,866,878	(6,042,743)
	290,135,621	293,128,621	286,486,488	(6,642,133)
Departmental Income	183,174,947	158,539,947	155,072,469	(3,467,478)
Earnings on Investments	775,000	775,000	1,522,359	747,359
Miscellaneous Revenues:				
Auto Use Tax	16,661,000	16,661,000	16,423,208	(237,792)
Harness Racing Admissions Tax	4,000	4,000	3,219	(781)
Hotel Tax	7,529,000	7,129,000	6,881,646	(247,354)
Mortgage Tax	19,342,000	18,479,000	20,135,934	1,656,934
Payments in Lieu of Taxes	10,140,000	10,140,000	10,413,195	273,195
Services to WCHCC	8,588,680	8,588,680	6,902,396	(1,686,284)
Community College Debt Service Contribution	6,011,790	790	—	(790)
Intergovernmental Transfer	60,000,000	89,433,000	108,305,098	18,872,098
Other	3,065,000	3,065,000	8,131,864	5,066,864
	131,341,470	153,500,470	177,196,560	23,696,090
Total Revenues	1,932,304,326	2,000,882,326	1,987,702,845	(13,179,481)
EXPENDITURES				
Current:				
General Government:				
Board of Legislators	4,643,617	4,643,617	4,583,002	60,615
County Executive	7,343,569	7,322,047	7,254,754	67,293
Board of Acquisition and Contract	300,458	300,458	296,676	3,782
Board of Elections	17,063,526	17,596,526	17,581,379	15,147
Department of Human Resources	4,374,718	4,374,718	4,082,316	292,402
Department of Budget	1,814,483	1,814,483	1,674,553	139,930
Department of Finance	5,483,326	5,483,326	5,117,794	365,532
Department of Information Technology	3,581,816	3,533,817	2,166,121	1,367,696
Department of Law	1,375,688	3,461,688	3,939,337	(477,649)
Department of Planning	4,217,859	4,217,859	3,935,692	282,167
County Clerk	6,928,305	6,928,305	6,461,026	467,279
Tax Commission	227,686	227,685	194,167	33,518
Public Administrator	832,956	832,956	761,367	71,589
Department of Public Works	7,691,646	9,117,963	10,559,628	(1,441,665)
Solid Waste Commission	1,973,604	1,973,604	1,736,662	236,942
Other	159,413,741	181,500,741	171,295,142	10,205,599
	227,266,998	253,329,793	241,639,616	11,690,177

Exhibit F-2

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 559,391,937	\$ 559,391,937	\$ 559,391,937	\$ —
544,506,000	551,883,000	551,883,494	494
1,103,897,937	1,111,274,937	1,111,275,431	494
161,351,000	161,351,000	154,579,866	(6,771,134)
14,488,072	14,488,072	14,942,302	454,230
175,839,072	175,839,072	169,522,168	(6,316,904)
96,205,766	96,205,766	88,534,659	(7,671,107)
150,419,633	159,337,633	161,370,875	2,033,242
246,625,399	255,543,399	249,905,534	(5,637,865)
151,925,914	153,709,914	146,789,498	(6,920,416)
77,000	77,000	879,397	802,397
16,427,000	16,427,000	16,382,152	(44,848)
5,000	5,000	4,176	(824)
6,824,000	6,824,000	6,825,805	1,805
20,711,000	20,711,000	18,414,553	(2,296,447)
10,255,144	10,255,144	9,934,442	(320,702)
8,589,827	8,589,827	7,864,782	(725,045)
5,866,656	5,866,656	—	(5,866,656)
63,669,031	95,274,031	111,792,988	16,518,957
3,407,976	8,260,976	8,450,276	189,300
135,755,634	172,213,634	179,669,174	7,455,540
1,814,120,956	1,868,657,956	1,858,041,202	(10,616,754)
4,623,808	4,623,808	4,447,515	176,293
6,852,917	6,696,451	6,236,705	459,746
270,174	293,174	290,091	3,083
16,385,706	17,462,706	17,417,975	44,731
4,038,979	4,278,979	4,182,566	96,413
1,509,286	1,509,286	1,446,856	62,430
5,167,798	5,351,798	5,294,680	57,118
4,613,761	4,482,761	4,783,235	(300,474)
695,467	158,467	1,252,176	(1,093,709)
3,858,560	3,434,560	3,383,379	51,181
6,637,399	6,734,399	6,683,118	51,281
193,204	193,204	178,982	14,222
712,004	767,004	751,586	15,418
9,154,890	11,036,368	12,231,231	(1,194,863)
1,920,380	1,595,380	1,528,165	67,215
149,754,396	154,577,396	153,439,891	1,137,505
216,388,729	223,195,741	223,548,151	(352,410)

continued

County of Westchester, New York
General Fund—
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance—Budget and Actual (cont'd)
Years Ended December 31, 2019 and 2018

	2019			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Education:				
Department of Health	\$ 117,777,151	\$ 127,299,128	\$ 127,279,872	\$ 19,256
Other	37,979,425	33,191,425	33,026,764	164,661
	155,756,576	160,490,553	160,306,636	183,917
Public Safety:				
Department of Corrections	134,572,029	133,471,029	130,174,259	3,296,770
District Attorney	28,772,970	27,552,970	27,299,669	253,301
Department of Public Safety	43,601,317	45,105,317	44,831,272	274,045
Department of Emergency Services	6,329,020	6,329,020	6,019,955	309,065
Department of Probation	43,276,242	43,276,242	36,797,379	6,478,863
Other	33,013,095	34,780,095	34,006,980	773,115
	289,564,673	290,514,673	279,129,514	11,385,159
Health Services:				
Community Mental Health Services	8,467,064	8,467,064	6,733,429	1,733,635
Department of Health	19,935,268	18,769,290	18,690,897	78,393
Department of Laboratories and Research	14,605,509	14,649,509	14,644,292	5,217
	43,007,841	41,885,863	40,068,618	1,817,245
Transportation:				
Department of Transportation	171,540,514	173,540,514	173,070,079	470,435
County Road Maintenance	4,755,960	4,614,643	4,532,549	82,094
	176,296,474	178,155,157	177,602,628	552,529
Economic Assistance and Opportunity:				
County Executive	2,653,443	2,667,967	2,449,734	218,233
Department of Social Services	614,901,245	644,334,245	643,199,471	1,134,774
Other	—	—	—	—
	617,554,688	647,002,212	645,649,205	1,353,007
Culture and Recreation:				
Department of Parks, Recreation and Conservation	45,820,656	47,243,591	46,458,873	784,718
Other	3,398,090	3,467,090	3,466,068	1,022
	49,218,746	50,710,681	49,924,941	785,740
Home and Community Services:				
Senior Programs and Services	707,492	707,492	635,375	72,117
Weights, Measures, Consumer Protection	2,055,905	2,055,905	1,998,692	57,213
Other	2,906,795	2,906,795	2,434,681	472,114
	5,670,192	5,670,192	5,068,748	601,444

Exhibit F-2

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 114,181,451	\$ 123,010,705	\$ 123,000,947	\$ 9,758
37,280,036	38,737,036	32,794,805	5,942,231
151,461,487	161,747,741	155,795,752	5,951,989
124,839,398	130,864,399	130,310,912	553,487
27,713,742	27,713,742	27,629,048	84,694
41,712,331	42,474,330	41,902,792	571,538
5,975,710	5,694,710	5,614,004	80,706
25,478,869	32,810,869	32,521,780	289,089
31,498,046	33,411,046	33,399,156	11,890
257,218,096	272,969,096	271,377,692	1,591,404
6,539,125	6,758,591	6,730,732	27,859
17,619,738	18,784,484	18,736,891	47,593
13,391,771	14,347,771	14,242,473	105,298
37,550,634	39,890,846	39,710,096	180,750
164,523,868	167,679,868	167,567,406	112,462
4,005,001	4,734,523	4,720,003	14,520
168,528,869	172,414,391	172,287,409	126,982
2,015,989	2,172,455	2,016,097	156,358
598,329,745	638,706,746	638,543,080	163,666
145,000	145,000	143,000	2,000
600,490,734	641,024,201	640,702,177	322,024
43,195,857	45,500,127	45,079,273	420,854
3,372,500	3,372,500	3,352,919	19,581
46,568,357	48,872,627	48,432,192	440,435
520,551	511,156	511,154	2
1,754,187	1,936,187	1,906,371	29,816
2,520,885	2,520,885	1,940,627	580,258
4,795,623	4,968,228	4,358,152	610,076

continued

County of Westchester, New York
General Fund—
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance—Budget and Actual (cont'd)
Years Ended December 31, 2019 and 2018

	2019			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Employee Benefits:				
State Retirement System	\$ 71,903,118	\$ 76,806,118	\$ 76,806,068	\$ 50
Social Security	28,383,018	28,407,018	28,406,588	430
Metropolitan Commuter Transportation Mobility Tax	1,414,440	1,442,440	1,442,007	433
Employee Health Insurance	150,822,190	150,322,190	145,837,592	4,484,598
Unemployment and Union Benefits	5,371,000	5,439,000	5,362,837	76,163
	<u>257,893,766</u>	<u>262,416,766</u>	<u>257,855,092</u>	<u>4,561,674</u>
Debt Service:				
Principal	80,135,003	84,072,293	84,033,645	38,648
Interest	37,911,941	33,534,715	33,533,243	1,472
Costs of Issuance	1,026,696	1,026,696	583,962	442,734
	<u>119,073,640</u>	<u>118,633,704</u>	<u>118,150,850</u>	<u>482,854</u>
Total Expenditures	<u>1,941,303,594</u>	<u>2,008,809,594</u>	<u>1,975,395,848</u>	<u>33,413,746</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,999,268)</u>	<u>(7,927,268)</u>	<u>12,306,997</u>	<u>20,234,265</u>
OTHER FINANCING SOURCES (USES)				
Bonds Issued	8,500,000	8,500,000	6,711,548	(1,788,452)
Bonds Premium	250,000	250,000	—	(250,000)
Transfers In	3,275,619	3,275,619	4,778,404	1,502,785
Transfers Out	(9,023,852)	(10,095,852)	(9,959,824)	136,028
Total Other Financing Sources	<u>3,001,767</u>	<u>1,929,767</u>	<u>1,530,128</u>	<u>(399,639)</u>
Net Change in Fund Balance	<u>(5,997,501)</u>	<u>(5,997,501)</u>	<u>13,837,125</u>	<u>19,834,626</u>
FUND BALANCE				
Beginning of year	<u>5,997,501</u>	<u>5,997,501</u>	<u>94,450,097</u>	<u>88,452,596</u>
End of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 108,287,222</u>	<u>\$ 108,287,222</u>

See independent auditors' report

Exhibit F-2

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 66,734,095	\$ 67,018,095	\$ 67,017,149	\$ 946
26,112,122	28,983,122	28,982,386	736
1,339,039	1,457,039	1,456,559	480
160,696,829	141,175,829	140,956,820	219,009
5,037,662	5,059,662	4,794,062	265,600
259,919,747	243,693,747	243,206,976	486,771
80,387,432	75,531,855	75,531,820	35
23,380,941	24,279,670	24,277,993	1,677
1,220,881	620,881	614,065	6,816
104,989,254	100,432,406	100,423,878	8,528
1,847,911,530	1,909,209,024	1,899,842,475	9,366,549
(33,790,574)	(40,551,068)	(41,801,273)	(1,250,205)
8,740,000	8,740,000	7,021,130	(1,718,870)
—	—	864,399	864,399
2,299,214	2,299,214	2,787,461	488,247
(3,765,958)	(8,458,464)	(8,457,999)	465
7,273,256	2,580,750	2,214,991	(365,759)
(26,517,318)	(37,970,318)	(39,586,282)	(1,615,964)
26,517,318	37,970,318	134,036,379	96,066,061
\$ —	\$ —	\$ 94,450,097	\$ 94,450,097

County of Westchester, New York
General Fund—
Schedule of Revenues and Other Financing
Sources Compared to Budget
Year Ended December 31, 2019

Exhibit F-3

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
TAXES				
Taxes on Real Property	\$ 570,579,000	\$ 570,579,000	\$ 570,579,000	\$ —
Sales Tax	578,717,737	646,778,737	630,288,471	(16,490,266)
Total Taxes	1,149,296,737	1,217,357,737	1,200,867,471	(16,490,266)
FEDERAL AID				
Department of Social Services:				
Medical Assistance	1,490,000	1,490,000	704,192	(785,808)
Family Assistance	33,928,000	33,928,000	30,740,281	(3,187,719)
Safety Net	—	—	133,482	133,482
Child Care	12,865,000	12,865,000	9,905,187	(2,959,813)
Purchase of Services	32,740,000	32,740,000	32,436,790	(303,210)
Emergency Assistance to Families	16,312,000	16,312,000	11,840,413	(4,471,587)
Salaries and Administration	63,307,000	63,307,000	64,694,186	1,387,186
Total Department of Social Services	160,642,000	160,642,000	150,454,531	(10,187,469)
Other:				
Emergency Services	357,464	357,464	163,309	(194,155)
Community Mental Health	895,776	895,776	1,035,037	139,261
Corrections	1,145,693	1,145,693	389,405	(756,288)
District Attorney	133,500	133,500	133,500	—
Planning	175,000	175,000	109,600	(65,400)
Probation	—	—	870	870
Public Safety	290,818	290,818	98,538	(192,280)
Tax Commission	—	—	1,000	1,000
Transportation	13,940,300	13,940,300	14,171,708	231,408
Total Other	16,938,551	16,938,551	16,102,967	(835,584)
Total Federal Aid	177,580,551	177,580,551	166,557,498	(11,023,053)
STATE AID				
Department of Social Services:				
Medical Assistance	1,490,000	1,490,000	710,143	(779,857)
Family Assistance	1,428,000	1,428,000	68,908	(1,359,092)
Safety Net	14,979,000	14,979,000	15,557,082	578,082
Child Care	17,633,532	15,719,532	14,441,210	(1,278,322)
Purchase of Services	5,894,000	5,894,000	8,822,435	2,928,435
Emergency Assistance to Families	—	—	22,621	22,621
Raise the Age	18,604,468	18,604,468	17,937,594	(666,874)
Emergency Assistance to Adults	654,000	654,000	521,542	(132,458)
Adult Family Needs	—	—	150,342	150,342
Committee on the Handicap	8,729,000	8,729,000	11,306,635	2,577,635
Salaries and Administration	44,721,000	44,721,000	42,081,098	(2,639,902)
Total Department of Social Services	114,133,000	112,219,000	111,619,610	(599,390)

continued

County of Westchester, New York

General Fund—

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

Exhibit F-3

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
STATE AID (cont'd)				
Other:				
Board of Elections	\$ —	\$ 1,154,000	\$ 553,110	\$ (600,890)
County Executive:				
Youth Bureau	360,811	360,811	130,047	(230,764)
Office for Women	44,134	44,134	44,134	—
Community Mental Health	3,320,547	3,320,547	1,655,090	(1,665,457)
Corrections	65,913	65,913	7,938	(57,975)
District Attorney	713,949	713,949	580,155	(133,794)
Health - Operations	4,467,909	4,467,909	4,376,720	(91,189)
Health - Services for Children with Disabilities	64,005,098	65,648,098	68,823,306	3,175,208
Information Technology	166,828	166,828	166,828	—
Laboratories and Research	1,312,759	1,312,759	1,346,347	33,588
Miscellaneous Budget:				
Indigent Defendants Reimbursement	4,595,773	4,595,773	4,462,858	(132,915)
DASNY Bond Interest Reimbursement	1,535,000	1,535,000	1,772,584	237,584
Court Facilities Aid	2,400,000	2,400,000	2,156,501	(243,499)
Law	890,793	793	—	(793)
Parks, Recreation and Conservation	50,000	50,000	50,000	—
Planning	60,000	60,000	60,000	—
Probation	25,971,564	25,971,564	19,156,341	(6,815,223)
Public Safety	2,721,129	2,721,129	3,070,508	349,379
Public Works	3,478,914	3,478,914	3,605,311	126,397
Tax Commission				—
Transportation	59,841,500	62,841,500	62,849,100	7,600
Total Other	176,002,621	180,909,621	174,866,878	(6,042,743)
Total State Aid	290,135,621	293,128,621	286,486,488	(6,642,133)
DEPARTMENTAL INCOME				
Acquisition and Contract	2,500	2,500	3,100	600
Board of Elections	1,582,960	1,582,960	1,586,082	3,122
Budget	726,275	726,275	722,584	(3,691)
Community Mental Health	5,000	5,000	13,686	8,686
Corrections	9,442,485	9,442,485	10,239,064	796,579
County Clerk	9,071,981	8,571,981	8,407,206	(164,775)
County Executive:				
Office for People with Disabilities	12,500	12,500	1,000	(11,500)
Office of Economic Development	489,810	489,810	300,785	(189,025)
Office of Economic Development-Tourism	1,107,000	1,107,000	1,009,747	(97,253)
District Attorney	—	—	787	787
Emergency Services	75,105	75,105	76,386	1,281
Finance:				
Fiscal Management	1,988,583	1,988,583	1,974,465	(14,118)
Bureau of Purchase and Supply	386,500	386,500	681,208	294,708
Health:				
Operations	5,739,100	5,739,100	5,695,826	(43,274)
Services for Children with Disabilities	2,150,000	2,750,000	3,219,072	469,072

continued

County of Westchester, New York

General Fund—

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

Exhibit F-3

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
DEPARTMENTAL INCOME (cont'd)				
Human Resources	\$ 561,600	\$ 561,600	\$ 568,557	\$ 6,957
Information Technology:				
Records Center	6,000	6,000	5,289	(711)
Information Technology	3,519,967	3,519,967	2,951,674	(568,293)
Support Services	78,795	78,795	17,264	(61,531)
E911	2,150,000	2,150,000	1,882,821	(267,179)
Wireless Cellphone	3,200,000	3,200,000	3,213,335	13,335
Laboratories and Research	2,544,000	2,544,000	2,541,315	(2,685)
Law:				
Law	2,573,484	2,573,484	2,139,055	(434,429)
Risk Management	960,900	960,900	1,085,827	124,927
Parks, Recreation and Conservation	59,033,140	35,298,140	33,629,432	(1,668,708)
Planning	569,100	569,100	659,859	90,759
Probation	345,000	345,000	327,811	(17,189)
Public Administrator	425,000	425,000	397,044	(27,956)
Public Safety:				
Sheriff—Civil Division	1,025,000	1,025,000	983,742	(41,258)
Parkway Police	13,013,549	13,013,549	13,074,483	60,934
Taxi and Limousine Commission	1,489,100	1,489,100	1,658,364	169,264
Public Works:				
Engineering	3,322,194	3,322,194	2,687,450	(634,744)
White Plains	801,061	801,061	634,106	(166,955)
Leased and Owned Property	3,783,645	3,783,645	4,984,427	1,200,782
Valhalla Campus	1,156,052	1,156,052	459,118	(696,934)
Transportation	120,100	120,100	190,401	70,301
Central County Garage	567,910	567,910	426,832	(141,078)
Fleet Management	37,866	37,866	61,611	23,745
Social Services	4,600,000	4,600,000	4,047,948	(552,052)
Solid Waste Commission	1,934,332	1,934,332	2,502,090	567,758
Tax Commission	200	200	97	(103)
Transportation:				
Administration	365,503	365,503	261,490	(104,013)
Bus Operations	38,657,500	37,657,500	36,379,801	(1,277,699)
Weights, Measures, Consumer Protection	3,554,150	3,554,150	3,370,228	(183,922)
Total Departmental Income	183,174,947	158,539,947	155,072,469	(3,467,478)
EARNINGS ON INVESTMENTS	775,000	775,000	1,522,359	747,359
MISCELLANEOUS REVENUES				
Auto Use Tax	16,661,000	16,661,000	16,423,208	(237,792)
Harness Racing Admissions Tax	4,000	4,000	3,219	(781)
Hotel Tax	7,529,000	7,129,000	6,881,646	(247,354)
Mortgage Tax	19,342,000	18,479,000	20,135,934	1,656,934
Payments in Lieu of Taxes	10,140,000	10,140,000	10,413,195	273,195
Services to WCHCC	8,588,680	8,588,680	6,902,396	(1,686,284)
Community College Debt Service Contribution	6,011,790	790	—	(790)

continued

County of Westchester, New York
General Fund—
Schedule of Revenues and Other Financing
Sources Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-3

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
MISCELLANEOUS REVENUES (cont'd)				
Intergovernmental Transfer	\$ 60,000,000	\$ 89,433,000	\$ 108,305,098	\$ 18,872,098
Other	3,065,000	3,065,000	8,131,864	5,066,864
Total Miscellaneous Revenues	131,341,470	153,500,470	177,196,560	23,696,090
Total Revenues	1,932,304,326	2,000,882,326	1,987,702,845	(13,179,481)
OTHER FINANCING SOURCES				
Bonds Issued	8,500,000	8,500,000	6,711,548	(1,788,452)
Bonds Premium	250,000	250,000	—	(250,000)
	8,750,000	8,750,000	6,711,548	(2,038,452)
Transfers In:				
Sewer Districts Fund	85,000	85,000	242,000	157,000
Tobacco Settlement Revenues	2,000,000	2,000,000	1,885,516	(114,484)
Capital Projects Fund	1,190,619	1,190,619	2,650,888	1,460,269
	3,275,619	3,275,619	4,778,404	1,502,785
Total Other Financing Sources	12,025,619	12,025,619	11,489,952	(535,667)
Total Revenues and Other Financing Sources	<u>\$ 1,944,329,945</u>	<u>\$ 2,012,907,945</u>	<u>\$ 1,999,192,797</u>	<u>\$ (13,715,148)</u>

See independent auditors' report

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT				
Board of Legislators:				
Personal services	\$ 4,055,570	\$ 4,055,570	\$ 4,001,351	\$ 54,219
Equipment	30,618	30,618	30,618	—
Materials and supplies	153,173	153,173	152,411	762
Contractual	404,256	404,256	398,622	5,634
	<u>4,643,617</u>	<u>4,643,617</u>	<u>4,583,002</u>	<u>60,615</u>
County Executive:				
Office of the County Executive, Governmental Relations and Communications:				
Personal services	2,544,985	2,634,852	2,634,852	—
Materials and supplies	24,126	38,946	38,595	351
Contractual	146,157	149,157	145,119	4,038
	<u>2,715,268</u>	<u>2,822,955</u>	<u>2,818,566</u>	<u>4,389</u>
Less services to other departments	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>—</u>
	<u>2,605,268</u>	<u>2,712,955</u>	<u>2,708,566</u>	<u>4,389</u>
Office for People with Disabilities:				
Personal services	817,689	823,445	823,445	—
Materials and supplies	8,452	8,452	7,504	948
Contractual	291,156	281,620	267,565	14,055
	<u>1,117,297</u>	<u>1,113,517</u>	<u>1,098,514</u>	<u>15,003</u>
Less services to other departments	<u>228,301</u>	<u>228,301</u>	<u>232,460</u>	<u>4,159</u>
	<u>888,996</u>	<u>885,216</u>	<u>866,054</u>	<u>19,162</u>
Office of Economic Development:				
Personal services	389,364	291,118	291,118	—
Materials and supplies	9,421	8,352	8,352	—
Contractual	146,526	156,062	150,584	5,478
	<u>545,311</u>	<u>455,532</u>	<u>450,054</u>	<u>5,478</u>
Office of Economic Development-Tourism:				
Personal services	366,781	336,346	336,346	—
Materials and supplies	39,160	29,671	23,782	5,889
Contractual	701,059	701,059	686,085	14,974
	<u>1,107,000</u>	<u>1,067,076</u>	<u>1,046,213</u>	<u>20,863</u>
Less transfers out	<u>65,000</u>	<u>72,000</u>	<u>71,137</u>	<u>(863)</u>
	<u>1,042,000</u>	<u>995,076</u>	<u>975,076</u>	<u>20,000</u>
Total Office of Economic Development	<u>1,587,311</u>	<u>1,450,608</u>	<u>1,425,130</u>	<u>25,478</u>
Advocacy and Community Services:				
Personal services	656,775	638,736	638,736	—
Materials and supplies	8,700	4,539	4,539	—
Contractual	26,644	23,644	18,602	5,042
	<u>692,119</u>	<u>666,919</u>	<u>661,877</u>	<u>5,042</u>
Office for Women:				
Personal services	582,725	605,814	605,814	—
Materials and supplies	2,646	2,646	859	1,787
Contractual	1,331,685	1,335,177	1,333,030	2,147
	<u>1,917,056</u>	<u>1,943,637</u>	<u>1,939,703</u>	<u>3,934</u>
Less services to other departments	<u>473,641</u>	<u>473,641</u>	<u>473,641</u>	<u>—</u>
	<u>1,443,415</u>	<u>1,469,996</u>	<u>1,466,062</u>	<u>3,934</u>

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive Negative
County Executive: (cont'd)				
Office of Energy Conservation:				
Personal services	\$ 112,360	\$ 125,845	\$ 125,845	\$ —
Materials and supplies	100	—	—	—
Contractual	14,000	10,508	1,220	9,288
	<u>126,460</u>	<u>136,353</u>	<u>127,065</u>	<u>9,288</u>
Total County Executive	<u>7,343,569</u>	<u>7,322,047</u>	<u>7,254,754</u>	<u>67,293</u>
Board of Acquisition and Contract:				
Personal services	244,373	244,373	244,350	23
Materials and supplies	1,400	1,400	1,278	122
Contractual	54,685	54,685	51,048	3,637
	<u>300,458</u>	<u>300,458</u>	<u>296,676</u>	<u>3,782</u>
Board of Elections:				
Personal services	8,748,362	9,268,362	9,267,209	1,153
Equipment	49,500	566,500	564,625	1,875
Materials and supplies	1,771,181	1,716,181	1,714,758	1,423
Contractual	6,494,483	6,045,483	6,034,787	10,696
	<u>17,063,526</u>	<u>17,596,526</u>	<u>17,581,379</u>	<u>15,147</u>
Department of Human Resources:				
Personal services	3,701,275	3,701,275	3,662,263	39,012
Materials and supplies	29,851	29,851	24,620	5,231
Contractual	1,526,946	1,526,946	1,226,220	300,726
	<u>5,258,072</u>	<u>5,258,072</u>	<u>4,913,103</u>	<u>344,969</u>
Less services to other departments	<u>883,354</u>	<u>883,354</u>	<u>830,787</u>	<u>(52,567)</u>
	<u>4,374,718</u>	<u>4,374,718</u>	<u>4,082,316</u>	<u>292,402</u>
Department of Budget:				
Personal services	1,531,854	1,531,854	1,415,412	116,442
Materials and supplies	3,650	3,650	2,645	1,005
Contractual	278,979	278,979	256,496	22,483
	<u>1,814,483</u>	<u>1,814,483</u>	<u>1,674,553</u>	<u>139,930</u>
Department of Finance:				
Administration:				
Personal services	2,655,363	2,641,322	2,619,210	22,112
Materials and supplies	30,020	31,763	31,487	276
Contractual	1,183,756	1,182,421	922,881	259,540
	<u>3,869,139</u>	<u>3,855,506</u>	<u>3,573,578</u>	<u>281,928</u>
Bureau of Purchase and Supply:				
Personal services	1,032,871	1,071,912	1,070,922	990
Materials and supplies	6,177	4,434	3,939	495
Contractual	96,551	97,886	88,850	9,036
	<u>1,135,599</u>	<u>1,174,232</u>	<u>1,163,711</u>	<u>10,521</u>

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Department of Finance: (cont'd)				
Financial Compliance:				
Personal services	\$ 475,338	\$ 450,338	\$ 379,105	\$ 71,233
Contractual	3,250	3,250	1,400	1,850
	<u>478,588</u>	<u>453,588</u>	<u>380,505</u>	<u>73,083</u>
Total Department of Finance	<u>5,483,326</u>	<u>5,483,326</u>	<u>5,117,794</u>	<u>365,532</u>
Department of Information Technology:				
E911:				
Personal services	442,186	238,186	235,572	2,614
Equipment	25,000	25,000	245	24,755
Contractual	2,167,743	1,719,743	1,615,127	104,616
	<u>2,634,929</u>	<u>1,982,929</u>	<u>1,850,944</u>	<u>131,985</u>
Less transfer to debt service	<u>540,782</u>	<u>540,782</u>	<u>540,782</u>	<u>—</u>
	<u>2,094,147</u>	<u>1,442,147</u>	<u>1,310,162</u>	<u>131,985</u>
Wireless Cellphone:				
Personal services	6,315,274	6,896,274	6,876,740	19,534
Equipment	218,871	202,871	168,947	33,924
Materials and supplies	20,298	20,298	18,752	1,546
Contractual	2,314,601	1,667,601	1,509,478	158,123
	<u>8,869,044</u>	<u>8,787,044</u>	<u>8,573,917</u>	<u>213,127</u>
Less transfer to debt service	<u>60,167</u>	<u>60,167</u>	<u>60,167</u>	<u>—</u>
	<u>8,808,877</u>	<u>8,726,877</u>	<u>8,513,750</u>	<u>213,127</u>
Records Center:				
Personal services	644,597	573,597	572,677	920
Equipment	4,000	—	—	—
Materials and supplies	18,101	18,101	11,595	6,506
Contractual	849,714	1,055,715	1,021,808	33,907
	<u>1,516,412</u>	<u>1,647,413</u>	<u>1,606,080</u>	<u>41,333</u>
Less services to other departments	<u>2,144,843</u>	<u>2,144,843</u>	<u>1,925,616</u>	<u>(219,227)</u>
	<u>(628,431)</u>	<u>(497,430)</u>	<u>(319,536)</u>	<u>(177,894)</u>
Information Technology:				
Personal services	9,678,873	9,973,873	9,971,986	1,887
Equipment	40,000	61,000	59,256	1,744
Materials and supplies	241,680	241,680	189,691	51,989
Contractual	22,094,047	22,390,047	20,572,201	1,817,846
	<u>32,054,600</u>	<u>32,666,600</u>	<u>30,793,134</u>	<u>1,873,466</u>
Less transfer to debt service	<u>3,488,753</u>	<u>3,536,753</u>	<u>3,535,916</u>	<u>(837)</u>
Less services to other departments	<u>35,619,242</u>	<u>35,619,242</u>	<u>34,934,869</u>	<u>(684,373)</u>
	<u>(7,053,395)</u>	<u>(6,489,395)</u>	<u>(7,677,651)</u>	<u>1,188,256</u>
Support Services:				
Personal services	639,096	631,096	629,582	1,514
Equipment	1,000	—	—	—
Materials and supplies	6,500	6,500	2,813	3,687
Contractual	17,000	17,000	—	17,000
	<u>663,596</u>	<u>654,596</u>	<u>632,395</u>	<u>22,201</u>
Less services to other departments	<u>302,978</u>	<u>302,978</u>	<u>292,999</u>	<u>(9,979)</u>
	<u>360,618</u>	<u>351,618</u>	<u>339,396</u>	<u>12,222</u>
Total Department of Information Technology	<u>3,581,816</u>	<u>3,533,817</u>	<u>2,166,121</u>	<u>1,367,696</u>

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Department of Law:				
Law:				
Personal services	\$ 8,706,475	\$ 8,706,475	\$ 8,617,270	\$ 89,205
Equipment	42,254	42,254	27,071	15,183
Materials and supplies	65,700	65,700	48,578	17,122
Contractual	2,082,384	4,159,198	4,158,556	642
	10,896,813	12,973,627	12,851,475	122,152
Less services to other departments	10,816,132	10,816,132	10,182,076	(634,056)
	80,681	2,157,495	2,669,399	(511,904)
Risk Management:				
Personal services	503,282	503,282	469,245	34,037
Materials and supplies	2,150	2,150	1,932	218
Contractual	789,575	798,761	798,761	—
	1,295,007	1,304,193	1,269,938	34,255
Total Department of Law	1,375,688	3,461,688	3,939,337	(477,649)
Department of Planning:				
Personal services	2,474,755	2,484,755	2,483,154	1,601
Equipment	12,000	12,000	9,801	2,199
Materials and supplies	13,250	13,250	7,528	5,722
Contractual	1,745,264	1,735,264	1,463,201	272,063
	4,245,269	4,245,269	3,963,684	281,585
Less services to other departments	27,410	27,410	27,992	582
	4,217,859	4,217,859	3,935,692	282,167
County Clerk:				
Personal services	4,687,072	4,687,072	4,528,591	158,481
Equipment	5,489	5,489	1,173	4,316
Materials and supplies	116,600	116,600	93,096	23,504
Contractual	2,119,144	2,119,144	1,838,166	280,978
	6,928,305	6,928,305	6,461,026	467,279
Tax Commission:				
Personal services	194,361	193,361	160,552	32,809
Materials and supplies	600	600	310	290
Contractual	32,725	33,724	33,305	419
	227,686	227,685	194,167	33,518
Public Administrator:				
Personal services	634,671	634,671	592,469	42,202
Equipment	1,000	1,000	817	183
Materials and supplies	5,796	5,796	4,500	1,296
Contractual	191,489	191,489	163,581	27,908
	832,956	832,956	761,367	71,589

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Department of Public Works:				
Administration:				
Personal services	\$ 928,613	\$ 951,264	\$ 951,263	\$ 1
Engineering:				
Personal services	5,167,887	5,232,815	5,232,813	2
Equipment	—	8,600	—	8,600
Materials and supplies	34,175	30,156	25,229	4,927
Contractual	3,488,358	3,913,165	3,912,743	422
	8,690,420	9,184,736	9,170,785	13,951
Less transfers out	2,476,750	2,641,750	2,641,347	(403)
	6,213,670	6,542,986	6,529,438	13,548
Operations—White Plains:				
Personal services	2,212,746	2,188,639	2,188,603	36
Equipment	4,700	4,700	4,039	661
Materials and supplies	3,492,946	3,292,946	3,192,092	100,854
Contractual	4,119,687	4,150,123	4,150,093	30
	9,830,079	9,636,408	9,534,827	101,581
Less services to other departments	7,587,942	7,587,942	7,821,304	233,362
	2,242,137	2,048,466	1,713,523	334,943
Leased and Owned Property:				
Personal services	787,240	942,170	941,270	900
Equipment	1,340	1,340	1,315	25
Materials and supplies	1,207,542	1,207,542	1,090,655	116,887
Contractual	11,586,647	11,940,753	11,940,737	16
	13,582,769	14,091,805	13,973,977	117,828
Less services to other departments	11,973,913	11,973,913	11,613,183	(360,730)
	1,608,856	2,117,892	2,360,794	(242,902)
Operations—Valhalla:				
Personal services	3,319,768	3,148,320	3,090,181	58,139
Equipment	76,900	72,800	50,595	22,205
Materials and supplies	10,802,226	10,800,395	9,507,501	1,292,894
Contractual	2,279,066	3,302,297	3,302,278	19
	16,477,960	17,323,812	15,950,555	1,373,257
Less services to other departments	19,941,007	19,941,007	17,414,381	(2,526,626)
	(3,463,047)	(2,617,195)	(1,463,826)	(1,153,369)
Garage Operations:				
Personal services	1,704,011	1,619,093	1,597,076	22,017
Equipment	49,600	48,100	43,160	4,940
Materials and supplies	614,029	628,178	618,766	9,412
Contractual	535,214	570,214	570,195	19
	2,902,854	2,865,585	2,829,197	36,388
Less services to other departments	2,327,108	2,327,108	1,801,206	(525,902)
	575,746	538,477	1,027,991	(489,514)

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Department of Public Works: (Cont'd)				
Fleet Operations:				
Personal services	\$ 334,457	\$ 343,079	\$ 326,484	\$ 16,595
Equipment	3,100	3,100	2,486	614
Materials and supplies	124,786	110,636	109,753	883
Contractual	375,397	331,327	331,321	6
	837,740	788,142	770,044	18,098
Less services to other departments	1,252,069	1,252,069	1,329,599	77,530
	(414,329)	(463,927)	(559,555)	95,628
Total Department of Public Works	7,691,646	9,117,963	10,559,628	(1,441,665)
Solid Waste Commission:				
Personal services	1,264,063	1,261,063	1,083,009	178,054
Equipment	36,000	36,000	299	35,701
Materials and supplies	36,900	36,900	13,844	23,056
Contractual	636,641	639,641	639,510	131
	1,973,604	1,973,604	1,736,662	236,942
Other:				
Certiorari proceedings	8,500,000	6,523,000	6,522,684	316
County membership fees	100,000	100,000	99,598	402
Ethics Commission	7,000	7,000	—	7,000
Human Rights Commission	1,193,363	1,193,363	1,136,900	56,463
Independent audit and control	525,000	525,000	492,000	33,000
In rem proceedings	1,000	1,000	—	1,000
Municipal sales tax distribution	125,591,638	145,739,638	142,421,831	3,317,807
Public Employment Relations Board	1,000	1,000	—	1,000
Services to WCHCC	8,588,680	8,588,680	6,897,301	1,691,379
Statutory charges	143,060	143,060	113,927	29,133
Tax on County property	1,700,000	1,744,000	1,743,154	846
Tourism	1,077,000	1,077,000	1,009,747	67,253
Workers' compensation	11,986,000	10,858,000	10,858,000	—
Contingency	—	5,000,000	—	5,000,000
	159,413,741	181,500,741	171,295,142	10,205,599
Total General Government	227,266,998	253,329,793	241,639,616	11,690,177
EDUCATION				
Department of Health-				
Education/Services for Children with Disabilities	117,777,151	127,299,128	127,279,872	19,256
Other:				
Employee tuition	500,000	500,000	462,952	37,048
Resident tuition—other community colleges	7,350,000	8,573,000	8,572,180	820
Westchester Community College	30,129,425	24,118,425	23,991,632	126,793
	37,979,425	33,191,425	33,026,764	164,661
Total Education	155,756,576	160,490,553	160,306,636	183,917

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
PUBLIC SAFETY				
Department of Corrections:				
Administration:				
Personal services	\$ 7,772,725	\$ 8,356,089	\$ 8,245,012	\$ 111,077
Materials and supplies	218,949	215,086	200,594	14,492
Contractual	24,891,598	24,961,098	24,073,753	887,345
	<u>32,883,272</u>	<u>33,532,273</u>	<u>32,519,359</u>	<u>1,012,914</u>
Jail Division:				
Personal services	68,959,248	68,584,248	68,204,547	379,701
Equipment	282,852	282,852	203,426	79,426
Materials and supplies	908,162	887,825	712,861	174,964
Contractual	6,744,684	6,708,184	5,716,392	991,792
	<u>76,894,946</u>	<u>76,463,109</u>	<u>74,837,226</u>	<u>1,625,883</u>
Penitentiary:				
Personal services	23,130,610	21,821,246	21,437,854	383,392
Materials and supplies	507,034	531,234	525,276	5,958
Contractual	1,293,567	1,260,567	998,658	261,909
	<u>24,931,211</u>	<u>23,613,047</u>	<u>22,961,788</u>	<u>651,259</u>
Less services to other departments	137,400	137,400	144,114	6,714
	<u>24,793,811</u>	<u>23,475,647</u>	<u>22,817,674</u>	<u>657,973</u>
Total Department of Corrections	<u>134,572,029</u>	<u>133,471,029</u>	<u>130,174,259</u>	<u>3,296,770</u>
District Attorney:				
Personal services	25,908,493	24,688,493	24,682,493	6,000
Equipment	181,325	181,325	155,073	26,252
Materials and supplies	297,873	297,873	239,757	58,116
Contractual	3,685,272	3,685,272	3,522,338	162,934
	<u>30,072,963</u>	<u>28,852,963</u>	<u>28,599,661</u>	<u>253,302</u>
Less transfers out	1,299,993	1,299,993	1,299,992	(1)
	<u>28,772,970</u>	<u>27,552,970</u>	<u>27,299,669</u>	<u>253,303</u>
Department of Public Safety:				
Services Division:				
Personal services	4,734,217	4,366,217	4,346,860	19,357
Materials and supplies	82,327	47,327	34,050	13,277
Contractual	478,457	471,457	446,814	24,643
	<u>5,295,001</u>	<u>4,885,001</u>	<u>4,827,724</u>	<u>57,277</u>
Police Division:				
Personal services	35,991,377	38,312,192	38,305,932	6,260
Equipment	385,598	385,598	219,577	166,021
Materials and supplies	1,461,592	1,531,092	1,448,202	82,890
Contractual	6,214,804	6,122,804	5,747,606	375,198
	<u>44,053,371</u>	<u>46,351,686</u>	<u>45,721,317</u>	<u>630,369</u>
Less services to other departments	12,785,130	13,060,130	12,361,537	(698,593)
	<u>31,268,241</u>	<u>33,291,556</u>	<u>33,359,780</u>	<u>(68,224)</u>

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
County Police Academy:				
Personal services	\$ 1,505,844	\$ 1,502,844	\$ 1,496,107	\$ 6,737
Equipment	12,483	12,483	2,869	9,614
Materials and supplies	270,573	245,573	192,716	52,857
Contractual	825,116	932,116	728,550	203,566
	<u>2,614,016</u>	<u>2,693,016</u>	<u>2,420,242</u>	<u>272,774</u>
Less services to other departments	<u>261,288</u>	<u>261,288</u>	<u>166,264</u>	<u>(95,024)</u>
	<u>2,352,728</u>	<u>2,431,728</u>	<u>2,253,978</u>	<u>177,750</u>
Parkway Patrol-				
Personal services	<u>3,283,216</u>	<u>3,117,401</u>	<u>3,110,610</u>	<u>6,791</u>
Taxi and Limousine Commission:				
Personal services	1,014,414	1,009,414	973,907	35,507
Materials and supplies	27,264	17,764	12,671	5,093
Contractual	<u>360,453</u>	<u>352,453</u>	<u>292,602</u>	<u>59,851</u>
	<u>1,402,131</u>	<u>1,379,631</u>	<u>1,279,180</u>	<u>100,451</u>
Total Department of Public Safety	<u>43,601,317</u>	<u>45,105,317</u>	<u>44,831,272</u>	<u>274,045</u>
Department of Emergency Services:				
Personal services	2,110,766	2,120,766	2,119,517	1,249
Equipment	200,167	190,167	188,757	1,410
Materials and supplies	211,097	211,097	194,971	16,126
Contractual	<u>4,136,406</u>	<u>4,136,406</u>	<u>3,846,126</u>	<u>290,280</u>
	<u>6,658,436</u>	<u>6,658,436</u>	<u>6,349,371</u>	<u>309,065</u>
Less services to other departments	<u>329,416</u>	<u>329,416</u>	<u>329,416</u>	<u>—</u>
	<u>6,329,020</u>	<u>6,329,020</u>	<u>6,019,955</u>	<u>309,065</u>
Department of Probation:				
Personal services	20,219,775	20,219,775	19,289,141	930,634
Equipment	365,479	365,479	151,224	214,255
Materials and supplies	223,896	223,896	124,435	99,461
Contractual	<u>24,072,950</u>	<u>24,072,950</u>	<u>18,866,448</u>	<u>5,206,502</u>
	<u>44,882,100</u>	<u>44,882,100</u>	<u>38,431,248</u>	<u>6,450,852</u>
Less services to other departments	<u>1,605,858</u>	<u>1,605,858</u>	<u>1,633,869</u>	<u>28,011</u>
	<u>43,276,242</u>	<u>43,276,242</u>	<u>36,797,379</u>	<u>6,478,863</u>
Other:				
Court ordered medical examinations	1,000	1,000	—	1,000
Legal Aid Society of Westchester	13,709,722	13,709,722	13,434,931	274,791
Legal services—Indigent defendants--Felony	4,580,037	5,537,037	5,536,797	240
Legal services—Indigent defendants--Misdemeanor	6,105,724	6,561,724	6,065,072	496,652
Legal services-Hudson Valley	610,015	610,015	610,015	—
Legal services-Peeckskill	109,620	109,620	109,620	—
State court facilities	<u>20,303,727</u>	<u>20,513,727</u>	<u>20,512,795</u>	<u>932</u>
	<u>45,419,845</u>	<u>47,042,845</u>	<u>46,269,230</u>	<u>773,615</u>
Less transfer to debt service	<u>12,406,750</u>	<u>12,262,750</u>	<u>12,262,250</u>	<u>(500)</u>
	<u>33,013,095</u>	<u>34,780,095</u>	<u>34,006,980</u>	<u>773,115</u>
Total Public Safety	<u>289,564,673</u>	<u>290,514,673</u>	<u>279,129,514</u>	<u>11,385,159</u>

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
HEALTH SERVICES				
Community Mental Health Services:				
Personal services	\$ 3,307,005	\$ 3,307,005	\$ 3,050,006	\$ 256,999
Materials and supplies	28,750	28,750	14,640	14,110
Contractual	7,194,608	7,194,608	5,570,408	1,624,200
	10,530,363	10,530,363	8,635,054	1,895,309
Less transfers out	1,083,178	1,083,178	978,417	(104,761)
Less services to other departments	980,121	980,121	923,208	(56,913)
	8,467,064	8,467,064	6,733,429	1,733,635
Department of Health:				
Personal services	16,364,527	15,859,526	15,854,279	5,247
Equipment	127,500	132,500	132,117	383
Materials and supplies	335,936	335,936	245,111	90,825
Contractual	121,043,656	129,899,656	129,894,595	5,061
	137,871,619	146,227,618	146,126,102	101,516
Less transfer to education	117,777,151	127,299,128	127,279,872	(19,256)
Less services to other departments	159,200	159,200	155,333	(3,867)
	19,935,268	18,769,290	18,690,897	78,393
Department of Laboratories and Research:				
Personal services	8,971,691	8,613,691	8,613,065	626
Equipment	—	31,000	30,553	447
Materials and supplies	1,229,129	1,168,129	1,164,678	3,451
Contractual	4,514,689	4,946,689	4,946,427	262
	14,715,509	14,759,509	14,754,723	4,786
Less services to other departments	5,000	5,000	5,431	431
Less transfers out	105,000	105,000	105,000	—
	14,605,509	14,649,509	14,644,292	5,217
Total Health Services	43,007,841	41,885,863	40,068,618	1,817,245
TRANSPORTATION				
Department of Transportation:				
Personal services	1,388,194	1,444,194	1,443,105	1,089
Equipment	494,000	438,000	119,256	318,744
Materials and supplies	1,560,962	1,560,962	1,497,902	63,060
Contractual	169,628,784	171,628,784	171,559,365	69,419
	173,071,940	175,071,940	174,619,628	452,312
Less transfers out	1,086,470	1,086,470	1,086,470	—
Less services to other departments	444,956	444,956	463,079	18,123
	171,540,514	173,540,514	173,070,079	470,435
County Road Maintenance:				
Personal services	2,327,587	2,356,929	2,309,475	47,454
Equipment	105,488	102,488	102,118	370
Materials and supplies	735,314	741,165	707,073	34,092
Contractual	2,131,811	1,958,301	1,958,123	178
	5,300,200	5,158,883	5,076,789	82,094
Less services to other departments	544,240	544,240	544,240	—
	4,755,960	4,614,643	4,532,549	82,094
Total Transportation	176,296,474	178,155,157	177,602,628	552,529

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
ECONOMIC ASSISTANCE AND OPPORTUNITY				
County Executive-				
Youth Bureau:				
Personal services	\$ 636,069	\$ 653,593	\$ 653,386	\$ 207
Materials and supplies	3,499	3,499	2,588	911
Contractual	2,596,095	2,593,095	2,372,322	220,773
	3,235,663	3,250,187	3,028,296	221,891
Less services to other departments	582,220	582,220	578,562	(3,658)
	2,653,443	2,667,967	2,449,734	218,233
Department of Social Services:				
Personal services	75,246,571	76,638,571	76,635,154	3,417
Materials and supplies	697,072	697,072	587,518	109,554
Contractual	78,609,676	78,416,481	77,409,725	1,006,756
Relief	460,347,926	488,582,121	488,567,074	15,047
	614,901,245	644,334,245	643,199,471	1,134,774
Total Economic Assistance and Opportunity	617,554,688	647,002,212	645,649,205	1,353,007
CULTURE AND RECREATION				
Department of Parks, Recreation and				
Conservation:				
General Services:				
Personal services	5,973,977	6,306,070	6,305,050	1,020
Equipment	23,042	24,776	24,379	397
Materials and supplies	539,860	587,974	572,783	15,191
Contractual	4,782,200	4,926,507	4,708,934	217,573
	11,319,079	11,845,327	11,611,146	234,181
Less services to other departments	357,161	357,161	381,877	24,716
	10,961,918	11,488,166	11,229,269	258,897
Golf Courses:				
Personal services	4,201,950	4,301,495	4,298,492	3,003
Equipment	49,560	50,776	50,774	2
Materials and supplies	2,659,128	2,763,197	2,727,367	35,830
Contractual	1,604,776	1,580,618	1,544,986	35,632
	8,515,414	8,696,086	8,621,619	74,467
Less transfer to debt service	753,422	753,422	753,422	—
	7,761,992	7,942,664	7,868,197	74,467
Parks:				
Personal services	7,795,905	8,087,254	8,083,360	3,894
Equipment	104,616	103,842	103,833	9
Materials and supplies	2,662,705	2,524,328	2,362,541	161,787
Contractual	1,097,391	979,403	870,469	108,934
	11,660,617	11,694,827	11,420,203	274,624

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Department of Parks, Recreation and Conservation: (cont'd)				
Playland:				
Personal services	\$ 4,441,378	\$ 4,814,119	\$ 4,812,368	\$ 1,751
Equipment	17,139	16,885	16,445	440
Materials and supplies	1,177,488	1,200,896	1,179,310	21,586
Contractual	6,576,042	6,412,222	6,371,927	40,295
	12,212,047	12,444,122	12,380,050	64,072
Less transfer to debt service	3,105,532	3,084,596	3,084,596	—
	9,106,515	9,359,526	9,295,454	64,072
Parkways:				
Personal services	991,168	968,000	967,996	4
Equipment	13,100	12,769	12,768	1
Materials and supplies	208,500	207,426	196,990	10,436
Contractual	139,822	111,790	101,453	10,337
	1,352,590	1,299,985	1,279,207	20,778
Recreation:				
Personal services	2,406,936	2,805,422	2,803,758	1,664
Equipment	6,000	4,475	4,475	—
Materials and supplies	902,638	866,202	839,711	26,491
Contractual	3,193,783	3,069,580	3,030,619	38,961
	6,509,357	6,745,679	6,678,563	67,116
Less transfer to debt service	2,011,951	2,011,951	2,011,951	—
	4,497,406	4,733,728	4,666,612	67,116
Conservation:				
Personal services	402,852	391,805	391,083	722
Equipment	2,580	2,514	2,514	—
Materials and supplies	69,033	64,329	45,799	18,530
Contractual	5,153	266,047	260,535	5,512
	479,618	724,695	699,931	24,764
Total Department of Parks, Recreation and Conservation	45,820,656	47,243,591	46,458,873	784,718
Other:				
Arts in Westchester	1,615,000	1,615,000	1,615,000	—
Hudson River Museum	687,155	703,155	702,455	700
Westchester Historical Society	130,935	148,935	148,613	322
Westchester Library System	965,000	1,000,000	1,000,000	—
	3,398,090	3,467,090	3,466,068	1,022
Total Culture and Recreation	49,218,746	50,710,681	49,924,941	785,740

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
HOME AND COMMUNITY SERVICES				
Department of Senior Programs and Services:				
Contractual	\$ 3,845,703	\$ 4,670,703	\$ 4,568,586	\$ 102,117
Less transfers out	2,847,461	3,672,461	3,642,461	(30,000)
Less services to other departments	290,750	290,750	290,750	—
	<u>707,492</u>	<u>707,492</u>	<u>635,375</u>	<u>72,117</u>
Weights, Measures, Consumer Protection:				
Personal services	1,644,085	1,644,085	1,627,586	16,499
Equipment	12,350	12,350	9,515	2,835
Materials and supplies	48,000	48,000	33,539	14,461
Contractual	351,470	351,470	328,052	23,418
	<u>2,055,905</u>	<u>2,055,905</u>	<u>1,998,692</u>	<u>57,213</u>
Other:				
Westchester County Extension Service	659,640	659,640	659,431	209
Community Based Initiatives	2,247,155	2,247,155	1,775,250	471,905
	<u>2,906,795</u>	<u>2,906,795</u>	<u>2,434,681</u>	<u>472,114</u>
Total Home and Community Services	<u>5,670,192</u>	<u>5,670,192</u>	<u>5,068,748</u>	<u>601,444</u>
EMPLOYEE BENEFITS				
State retirement system	71,903,118	76,806,118	76,806,068	50
Social security	28,383,018	28,407,018	28,406,588	430
Metropolitan commuter transportation mobility tax	1,414,440	1,442,440	1,442,007	433
Employee health insurance	150,822,190	150,322,190	145,837,592	4,484,598
Unemployment and union benefits	5,371,000	5,439,000	5,362,837	76,163
	<u>257,893,766</u>	<u>262,416,766</u>	<u>257,855,092</u>	<u>4,561,674</u>
Total Employee Benefits				
DEBT SERVICE				
Principal:				
Bonds	75,101,055	74,387,690	74,349,042	38,648
Capital Lease Obligations	5,033,948	9,684,603	9,684,603	—
	<u>80,135,003</u>	<u>84,072,293</u>	<u>84,033,645</u>	<u>38,648</u>
Total Debt Service Principal				
Interest:				
Bonds	28,539,139	29,428,567	29,428,303	264
Capital Lease Obligations	7,372,802	2,578,148	2,577,648	500
Tax Anticipation Notes	2,000,000	1,528,000	1,527,292	708
	<u>37,911,941</u>	<u>33,534,715</u>	<u>33,533,243</u>	<u>1,472</u>
Total Debt Service Interest				
Costs of Issuance	<u>1,026,696</u>	<u>1,026,696</u>	<u>583,962</u>	<u>442,734</u>
Total Debt Service	<u>119,073,640</u>	<u>118,633,704</u>	<u>118,150,850</u>	<u>482,854</u>
Total Expenditures	<u>1,941,303,594</u>	<u>2,008,809,594</u>	<u>1,975,395,848</u>	<u>33,413,746</u>

continued

County of Westchester, New York
General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)
Year Ended December 31, 2019

Exhibit F-4

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
OTHER FINANCING USES				
Transfers Out:				
Department Transfers to Other Funds:				
Grants Fund for:				
County Executive - Tourism	\$ 65,000	\$ 72,000	\$ 71,137	\$ 863
Community Mental Health	1,083,178	1,083,178	978,417	104,761
Laboratories and Research	105,000	105,000	105,000	—
District Attorney	1,299,993	1,299,993	1,299,992	1
Transportation	1,086,470	1,086,470	1,086,470	—
Senior Programs and Services	2,847,461	3,672,461	3,642,461	30,000
	<u>6,487,102</u>	<u>7,319,102</u>	<u>7,183,477</u>	<u>135,625</u>
Other:				
Capital Projects Fund	2,476,750	2,641,750	2,641,347	403
Sewer Districts Fund	—	72,000	72,000	—
Refuse Disposal District Fund	60,000	63,000	63,000	—
	<u>2,536,750</u>	<u>2,776,750</u>	<u>2,776,347</u>	<u>403</u>
Total Other Financing Uses	<u>9,023,852</u>	<u>10,095,852</u>	<u>9,959,824</u>	<u>136,028</u>
Total Expenditures and Other Financing Uses	<u>\$ 1,950,327,446</u>	<u>\$ 2,018,905,446</u>	<u>\$ 1,985,355,672</u>	<u>\$ 33,549,774</u>

See independent auditors' report

County of Wetchester
Combined Sewer Districts Fund—
Comparative Balance Sheet
December 31, 2019 and 2018

Exhibit G-1

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 400	\$ 5,000,400
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$108,561 in 2019 and 2018	1,638,565	1,533,105
Due from Other Funds	37,894,495	38,203,484
Prepaid Expenditures	<u>1,459,198</u>	<u>850,000</u>
Total Assets	<u>\$ 40,992,658</u>	<u>\$ 45,586,989</u>
LIABILITIES AND FUND BALANCE		
Liabilities-		
Accounts Payable and Accrued Liabilities	<u>\$ 4,477,684</u>	<u>\$ 3,603,601</u>
Fund Balance:		
Nonspendable	1,459,198	850,000
Assigned	<u>35,055,776</u>	<u>41,133,388</u>
Total Fund Balance	<u>36,514,974</u>	<u>41,983,388</u>
Total Liabilities and Fund Balance	<u>\$ 40,992,658</u>	<u>\$ 45,586,989</u>

See independent auditors' report

County of Westchester, New York
Sewer Districts Fund—
Combined Schedule of Revenues, Expenditures and
Changes in Fund Balances
Year Ended December 31, 2019

	Department of Environ- mental Facilities	North Yonkers Pumping Station	Yonkers Joint Treatment Plant	Blind Brook	Bronx Valley	Central Yonkers	Hutchinson Valley	Mamaroneck Valley
REVENUES	\$ 5,256,183	\$ 49,531	\$ 193,825	\$ 9,427,524	\$ 22,356,416	\$ 1,209,527	\$ 5,741,903	\$ 17,327,339
EXPENDITURES	76,160,215	1,565,578	10,056,550	9,456,022	23,757,394	1,509,978	6,613,962	18,683,868
Excess (Deficiency) of Revenues Over Expenditures	(70,904,032)	(1,516,047)	(9,862,725)	(28,498)	(1,400,978)	(300,451)	(872,059)	(1,356,529)
OTHER FINANCING SOURCES (USES)								
Transfers In	70,944,532	1,541,492	9,997,725	10,186	—	—	65,995	23,244
Transfers Out	(40,500)	(25,445)	(135,000)	(10,000)	(4,000)	—	—	(219,605)
Total Other Financing Sources (Uses)	70,904,032	1,516,047	9,862,725	186	(4,000)	—	65,995	(196,361)
Net Change in Fund Balances	—	—	—	(28,312)	(1,404,978)	(300,451)	(806,064)	(1,552,890)
FUND BALANCES								
Beginning of Year	—	—	—	3,795,772	9,786,432	1,272,244	4,590,461	5,841,291
End of Year	\$ —	\$ —	\$ —	\$ 3,767,460	\$ 8,381,454	\$ 971,793	\$ 3,784,397	\$ 4,288,401

See independent auditors' report

Exhibit G-2

New Rochelle	North Yonkers	Ossining	Peekskill	Port Chester	Saw Mill Valley	South Yonkers	Upper Bronx Valley	Eliminations	Totals
\$ 20,777,117	\$ 4,868,557	\$ 4,713,215	\$ 5,252,534	\$ 3,507,983	\$ 13,967,806	\$ 1,533,752	\$ 1,375,094	\$ —	\$ 117,558,306
20,972,226	5,031,895	4,595,402	4,837,240	3,587,453	15,204,319	1,698,016	1,434,209	(82,388,422)	122,775,905
(195,109)	(163,338)	117,813	415,294	(79,470)	(1,236,513)	(164,264)	(59,115)	82,388,422	(5,217,599)
11,651	15,988	71,999	—	22,795	—	—	—	(82,388,422)	317,185
(27,000)	—	(6,555)	(97,895)	—	(2,000)	—	—	—	(568,000)
(15,349)	15,988	65,444	(97,895)	22,795	(2,000)	—	—	(82,388,422)	(250,815)
(210,458)	(147,350)	183,257	317,399	(56,675)	(1,238,513)	(164,264)	(59,115)	—	(5,468,414)
2,404,385	1,706,462	1,636,975	1,006,872	774,109	7,225,897	1,088,540	853,948	—	41,983,388
<u>\$ 2,193,927</u>	<u>\$ 1,559,112</u>	<u>\$ 1,820,232</u>	<u>\$ 1,324,271</u>	<u>\$ 717,434</u>	<u>\$ 5,987,384</u>	<u>\$ 924,276</u>	<u>\$ 794,833</u>	<u>\$ —</u>	<u>\$ 36,514,974</u>

County of Westchester, New York
Combined Sewer Districts Fund—
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance—Budget and Actual
Years Ended Decemebr 31, 2019 and 2018

	2019			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes on Real Property	\$ 103,452,736	\$ 103,452,736	\$ 103,452,736	\$ —
Departmental Income	4,487,303	4,487,303	4,954,500	467,197
Earnings on Investments	8,341,492	8,341,492	8,512,476	170,984
Miscellaneous	810,000	810,000	638,594	(171,406)
Total Revenues	117,091,531	117,091,531	117,558,306	466,775
EXPENDITURES				
Current:				
General Government	1,930,000	1,959,000	1,044,161	914,839
Home and Community Services	65,082,265	64,977,265	60,003,202	4,974,063
Employee Benefits	16,853,470	16,258,470	15,483,202	775,268
Debt Service	46,687,097	47,032,097	45,335,929	1,696,168
Capital Outlay	910,289	910,289	909,411	878
Total Expenditures	131,463,121	131,137,121	122,775,905	8,361,216
Deficiency of Revenues Over Expenditures	(14,371,590)	(14,045,590)	(5,217,599)	8,827,991
OTHER FINANCING SOURCES (USES)				
Transfers In	72,000	72,000	317,185	245,185
Transfers Out	(242,000)	(568,000)	(568,000)	—
Total Other Financing Sources (Uses)	(170,000)	(496,000)	(250,815)	245,185
Net Change in Fund Balance	(14,541,590)	(14,541,590)	(5,468,414)	9,073,176
FUND BALANCE				
Beginning of year	14,541,590	14,541,590	41,983,388	27,441,798
End of year	\$ —	\$ —	\$ 36,514,974	\$ 36,514,974

See independent auditors' report

Exhibit G-3

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 100,513,074	\$ 100,513,074	\$ 100,513,074	\$ —
4,269,078	4,269,078	4,058,702	(210,376)
8,804,706	8,804,706	8,684,302	(120,404)
745,000	745,000	719,925	(25,075)
114,331,858	114,331,858	113,976,003	(355,855)
2,090,000	2,016,300	1,482,570	533,730
63,696,908	63,378,491	62,255,839	1,122,652
16,899,458	16,899,458	15,481,866	1,417,592
45,439,390	45,972,507	45,523,860	448,647
759,382	817,382	816,784	598
128,885,138	129,084,138	125,560,919	3,523,219
(14,553,280)	(14,752,280)	(11,584,916)	3,167,364
324,953	324,953	353,108	28,155
(364,207)	(364,207)	(364,207)	—
(39,254)	(39,254)	(11,099)	28,155
(14,592,534)	(14,791,534)	(11,596,015)	3,195,519
14,592,534	14,791,534	53,579,403	38,787,869
\$ —	\$ —	\$ 41,983,388	\$ 41,983,388

County of Westchester, New York
Combined Sewer Districts Fund—
Schedule of Revenues and Other Financing
Sources Compared to Budget

Exhibit G-4

Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes on Real Property:				
Blind Brook	\$ 8,458,499	\$ 8,458,499	\$ 8,458,499	\$ —
Bronx Valley	21,564,624	21,564,624	21,564,624	—
Central Yonkers	1,154,170	1,154,170	1,154,170	—
Hutchinson Valley	5,455,643	5,455,643	5,455,643	—
Mamaroneck Valley	16,089,472	16,089,472	16,089,472	—
New Rochelle	17,528,886	17,528,886	17,528,886	—
North Yonkers	4,675,898	4,675,898	4,675,898	—
Ossining	4,352,695	4,352,695	4,352,695	—
Peekskill	4,992,567	4,992,567	4,992,567	—
Port Chester	3,035,550	3,035,550	3,035,550	—
Saw Mill Valley	13,333,865	13,333,865	13,333,865	—
South Yonkers	1,481,284	1,481,284	1,481,284	—
Upper Bronx Valley	1,329,583	1,329,583	1,329,583	—
	<u>103,452,736</u>	<u>103,452,736</u>	<u>103,452,736</u>	<u>—</u>
Departmental Income:				
Environmental Facilities	4,196,053	4,196,053	4,602,279	406,226
Blind Brook	250,000	250,000	286,776	36,776
Bronx Valley	41,250	41,250	65,445	24,195
	<u>4,487,303</u>	<u>4,487,303</u>	<u>4,954,500</u>	<u>467,197</u>
Earnings on Investments:				
Environmental Facilities	26,596	26,596	15,310	(11,286)
North Yonkers Pumping Station	38,000	38,000	49,531	11,531
Yonkers Joint Treatment Plant	335,000	335,000	193,825	(141,175)
Blind Brook	668,607	668,607	682,249	13,642
Bronx Valley	583,274	583,274	726,347	143,073
Central Yonkers	52,229	52,229	55,357	3,128
Hutchinson Valley	246,710	246,710	286,260	39,550
Mamaroneck Valley	1,278,105	1,278,105	1,237,867	(40,238)
New Rochelle	3,320,322	3,320,322	3,248,231	(72,091)
North Yonkers	173,616	173,616	192,659	19,043
Ossining	275,419	275,419	360,520	85,101
Peekskill	277,176	277,176	259,967	(17,209)
Port Chester	389,239	389,239	472,433	83,194
Saw Mill Valley	602,325	602,325	633,941	31,616
South Yonkers	40,757	40,757	52,468	11,711
Upper Bronx Valley	34,117	34,117	45,511	11,394
	<u>8,341,492</u>	<u>8,341,492</u>	<u>8,512,476</u>	<u>170,984</u>
Miscellaneous Revenues-				
Environmental Facilities	810,000	810,000	638,594	(171,406)
Total Revenues	<u>117,091,531</u>	<u>117,091,531</u>	<u>117,558,306</u>	<u>466,775</u>

continued

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

Exhibit G-4

Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
OTHER FINANCING SOURCES				
Transfers from General Fund to:				
Ossining	\$ 52,000	\$ 52,000	\$ 52,000	\$ —
Port Chester	20,000	20,000	20,000	—
	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>	<u>—</u>
Transfers from Capital Projects Fund to:				
Blind Brook	—	—	10,186	10,186
Hutchinson Valley	—	—	65,995	65,995
Mamaroneck Valley	—	—	23,244	23,244
New Rochelle	—	—	11,651	11,651
North Yonkers	—	—	15,988	15,988
North Yonkers Pumping Station	—	—	95,327	95,327
Ossining	—	—	19,999	19,999
Port Chester	—	—	2,795	2,795
	<u>—</u>	<u>—</u>	<u>245,185</u>	<u>245,185</u>
Total Other Financing Sources	<u>72,000</u>	<u>72,000</u>	<u>317,185</u>	<u>245,185</u>
Total Revenues and Other Financing Sources	<u>\$ 117,163,531</u>	<u>\$ 117,163,531</u>	<u>\$ 117,875,491</u>	<u>\$ 711,960</u>

See independent auditors' report

County of Westchester, New York

Combined Sewer Districts Fund—

Schedule of Expenditures and Other Financing

Uses Compared to Budget

Exhibit G-5

Year Ended Decemebr 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
General Government:				
Blind Brook	\$ 100,000	\$ 100,000	\$ 41,902	\$ 58,098
Bronx Valley	550,000	550,000	335,953	214,047
Central Yonkers	20,000	49,000	48,976	24
Hutchinson Valley	100,000	100,000	17,190	82,810
Mamaroneck Valley	300,000	300,000	206,924	93,076
New Rochelle	225,000	225,000	76,048	148,952
North Yonkers	90,000	90,000	49,181	40,819
Ossining	50,000	50,000	15,929	34,071
Peekskill	40,000	40,000	9,700	30,300
Port Chester	15,000	15,000	5,233	9,767
Saw Mill Valley	350,000	350,000	181,145	168,855
South Yonkers	50,000	50,000	41,158	8,842
Upper Bronx Valley	40,000	40,000	14,822	25,178
	<u>1,930,000</u>	<u>1,959,000</u>	<u>1,044,161</u>	<u>914,839</u>
Home and Community Services:				
Personal Services-				
Environmental Facilities	<u>22,411,222</u>	<u>23,006,222</u>	<u>21,426,330</u>	<u>1,579,892</u>
Equipment-				
Environmental Facilities	<u>990,128</u>	<u>990,128</u>	<u>785,578</u>	<u>204,550</u>
Materials and Supplies-				
Environmental Facilities	<u>19,288,595</u>	<u>19,288,595</u>	<u>17,682,932</u>	<u>1,605,663</u>
Contractual:				
Environmental Facilities	21,264,515	21,223,515	19,111,129	2,112,386
North Yonkers Pumping Station	18,000	18,000	14,136	3,864
Yonkers Joint Treatment Plant	200,000	200,000	169,547	30,453
Blind Brook	6,524,133	6,525,133	6,182,333	342,800
Bronx Valley	24,300,562	24,300,562	23,264,531	1,036,031
Central Yonkers	1,551,129	1,522,129	1,461,002	61,127
Hutchinson Valley	6,445,868	6,445,868	6,169,361	276,507
Mamaroneck Valley	12,249,227	11,807,227	11,616,949	190,278
New Rochelle	6,257,649	6,089,649	5,914,610	175,039
North Yonkers	5,085,102	5,085,102	4,819,117	265,985
Ossining	2,281,659	2,282,659	2,164,032	118,627
Peekskill	2,978,799	2,979,799	2,823,204	156,595
Port Chester	1,496,366	1,473,366	1,428,727	44,639
Saw Mill Valley	15,074,091	15,074,091	14,281,861	792,230
South Yonkers	1,730,139	1,730,139	1,656,858	73,281
Upper Bronx Valley	1,482,202	1,482,202	1,419,387	62,815
	<u>108,939,441</u>	<u>108,239,441</u>	<u>102,496,784</u>	<u>5,742,657</u>

continued

County of Westchester, New York

Combined Sewer Districts Fund—

Schedule of Expenditures and Other Financing

Uses Compared to Budget (cont'd)

Exhibit G-5

Year Ended Decemebr 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Less Services to Sewer District by:				
Environmental Facilities	\$ (74,733,369)	\$ (74,733,369)	\$ (70,944,532)	\$ (3,788,837)
North Yonkers Pumping Station	(1,742,448)	(1,742,448)	(1,446,165)	(296,283)
Yonkers Joint Treatment Plant	(10,071,304)	(10,071,304)	(9,997,725)	(73,579)
	<u>(86,547,121)</u>	<u>(86,547,121)</u>	<u>(82,388,422)</u>	<u>(4,158,699)</u>
Total Home and Community Services	<u>65,082,265</u>	<u>64,977,265</u>	<u>60,003,202</u>	<u>4,974,063</u>
Employee Benefits-				
Environmental Facilities	<u>16,853,470</u>	<u>16,258,470</u>	<u>15,483,202</u>	<u>775,268</u>
Debt Service:				
Principal-				
Serial Bonds:				
Environmental Facilities	551,650	552,150	551,650	500
North Yonkers Pumping Station	965,412	965,967	965,412	555
Yonkers Joint Treatment Plant	6,087,387	6,087,387	5,972,920	114,467
Blind Brook	2,167,600	2,167,600	1,926,055	241,545
Bronx Valley	102,516	102,516	102,516	—
Hutchinson Valley	247,545	247,545	247,544	1
Mamaroneck Valley	4,062,299	4,174,694	4,173,860	834
New Rochelle	8,298,658	8,415,658	8,414,712	946
North Yonkers	105,774	105,774	105,774	—
Ossining	1,791,930	1,785,375	1,573,857	211,518
Peekskill	1,698,597	1,613,702	1,247,931	365,771
Port Chester	1,213,284	1,227,284	1,227,212	72
Saw Mill Valley	491,203	491,203	491,203	—
	<u>27,783,855</u>	<u>27,936,855</u>	<u>27,000,646</u>	<u>936,209</u>
Interest-				
Serial Bonds:				
Environmental Facilities	245,724	245,724	209,983	35,741
North Yonkers Pumping Station	777,036	771,036	586,030	185,006
Yonkers Joint Treatment Plant	3,983,917	3,925,203	3,855,369	69,834
Blind Brook	1,482,353	1,481,353	1,305,732	175,621
Bronx Valley	54,494	54,494	54,394	100
Hutchinson Valley	179,932	179,932	179,867	65
Mamaroneck Valley	2,545,924	2,656,114	2,655,325	789
New Rochelle	6,516,037	6,567,037	6,566,856	181
North Yonkers	57,910	57,910	57,823	87
Ossining	1,008,030	997,293	831,847	165,446
Peekskill	883,695	855,501	729,211	126,290
Port Chester	918,033	927,033	926,281	752
Saw Mill Valley	250,157	250,157	250,110	47
	<u>18,903,242</u>	<u>18,968,787</u>	<u>18,208,828</u>	<u>759,959</u>

continued

County of Westchester, New York

Combined Sewer Districts Fund—

Schedule of Expenditures and Other Financing

Uses Compared to Budget (cont'd)

Exhibit G-5

Year Ended Decemebr 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Interest-				
Bond Anticipation Notes:				
Yonkers Joint Treatment Plant	\$ —	\$ 58,714	\$ 58,714	\$ —
Mamaroneck Valley	—	30,810	30,810	—
Ossining	—	9,737	9,737	—
Peekskill	—	27,194	27,194	—
	—	126,455	126,455	—
Total Debt Service	46,687,097	47,032,097	45,335,929	1,696,168
Capital Outlay-				
Non-Recurring Repairs-				
Environmental Facilities	910,289	910,289	909,411	878
Total Expenditures	131,463,121	131,137,121	122,775,905	8,361,216
OTHER FINANCING USES:				
Transfers Out:				
General Fund for:				
Blind Brook	10,000	10,000	10,000	—
Bronx Valley	4,000	4,000	4,000	—
Mamaroneck Valley	31,000	31,000	31,000	—
New Rochelle	27,000	27,000	27,000	—
Peekskill	13,000	13,000	13,000	—
Saw Mill Valley	2,000	2,000	2,000	—
North Yonkers Pumping Station	20,000	20,000	20,000	—
Yonkers Joint Treatment Plant	135,000	135,000	135,000	—
	242,000	242,000	242,000	—
Capital Fund for:				
Environmental Facilities	—	40,500	40,500	—
North Yonkers Pumping Station	—	5,445	5,445	—
Mamaroneck Valley	—	188,605	188,605	—
Ossining	—	6,555	6,555	—
Peekskill	—	84,895	84,895	—
	—	326,000	326,000	—
Total Other Financing Uses	242,000	568,000	568,000	—
Total Expenditures and Other Financing Uses	\$ 131,705,121	\$ 131,705,121	\$ 123,343,905	\$ 8,361,216

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County of Westchester, New York

Refuse Disposal District Fund—

Comparative Balance Sheet

December 31, 2019 and 2018

Exhibit H-1

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ —	\$ 8,000,000
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$656,122 in 2019 and 2018	4,977,466	4,837,444
Due from Other Funds	<u>28,020,535</u>	<u>29,762,759</u>
Total Assets	<u>\$ 32,998,001</u>	<u>\$ 42,600,203</u>
LIABILITIES AND FUND BALANCE		
Liabilities-		
Accounts Payable and Accrued Liabilities	\$ 5,622,554	\$ 5,346,235
Fund Balance-		
Assigned	<u>27,375,447</u>	<u>37,253,968</u>
Total Liabilities and Fund Balance	<u>\$ 32,998,001</u>	<u>\$ 42,600,203</u>

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County of Westchester, New York
Refuse Disposal District Fund—
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance—Budget and Actual
Years Ended December 31, 2019 and 2018

	2019			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes on Real Property	\$ 42,920,793	\$ 42,920,793	\$ 42,920,793	\$ —
State Aid	—	—	201,754	201,754
Departmental Income	17,716,726	17,716,726	16,173,123	(1,543,603)
Earnings on Investments	397,934	397,934	401,651	3,717
Miscellaneous	90,000	90,000	83,910	(6,090)
Total Revenues	61,125,453	61,125,453	59,781,231	(1,344,222)
EXPENDITURES				
Current:				
General Government	4,787,983	4,806,983	4,273,477	533,506
Home and Community Services	65,339,749	65,281,952	62,025,425	3,256,527
Employee Benefits	1,441,604	1,479,401	1,407,323	72,078
Debt Service	2,021,278	2,022,278	2,016,527	5,751
Total Expenditures	73,590,614	73,590,614	69,722,752	3,867,862
Deficiency of Revenues Over Expenditures	(12,465,161)	(12,465,161)	(9,941,521)	2,523,640
OTHER FINANCING SOURCES (USES)				
Transfers In- General Fund	63,000	63,000	63,000	—
Transfers Out- Capital Projects Fund	—	—	—	—
Total Other Financing Sources (Uses)	63,000	63,000	63,000	—
Net Change in Fund Balance	(12,402,161)	(12,402,161)	(9,878,521)	2,523,640
FUND BALANCE				
Beginning of Year	12,402,161	12,402,161	37,253,968	24,851,807
End of Year	\$ —	\$ —	\$ 27,375,447	\$ 27,375,447

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Exhibit H-2

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 43,380,793	\$ 43,380,793	\$ 43,380,793	\$ —
—	—	385,724	385,724
19,442,085	19,442,085	17,755,586	(1,686,499)
373,543	373,543	408,724	35,181
90,000	90,000	73,066	(16,934)
63,286,421	63,286,421	62,003,893	(1,282,528)
4,707,450	4,737,050	4,396,291	340,759
65,680,581	64,641,581	61,982,225	2,659,356
1,445,396	1,454,396	1,299,960	154,436
2,089,545	2,089,945	2,089,582	363
73,922,972	72,922,972	69,768,058	3,154,914
(10,636,551)	(9,636,551)	(7,764,165)	1,872,386
40,000	40,000	40,000	—
—	(1,000,000)	(1,000,000)	—
40,000	(960,000)	(960,000)	—
(10,596,551)	(10,596,551)	(8,724,165)	1,872,386
10,596,551	10,596,551	45,978,133	35,381,582
\$ —	\$ —	\$ 37,253,968	\$ 37,253,968

County of Westchester, New York
Refuse Disposal District Fund—
Schedule of Expenditures Compared to Budget
Year Ended December 31, 2019

Exhibit H-3

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
General Government-				
Administration:				
Personal services	\$ 413,474	\$ 424,474	\$ 423,465	\$ 1,009
Materials and supplies	9,300	9,300	4,768	4,532
Contractual	4,365,209	4,373,209	3,845,244	527,965
	<u>4,787,983</u>	<u>4,806,983</u>	<u>4,273,477</u>	<u>533,506</u>
Home and Community Services:				
Mount Vernon Transfer Station:				
Personal services	53,025	58,025	56,056	1,969
Materials and supplies	91,369	91,369	64,949	26,420
Contractual	2,442,780	2,447,780	2,311,715	136,065
	<u>2,587,174</u>	<u>2,597,174</u>	<u>2,432,720</u>	<u>164,454</u>
Yonkers Transfer Station:				
Personal services	62,370	58,870	58,480	390
Materials and supplies	232,484	232,484	178,714	53,770
Contractual	3,463,116	3,436,616	3,423,510	13,106
	<u>3,757,970</u>	<u>3,727,970</u>	<u>3,660,704</u>	<u>67,266</u>
White Plains:				
Personal services	56,161	16,261	14,179	2,082
Materials and supplies	101,750	101,750	80,713	21,037
Contractual	2,558,121	2,578,121	2,425,967	152,154
	<u>2,716,032</u>	<u>2,696,132</u>	<u>2,520,859</u>	<u>175,273</u>
Recovery and Disposal:				
Personal services	412,729	475,332	475,239	93
Materials and supplies	141,967	141,967	90,778	51,189
Contractual	41,129,994	41,120,994	40,480,141	640,853
	<u>41,684,690</u>	<u>41,738,293</u>	<u>41,046,158</u>	<u>692,135</u>
Recycling:				
Personal services	935,680	862,680	860,873	1,807
Materials and supplies	73,500	73,500	46,979	26,521
Contractual	625,455	625,455	381,276	244,179
	<u>1,634,635</u>	<u>1,561,635</u>	<u>1,289,128</u>	<u>272,507</u>

continued

County of Westchester, New York

Exhibit H-3

Refuse Disposal District Fund—

Schedule of Expenditures Compared to Budget (cont'd)

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Material Recovery Facility:				
Personal services	\$ 51,435	\$ 51,435	\$ 51,435	\$ —
Materials and supplies	322,770	322,770	226,283	96,487
Contractual	12,585,043	12,586,543	10,798,138	1,788,405
	<u>12,959,248</u>	<u>12,960,748</u>	<u>11,075,856</u>	<u>1,884,892</u>
Total Home and Community Services	<u>65,339,749</u>	<u>65,281,952</u>	<u>62,025,425</u>	<u>3,256,527</u>
Employee Benefits:				
Administration	216,187	171,484	167,385	4,099
Mount Vernon Transfer Station	49,983	17,983	16,341	1,642
Yonkers Transfer Station	52,342	55,842	55,446	396
White Plains	50,775	28,775	15,540	13,235
Recovery and Disposal	323,767	346,767	344,161	2,606
Recycling	698,970	808,970	808,450	520
Material Recovery Facility	49,580	49,580	—	49,580
	<u>1,441,604</u>	<u>1,479,401</u>	<u>1,407,323</u>	<u>72,078</u>
Debt Service- Serial Bonds:				
Principal	1,613,406	1,614,406	1,613,406	1,000
Interest	407,872	407,872	403,121	4,751
	<u>2,021,278</u>	<u>2,022,278</u>	<u>2,016,527</u>	<u>5,751</u>
Total Expenditures	<u>\$ 73,590,614</u>	<u>\$ 73,590,614</u>	<u>\$ 69,722,752</u>	<u>\$ 3,867,862</u>

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County of Westchester, New York
Grants Fund—
Comparative Balance Sheet
December 31, 2019 and 2018

Exhibit I-1

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 34,033	\$ 255,789
Accounts Receivable	81,264	99,845
Due from Federal and State Governments	22,887,505	26,990,557
Due from Other Funds	<u>38,204,733</u>	<u>35,311,697</u>
Total Assets	<u><u>\$ 61,207,535</u></u>	<u><u>\$ 62,657,888</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities-		
Accounts Payable and Accrued Liabilities	\$ 56,129,399	\$ 53,023,975
Fund Balance-		
Assigned	<u>5,078,136</u>	<u>9,633,913</u>
Total Liabilities and Fund Balance	<u><u>\$ 61,207,535</u></u>	<u><u>\$ 62,657,888</u></u>

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County of Westchester, New York

Exhibit I-2

Grants Fund—

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

Years Ended December 31, 2019 and 2018

	2019	2018
REVENUES		
Federal Aid	\$ 43,861,383	\$ 52,092,259
State Aid	54,734,885	56,336,143
Departmental Income	11,108,877	8,763,294
Miscellaneous	2,368,528	6,789,975
Total Revenues	112,073,673	123,981,671
EXPENDITURES		
Current:		
General Government	4,362,629	6,015,300
Public Safety	16,690,063	15,903,043
Health Services	57,499,777	57,111,212
Transportation	2,612,021	2,435,214
Economic Assistance and Opportunity	37,754,524	41,252,793
Culture and Recreation	2,024,214	1,991,346
Home and Community Services	2,869,699	5,180,784
Total Expenditures	123,812,927	129,889,692
Deficiency of Revenues Over Expenditures	(11,739,254)	(5,908,021)
OTHER FINANCING SOURCES		
Transfers In	7,183,477	3,933,822
Net Change in Fund Balance	(4,555,777)	(1,974,199)
FUND BALANCE		
Beginning of Year	9,633,913	11,608,112
End of Year	\$ 5,078,136	\$ 9,633,913

See independent auditors' report

County of Westchester, New York
Capital Projects Fund—
Comparative Balance Sheet
December 31, 2019 and 2018

Exhibit J-1

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 125,231,536	\$ 92,024,126
Due from Federal and State Governments	150,365	14,734,843
Restricted Cash	<u>48,550,632</u>	<u>58,986,097</u>
Total Assets	<u><u>\$ 173,932,533</u></u>	<u><u>\$ 165,745,066</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 21,646,242	\$ 47,215,571
Bond Anticipation Notes Payable	62,280,800	54,186,800
Due to Other Funds	<u>71,077,960</u>	<u>62,462,646</u>
Total Liabilities	<u>155,005,002</u>	<u>163,865,017</u>
Fund Balance (Deficit):		
Restricted	18,927,531	3,333,436
Unassigned	<u>—</u>	<u>(1,453,387)</u>
Total Fund Balance	<u>18,927,531</u>	<u>1,880,049</u>
Total Liabilities and Fund Balance	<u><u>\$ 173,932,533</u></u>	<u><u>\$ 165,745,066</u></u>

See independent auditors' report

County of Westchester, New York

Exhibit J-2

Capital Projects Fund—

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

Years Ended December 31, 2019 and 2018

	2019	2018
REVENUES		
Federal Aid	\$ 35,009,540	\$ 21,343,012
State Aid	23,105,728	11,917,864
Earnings on Investments	1,264,939	892,933
Miscellaneous	2,418,689	2,222,394
Total Revenues	61,798,896	36,376,203
EXPENDITURES		
Debt Service:		
Costs of Issuance	579,824	284,161
Advance Refunding Escrow	1,394,683	—
	1,974,507	284,161
Capital Outlay:		
General Government	49,585,357	24,339,488
Education	9,322,766	4,604,491
Public Safety	4,101,274	2,986,264
Health Services	1,333,962	662,644
Transportation	70,578,905	78,913,809
Culture and Recreation	36,101,606	16,962,030
Home and Community Services	41,538,147	47,251,112
Total Capital Outlay	212,562,017	175,719,838
Total Expenditures	214,536,524	176,003,999
Deficiency of Revenues Over Expenditures	(152,737,628)	(139,627,796)
OTHER FINANCING SOURCES (USES)		
Bonds Issued	142,146,104	175,133,870
Bonds Premium	23,618,258	19,535,601
Refunding Bonds Issued	46,775,000	—
Premium on Refunding Bonds	5,265,278	—
Transfers In	8,010,871	13,473,466
Transfers Out	(2,896,073)	(1,360,702)
Payment to Refunded Bond Escrow Agent	(53,134,328)	—
Total Other Financing Sources	169,785,110	206,782,235
Net Change in Fund Balance	17,047,482	67,154,439
FUND BALANCE (DEFICIT)		
Beginning of Year	1,880,049	(65,274,390)
End of Year	\$ 18,927,531	\$ 1,880,049

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County of Westchester, New York Nonmajor Governmental Funds— Combining Balance Sheet

Exhibit K-1

December 31, 2019

(With Comparative Totals for 2018)

			Totals	
	Airport Fund	Combined Water Districts Fund	2019	Restated 2018
ASSETS				
Cash	\$ 22,454,629	\$ —	\$ 22,454,629	\$ 29,336,975
Accounts Receivable, Net	5,259,492	9,720,719	14,980,211	12,980,559
Due from Other Funds	—	3,006,661	3,006,661	1,419,912
Total Assets	\$ 27,714,121	\$ 12,727,380	\$ 40,441,501	\$ 43,737,446
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 4,342,461	\$ 8,058,693	\$ 12,401,154	\$ 9,699,204
Unearned Revenue	988,424	—	988,424	1,213,286
Total Liabilities	5,330,885	8,058,693	13,389,578	10,912,490
Fund Balance:				
Restricted	3,865,447	—	3,865,447	5,452,954
Assigned	18,517,789	4,668,687	23,186,476	27,372,002
Total Fund Balances	22,383,236	4,668,687	27,051,923	32,824,956
Total Liabilities and Fund Balances	\$ 27,714,121	\$ 12,727,380	\$ 40,441,501	\$ 43,737,446

See independent auditors' report

County of Westchester, New York

Nonmajor Governmental Funds—

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Exhibit K-2

Year Ended December 31, 2019
(With Comparative Totals for 2018)

			Totals	
	Airport Fund	Combined Water Districts Fund	2019	Restated 2018
REVENUES				
Taxes on Real Property	\$ —	\$ 2,722,285	\$ 2,722,285	\$ 2,279,971
Departmental Income	48,334,896	17,553,252	65,888,148	64,599,670
Earnings on Investments	107,481	5,758	113,239	192,133
Miscellaneous	5,043,524	142,619	5,186,143	3,254,307
Total Revenues	53,485,901	20,423,914	73,909,815	70,326,081
EXPENDITURES				
Current:				
Transportation	43,977,017	—	43,977,017	41,945,799
Home and Community Services	—	19,201,870	19,201,870	18,650,988
Employee Benefits	3,237,550	384,872	3,622,422	3,790,355
Debt Service:				
Principal	1,061,821	1,213,587	2,275,408	1,090,241
Interest	406,645	956,202	1,362,847	936,725
Capital Outlay	3,524,952	674,808	4,199,760	4,431,879
Total Expenditures	52,207,985	22,431,339	74,639,324	70,845,987
Excess (Deficiency) of Revenues Over Expenditures	1,277,916	(2,007,425)	(729,509)	(519,906)
OTHER FINANCING SOURCES (USES)				
Transfers In	—	—	—	32,419
Transfers Out	(5,043,524)	—	(5,043,524)	(7,793,782)
Total Other Financing Uses	(5,043,524)	—	(5,043,524)	(7,761,363)
Net Change in Fund Balances	(3,765,608)	(2,007,425)	(5,773,033)	(8,281,269)
FUND BALANCE				
Beginning of Year, as reported	26,148,844	6,676,112	32,824,956	31,581,417
Prior Period Adjustment	—	—	—	9,524,808
Beginning of Year, as restated	26,148,844	6,676,112	32,824,956	41,106,225
End of Year	\$ 22,383,236	\$ 4,668,687	\$ 27,051,923	\$ 32,824,956

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County of Westchester, New York

Airport Fund—

Comparative Balance Sheet

December 31, 2019 and 2018

Exhibit L-1

	2019	Restated 2018
ASSETS		
Cash	\$ 22,454,629	\$ 25,336,975
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$797,283 in 2019 and 2018	5,259,492	4,847,625
Total Assets	<u>\$ 27,714,121</u>	<u>\$ 30,184,600</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 4,342,461	\$ 2,822,470
Unearned Revenue	988,424	1,213,286
Total Liabilities	<u>5,330,885</u>	<u>4,035,756</u>
Fund Balance:		
Restricted	3,865,447	5,452,254
Assigned	18,517,789	20,696,590
Total Fund Balance	<u>22,383,236</u>	<u>26,148,844</u>
Total Liabilities and Fund Balance	<u>\$ 27,714,121</u>	<u>\$ 30,184,600</u>

See independent auditors' report

County of Westchester, New York
Airport Fund—
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance—Budget and Actual
Years Ended December 31, 2019 and 2018

	2019			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental Income	\$ 46,036,629	\$ 46,036,629	\$ 48,334,896	\$ 2,298,267
Earnings on Investments	90,000	90,000	107,481	17,481
Miscellaneous	3,000,000	5,844,000	5,043,524	(800,476)
Total Revenues	49,126,629	51,970,629	53,485,901	1,515,272
EXPENDITURES				
Current:				
Transportation	43,870,729	44,519,869	43,977,017	542,852
Employee Benefits	3,691,030	3,237,550	3,237,550	—
Debt Service	1,549,520	1,468,466	1,468,466	—
Capital Outlay	3,553,604	3,530,846	3,524,952	5,894
Total Expenditures	52,664,883	52,756,731	52,207,985	548,746
Excess (Deficiency) of Revenues Over Expenditures	(3,538,254)	(786,102)	1,277,916	2,064,018
OTHER FINANCING USES				
Transfers Out- Capital Projects Fund	(3,000,000)	(5,752,152)	(5,043,524)	708,628
Net Change in Fund Balance	(6,538,254)	(6,538,254)	(3,765,608)	2,772,646
FUND BALANCE				
Beginning of Year, as reported	6,538,254	6,538,254	26,148,844	19,610,590
Prior Period Adjustment	—	—	—	—
Beginning of Year, as restated	6,538,254	6,538,254	26,148,844	19,610,590
End of Year	\$ —	\$ —	\$ 22,383,236	\$ 22,383,236

See independent auditors' report

Exhibit L-2

2018 (Restated)			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 46,189,693	\$ 48,832,693	\$ 47,894,103	\$ (938,590)
65,000	65,000	153,639	88,639
4,000,000	7,257,000	3,185,071	(4,071,929)
50,254,693	56,154,693	51,232,813	(4,921,880)
42,214,116	42,510,848	41,945,799	565,049
2,506,578	3,439,578	3,438,213	1,365
800,077	830,420	792,270	38,150
2,940,468	4,281,468	4,280,530	938
48,461,239	51,062,314	50,456,812	605,502
1,793,454	5,092,379	776,001	(4,316,378)
(4,254,159)	(7,553,084)	(7,552,625)	459
(2,460,705)	(2,460,705)	(6,776,624)	(4,315,919)
2,460,705	2,460,705	23,400,660	20,939,955
—	—	9,524,808	9,524,808
2,460,705	2,460,705	32,925,468	30,464,763
\$ —	\$ —	\$ 26,148,844	\$ 26,148,844

County of Westchester, New York

Airport Fund—

Schedule of Expenditures and Other Financing Uses Compared to Budget

Exhibit L-3

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
Current:				
Transportation:				
Personal services	\$ 9,743,087	\$ 10,539,567	\$ 10,539,249	\$ 318
Equipment	585,526	242,526	61,186	181,340
Materials and supplies	2,063,036	2,063,037	2,053,178	9,859
Contractual	31,479,080	31,674,739	31,323,404	351,335
	<u>43,870,729</u>	<u>44,519,869</u>	<u>43,977,017</u>	<u>542,852</u>
Employee Benefits	<u>3,691,030</u>	<u>3,237,550</u>	<u>3,237,550</u>	<u>—</u>
Debt Service:				
Serial Bonds:				
Principal	1,125,262	1,061,821	1,061,821	—
Interest	<u>424,258</u>	<u>406,645</u>	<u>406,645</u>	<u>—</u>
Total Debt Service	<u>1,549,520</u>	<u>1,468,466</u>	<u>1,468,466</u>	<u>—</u>
Capital Outlay	<u>3,553,604</u>	<u>3,530,846</u>	<u>3,524,952</u>	<u>5,894</u>
Total Expenditures	52,664,883	52,756,731	52,207,985	548,746
OTHER FINANCING USES				
Transfers Out-				
Capital Projects Fund	<u>3,000,000</u>	<u>5,752,152</u>	<u>5,043,524</u>	<u>708,628</u>
Total Expenditures and Other Financing Uses	<u>\$ 55,664,883</u>	<u>\$ 58,508,883</u>	<u>\$ 57,251,509</u>	<u>\$ 1,257,374</u>

See independent auditors' report

County of Westchester, New York Combined Water Districts Fund— Comparative Balance Sheet

Exhibit M-1

December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash	\$ —	\$ 4,000,000
Accounts Receivable	9,720,719	8,132,934
Due from Other Funds	3,006,661	1,419,912
Total Assets	<u>\$ 12,727,380</u>	<u>\$ 13,552,846</u>
LIABILITIES AND FUND BALANCE		
Liabilities-		
Accounts Payable and Accrued Liabilities	\$ 8,058,693	\$ 6,876,734
Fund Balance-		
Assigned	<u>4,668,687</u>	<u>6,676,112</u>
Total Liabilities and Fund Balance	<u>\$ 12,727,380</u>	<u>\$ 13,552,846</u>

See independent auditors' report

County of Westchester, New York

Exhibit M-2

Water Districts Fund—

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2019

	County Water District No. 1	County Water District No. 2	County Water District No. 3	County Water District No. 4	Totals
REVENUES	\$ 18,352,515	\$ 7,054	\$ 2,061,707	\$ 2,638	\$ 20,423,914
EXPENDITURES	19,756,994	7,090	2,667,255	—	22,431,339
Excess (Deficiency) of Revenues Over Expenditures	(1,404,479)	(36)	(605,548)	2,638	(2,007,425)
FUND BALANCES					
Beginning of Year	2,607,022	484	3,744,500	324,106	6,676,112
End of Year	<u>\$ 1,202,543</u>	<u>\$ 448</u>	<u>\$ 3,138,952</u>	<u>\$ 326,744</u>	<u>\$ 4,668,687</u>

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County of Westchester, New York
Combined Water Districts Fund—
Comparative Schedule of Revenues, Expenditures
and Changes in Fund Balance—Budget and Actual
Years Ended December 31, 2019 and 2018

	2019			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes on Real Property	\$ 2,722,285	\$ 2,722,285	\$ 2,722,285	\$ —
Departmental Income	18,520,000	18,520,000	17,553,252	(966,748)
Earnings on Investments	23,521	23,521	5,758	(17,763)
Miscellaneous	145,099	145,099	142,619	(2,480)
Total Revenues	21,410,905	21,410,905	20,423,914	(986,991)
EXPENDITURES				
Current:				
Home and Community Services	20,596,097	20,015,097	19,201,870	813,227
Employee Benefits	492,966	483,966	384,872	99,094
Debt Service	2,274,956	2,520,956	2,169,789	351,167
Capital Outlay	375,112	719,112	674,808	44,304
Total Expenditures	23,739,131	23,739,131	22,431,339	1,307,792
Deficiency of Revenues Over Expenditures	(2,328,226)	(2,328,226)	(2,007,425)	320,801
OTHER FINANCING SOURCES (USES)				
Transfers In	—	—	—	—
Transfers Out	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	—
Net Change in Fund Balance	(2,328,226)	(2,328,226)	(2,007,425)	320,801
FUND BALANCE				
Beginning of Year	2,328,226	2,328,226	6,676,112	4,347,886
End of Year	\$ —	\$ —	\$ 4,668,687	\$ 4,668,687

See independent auditors' report

Exhibit M-3

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 2,279,971	\$ 2,279,971	\$ 2,279,971	\$ —
18,960,000	18,960,000	16,705,567	(2,254,433)
26,000	26,000	38,494	12,494
145,143	145,143	69,236	(75,907)
21,411,114	21,411,114	19,093,268	(2,317,846)
21,491,017	21,398,017	18,650,988	2,747,029
496,886	496,886	352,142	144,744
858,535	1,238,535	1,234,696	3,839
500,010	213,010	151,349	61,661
23,346,448	23,346,448	20,389,175	2,957,273
(1,935,334)	(1,935,334)	(1,295,907)	639,427
—	—	32,419	32,419
(241,157)	(241,157)	(241,157)	—
(241,157)	(241,157)	(208,738)	32,419
(2,176,491)	(2,176,491)	(1,504,645)	671,846
2,176,491	2,176,491	8,180,757	6,004,266
\$ —	\$ —	\$ 6,676,112	\$ 6,676,112

County of Westchester, New York
Combined Water Districts Fund—
Schedule of Revenues Compared to Budget
Year Ended December 31, 2019

Exhibit M-4

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes on Real Property-				
County Water District No. 1	\$ 2,722,285	\$ 2,722,285	\$ 2,722,285	\$ —
Departmental Income:				
County Water District No. 1	16,320,000	16,320,000	15,494,665	(825,335)
County Water District No. 3	2,200,000	2,200,000	2,058,587	(141,413)
	<u>18,520,000</u>	<u>18,520,000</u>	<u>17,553,252</u>	<u>(966,748)</u>
Earnings on Investments:				
County Water District No. 1	4,259	4,259	—	(4,259)
County Water District No. 3	18,262	18,262	3,120	(15,142)
County Water District No. 4	1,000	1,000	2,638	1,638
	<u>23,521</u>	<u>23,521</u>	<u>5,758</u>	<u>(17,763)</u>
Miscellaneous:				
County Water District No. 1	135,099	135,099	135,565	466
County Water District No. 2	10,000	10,000	7,054	(2,946)
	<u>145,099</u>	<u>145,099</u>	<u>142,619</u>	<u>(2,480)</u>
Total Revenues	<u>\$ 21,410,905</u>	<u>\$ 21,410,905</u>	<u>\$ 20,423,914</u>	<u>\$ (986,991)</u>

See independent auditors' report

County of Westchester, New York
Combined Water Districts Fund—
Schedule of Expenditures Compared to Budget
Year Ended December 31, 2019

Exhibit M-5

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EXPENDITURES				
Home and Community Services:				
County Water District No. 1:				
Personal services	\$ 352,044	\$ 361,044	\$ 278,530	\$ 82,514
Equipment	53,310	53,310	29,145	24,165
Materials and supplies	17,127,165	16,713,165	16,360,253	352,912
Contractual	1,357,318	1,129,318	1,121,229	8,089
	<u>18,889,837</u>	<u>18,256,837</u>	<u>17,789,157</u>	<u>467,680</u>
County Water District No. 2 -				
Contractual	10,000	10,000	7,090	2,910
County Water District No. 3:				
Personal services	291,533	291,533	245,498	46,035
Equipment	58,310	58,310	36,490	21,820
Materials and supplies	701,082	701,082	649,204	51,878
Contractual	644,335	696,335	474,431	221,904
	<u>1,695,260</u>	<u>1,747,260</u>	<u>1,405,623</u>	<u>341,637</u>
County Water District No. 4 -				
Contractual	1,000	1,000	—	1,000
Total Home and Community Services	<u>20,596,097</u>	<u>20,015,097</u>	<u>19,201,870</u>	<u>813,227</u>
Employee Benefits:				
County Water District No. 1	272,214	263,214	184,146	79,068
County Water District No. 3	220,752	220,752	200,726	20,026
	<u>492,966</u>	<u>483,966</u>	<u>384,872</u>	<u>99,094</u>
Debt Service:				
Principal-				
Serial Bonds:				
County Water District No. 1	548,962	683,962	683,906	56
County Water District No. 3	792,291	742,291	529,681	212,610
	<u>1,341,253</u>	<u>1,426,253</u>	<u>1,213,587</u>	<u>212,666</u>
Interest:				
Serial Bonds:				
County Water District No. 1	444,065	605,065	604,103	962
County Water District No. 3	489,638	489,638	352,099	137,539
	<u>933,703</u>	<u>1,094,703</u>	<u>956,202</u>	<u>138,501</u>
Total Debt Service	<u>2,274,956</u>	<u>2,520,956</u>	<u>2,169,789</u>	<u>351,167</u>

continued

County of Westchester, New York

Exhibit M-5

Combined Water Districts Fund—

Schedule of Expenditures Compared to Budget (cont'd)

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Outlay:				
County Water District No. 1	\$ 150,052	\$ 496,052	\$ 495,682	\$ 370
County Water District No. 3	225,060	223,060	179,126	43,934
	<u>375,112</u>	<u>719,112</u>	<u>674,808</u>	<u>44,304</u>
Total Expenditures	<u>\$ 23,739,131</u>	<u>\$ 23,739,131</u>	<u>\$ 22,431,339</u>	<u>\$ 1,307,792</u>

See independent auditors' report

County of Westchester, New York

Internal Service Funds—

Combining Statement of Net Position

December 31, 2019
(With Comparative Totals for 2018)

Exhibit N-1

	Health Insurance Fund	Casualty Reserve Fund	Workers' Compensation Reserve Fund	Totals	
				2019	2018
ASSETS					
Cash	\$ 1,000,000	\$ 10,543,785	\$ 7,304,377	\$ 18,848,162	\$ 18,047,756
Investments	—	31,322,809	—	31,322,809	30,731,875
Accounts Receivable	5,231,066	460,160	—	5,691,226	6,223,534
Due from Other Funds	26,653,551	—	—	26,653,551	26,314,448
Total Assets	32,884,617	42,326,754	7,304,377	82,515,748	81,317,613
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	1,897,935	56,382	305,652	2,259,969	4,285,207
Current Portion of Claims Payable	19,000,000	2,908,600	5,141,000	27,049,600	26,683,600
Due to Other Funds	—	683,876	1,889,438	2,573,314	820,601
Total Current Liabilities	20,897,935	3,648,858	7,336,090	31,882,883	31,789,408
Non-Current Liabilities-					
Claims Payable, Less Current Portion	—	26,177,400	46,269,000	72,446,400	69,152,400
Total Liabilities	20,897,935	29,826,258	53,605,090	104,329,283	100,941,808
NET POSITION					
Unrestricted	\$ 11,986,682	\$ 12,500,496	\$ (46,300,713)	\$ (21,813,535)	\$ (19,624,195)

See independent auditors' report

County of Westchester, New York Internal Service Funds—

Exhibit N-2

Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2019
(With Comparative Totals for 2018)

	Health Insurance Fund	Casualty Reserve Fund	Workers' Compensation Reserve Fund	Totals
				2019 2018
OPERATING REVENUES				
Charges for services	\$ 202,142,593	\$ 1,666,350	\$ 11,700,122	\$ 215,509,065 \$ 201,627,719
OPERATING EXPENSES				
Claims	—	5,053,527	11,573,652	16,627,179 19,690,567
Claims adjustments	—	1,130,000	2,530,000	3,660,000 926,000
Employee benefits	200,035,398	—	—	200,035,398 192,702,486
Total Operating Expenses	200,035,398	6,183,527	14,103,652	220,322,577 213,319,053
Income (Loss) from Operations	2,107,195	(4,517,177)	(2,403,530)	(4,813,512) (11,691,334)
NONOPERATING REVENUES (EXPENSES)				
Earnings on investments	135,832	1,774,073	80,653	1,990,558 2,145,879
Net change in fair value of investments	—	633,614	—	633,614 (1,374,508)
Total Nonoperating Revenues	135,832	2,407,687	80,653	2,624,172 771,371
Change in Net Position	2,243,027	(2,109,490)	(2,322,877)	(2,189,340) (10,919,963)
NET POSITION				
Beginning of year	9,743,655	14,609,986	(43,977,836)	(19,624,195) (8,704,232)
Ending of year	\$ 11,986,682	\$ 12,500,496	\$ (46,300,713)	\$ (21,813,535) \$ (19,624,195)

See independent auditors' report

County of Westchester, New York

Internal Service Funds—

Combining Statement of Cash Flows

Year Ended December 31, 2019
(With Comparative Totals for 2018)

Exhibit N-3

	Health Insurance Fund	Casualty Reserve Fund	Workers' Compensation Reserve Fund	Totals	
				2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	\$ 202,674,901	\$ 1,666,350	\$ 11,700,122	\$ 216,041,373	\$ 199,910,817
Payments to providers and claimants	(201,953,236)	(5,071,625)	(11,662,954)	(218,687,815)	(209,627,389)
Net Cash from Operating Activities	721,665	(3,405,275)	37,168	(2,646,442)	(9,716,572)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances from (to) other funds	(857,497)	—	518,394	(339,103)	1,915,286
Payments from (to) other funds	—	(136,725)	1,889,438	1,752,713	(775,431)
Net Cash from Noncapital Financing Activities	(857,497)	(136,725)	2,407,832	1,413,610	1,139,855
CASH FLOWS FROM INVESTING ACTIVITIES					
Earnings on investments	135,832	1,816,753	80,653	2,033,238	2,196,657
Sale of investments	—	—	—	—	2,450,000
Net Cash from Investing Activities	135,832	1,816,753	80,653	2,033,238	4,646,657
Net Change in Cash	—	(1,725,247)	2,525,653	800,406	(3,930,060)
CASH					
Beginning of year	1,000,000	12,269,032	4,778,724	18,047,756	21,977,816
End of year	\$ 1,000,000	\$ 10,543,785	\$ 7,304,377	\$ 18,848,162	\$ 18,047,756
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES					
Income (loss) from operations	\$ 2,107,195	\$ (4,517,177)	\$ (2,403,530)	\$ (4,813,512)	\$ (11,691,334)
Adjustments to reconcile income (loss) from operations to net cash from operating activities					
Changes in assets and liabilities					
Accounts receivable	532,308	—	—	532,308	(1,716,902)
Accounts payable and accrued liabilities	(1,917,838)	(18,098)	(89,302)	(2,025,238)	3,265,664
Claims payable	—	1,130,000	2,530,000	3,660,000	426,000
Net Cash from Operating Activities	\$ 721,665	\$ (3,405,275)	\$ 37,168	\$ (2,646,442)	\$ (9,716,572)
Noncash Investing Activities-					
Change in fair value of investments	\$ —	\$ 633,614	\$ —	\$ 633,614	\$ (1,374,508)
See independent auditors' report					

County of Westchester, New York

Internal Service Fund-Health Insurance Fund

Comparative Statement of Net Position

Exhibit N-4

December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash	\$ 1,000,000	\$ 1,000,000
Accounts Receivable	5,231,066	5,763,374
Due from Other Funds	26,653,551	25,796,054
Total Assets	32,884,617	32,559,428
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	1,897,935	3,815,773
Claims Payable	19,000,000	19,000,000
Total Liabilities	20,897,935	22,815,773
NET POSITION		
Unrestricted	\$ 11,986,682	\$ 9,743,655

See independent auditors' report

County of Westchester, New York

Internal Service Fund-Health Insurance Fund

Comparative Statement of Revenues, Expenses and Changes in Net Position

Exhibit N-5

Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for services	\$ 202,142,593	\$ 189,161,317
OPERATING EXPENSES		
Employee benefits	<u>200,035,398</u>	<u>192,702,486</u>
Income (Loss) from Operations	2,107,195	(3,541,169)
NONOPERATING REVENUES		
Earnings on investments	<u>135,832</u>	<u>201,717</u>
Change in Net Position	2,243,027	(3,339,452)
NET POSITION		
Beginning of year	<u>9,743,655</u>	<u>13,083,107</u>
End of year	<u><u>\$ 11,986,682</u></u>	<u><u>\$ 9,743,655</u></u>

See independent auditors' report

County of Westchester, New York

Internal Service Fund-Health Insurance Fund

Comparative Statement of Cash Flows

Years Ended December 31, 2019 and 2018

Exhibit N-6

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 202,674,901	\$ 187,444,415
Payments to providers and claimants	(201,953,236)	(190,079,812)
Net Cash from Operating Activities	721,665	(2,635,397)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances from (to) other funds	(857,497)	2,433,680
CASH FLOWS FROM INVESTING ACTIVITIES		
Earnings on investments	135,832	201,717
Net Change in Cash	—	—
CASH		
Beginning of year	1,000,000	1,000,000
End of year	\$ 1,000,000	\$ 1,000,000
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ 2,107,195	\$ (3,541,169)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	532,308	(1,716,902)
Accounts payable and accrued liabilities	(1,917,838)	3,122,674
Claims payable	-	(500,000)
Net Cash from Operating Activities	\$ 721,665	\$ (2,635,397)

See independent auditors' report

County of Westchester, New York

Internal Service Fund-Casualty Reserve Fund

Comparative Statement of Net Position

Exhibit N-7

December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash	\$ 10,543,785	\$ 12,269,032
Investments	31,322,809	30,731,875
Accounts Receivable	460,160	460,160
Total Assets	42,326,754	43,461,067
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	56,382	74,480
Current Portion of Claims Payable	2,908,600	2,795,600
Due to Other Funds	683,876	820,601
Total Current Liabilities	3,648,858	3,690,681
Non-Current Liabilities-		
Claims Payable, Less Current Portion	26,177,400	25,160,400
Total Liabilities	29,826,258	28,851,081
NET POSITION		
Unrestricted	\$ 12,500,496	\$ 14,609,986

See independent auditors' report

County of Westchester, New York

Internal Service Fund-Casualty Reserve Fund

Comparative Statement of Revenues, Expenses and Changes in Net Position

Exhibit N-8

Years Ended December 31, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Charges for services	\$ 1,666,350	\$ 125,000
OPERATING EXPENSES		
Claims	5,053,527	7,804,144
Claims adjustments	1,130,000	(5,054,000)
Total Operating Expenses	6,183,527	2,750,144
Loss from Operations	(4,517,177)	(2,625,144)
NONOPERATING REVENUES (EXPENSES)		
Earnings on investments	1,774,073	1,858,562
Net change in fair value of investments	633,614	(1,374,508)
Total Nonoperating Revenues	2,407,687	484,054
Change in Net Position	(2,109,490)	(2,141,090)
NET POSITION		
Beginning of year	14,609,986	16,751,076
End of year	\$ 12,500,496	\$ 14,609,986

See independent auditors' report

County of Westchester, New York

Internal Service Fund-Casualty Reserve Fund

Comparative Statement of Cash Flows

Years Ended December 31, 2019 and 2018

Exhibit N-9

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 1,666,350	\$ 125,000
Payments to providers and claimants	(5,071,625)	(7,744,634)
Net Cash from Operating Activities	(3,405,275)	(7,619,634)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments to other funds	(136,725)	(89,365)
CASH FLOWS FROM INVESTING ACTIVITIES		
Earnings on investments	1,816,753	1,909,340
Sale of investments	—	2,450,000
Net Cash from Investing Activities	1,816,753	4,359,340
Net Change in Cash	(1,725,247)	(3,349,659)
CASH		
Beginning of year	12,269,032	15,618,691
End of year	<u>\$ 10,543,785</u>	<u>\$ 12,269,032</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (4,517,177)	\$ (2,625,144)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts payable and accrued liabilities	(18,098)	59,510
Claims payable	1,130,000	(5,054,000)
Net Cash from Operating Activities	<u>\$ (3,405,275)</u>	<u>\$ (7,619,634)</u>
Noncash investing activities-Change in fair value of investments	\$ 633,614	\$ (1,374,508)

See independent auditors' report

County of Westchester, New York

Internal Service Fund-Workers' Compensation Reserve Fund

Exhibit N-10

Comparative Statement of Net Position

December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash	\$ 7,304,377	\$ 4,778,724
Due from Other Funds	—	518,394
Total Assets	7,304,377	5,297,118
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	305,652	394,954
Current Portion of Claims Payable	5,141,000	4,888,000
Due to Other Funds	1,889,438	—
Total Current Liabilities	7,336,090	5,282,954
Non-Current Liabilities-		
Claims Payable, Less Current Portion	46,269,000	43,992,000
Total Liabilities	53,605,090	49,274,954
NET POSITION		
Unrestricted	\$ (46,300,713)	\$ (43,977,836)

See independent auditors' report

County of Westchester, New York
Internal Service Fund-Workers' Compensation
Reserve Fund

Exhibit N-11

Comparative Statement of Revenues, Expenses and
Changes in Net Position

Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for services	\$ 11,700,122	\$ 12,341,402
OPERATING EXPENSES		
Claims	11,573,652	11,886,423
Claims adjustments	<u>2,530,000</u>	<u>5,980,000</u>
Total Operating Expenses	<u>14,103,652</u>	<u>17,866,423</u>
Loss From Operations	(2,403,530)	(5,525,021)
NONOPERATING REVENUES		
Earnings on investments	<u>80,653</u>	<u>85,600</u>
Change in Net Position	(2,322,877)	(5,439,421)
NET POSITION		
Beginning of year	<u>(43,977,836)</u>	<u>(38,538,415)</u>
End of year	<u><u>\$ (46,300,713)</u></u>	<u><u>\$ (43,977,836)</u></u>

See independent auditors' report

County of Westchester, New York

Internal Service Fund-Workers' Compensation Reserve Fund

Exhibit N-12

Comparative Statement of Cash Flows

Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 11,700,122	\$ 12,341,402
Payments to providers and claimants	(11,662,954)	(11,802,943)
Net Cash from Operating Activities	37,168	538,459
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances from (to) other funds	518,394	(518,394)
Payments from (to) other funds	1,889,438	(686,066)
Net Cash from Noncapital Financing Activities	2,407,832	(1,204,460)
CASH FLOWS FROM INVESTING ACTIVITIES		
Earnings on investments	80,653	85,600
Net Change in Cash	2,525,653	(580,401)
CASH		
Beginning of year	4,778,724	5,359,125
End of year	\$ 7,304,377	\$ 4,778,724
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (2,403,530)	\$ (5,525,021)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts payable and accrued liabilities	(89,302)	83,480
Claims payable	2,530,000	5,980,000
Net Cash from Operating Activities	\$ 37,168	\$ 538,459

See independent auditors' report

County of Westchester, New York

Fiduciary Funds-Agency Fund

Statement of Changes in Assets and Liabilities

Year Ended December 31, 2019

Exhibit O-1

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
ASSETS				
Cash	\$ 62,354,351	\$ 206,558,372	\$ 234,695,288	\$ 34,217,435
Accounts Receivable	18,857,503	3,865,200	2,943,921	19,778,782
Restricted Investments	4,341,866	674,365	1,694,523	3,321,708
Due from Other Funds	38,741,158	46,951,724	—	85,692,882
Total Assets	<u>\$ 124,294,878</u>	<u>\$ 258,049,661</u>	<u>\$ 239,333,732</u>	<u>\$ 143,010,807</u>
LIABILITIES				
Accounts Payable	\$ 39,174,871	\$ 329,126,663	\$ 314,257,599	\$ 54,043,935
Securities and Deposits Payable	85,120,007	54,115,265	50,268,400	88,966,872
Total Liabilities	<u>\$ 124,294,878</u>	<u>\$ 383,241,928</u>	<u>\$ 364,525,999</u>	<u>\$ 143,010,807</u>

See independent auditors' report

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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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 1,512,274,390	\$ 1,410,540,739	\$ 1,508,027,858	\$ 1,563,467,927
Restricted	132,880,412	133,499,860	169,690,881	151,927,913
Unrestricted	<u>(477,936,607)</u>	<u>(498,312,343)</u>	<u>(692,239,589)</u>	<u>(837,096,228)</u>
Total Governmental Activities Net Position	<u>1,167,218,195</u>	<u>1,045,728,256</u>	<u>985,479,150</u>	<u>878,299,612</u>
Business Type Activities				
Unrestricted	<u>(136,167,147)</u>	<u>(135,348,332)</u>	<u>(134,460,513)</u>	<u>(134,803,650)</u>
Primary Government				
Net Investment in Capital Assets	1,512,274,390	1,410,540,739	1,508,027,858	1,563,467,927
Restricted	132,880,412	133,499,860	169,690,881	151,927,913
Unrestricted	<u>(614,103,754)</u>	<u>(633,660,675)</u>	<u>(826,700,102)</u>	<u>(971,899,878)</u>
Total Primary Government Net Position	<u>\$ 1,031,051,048</u>	<u>\$ 910,379,924</u>	<u>\$ 851,018,637</u>	<u>\$ 743,495,962</u>

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

(2) Reflects initial implementation of Governmental Accounting Standards Board Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

See independent auditors' report

EXHIBIT P-1

2014	2015 (1)	2016	2017	2018 (2)	2019
\$ 1,613,492,531	\$ 1,658,285,180	\$ 1,753,165,275	\$ 1,793,471,564	\$ 1,880,534,602	\$ 1,980,284,625
124,398,927	63,923,451	62,249,420	60,388,898	34,501,162	29,294,958
(927,243,769)	(982,643,262)	(1,170,056,203)	(1,328,488,962)	(3,164,438,586)	(3,307,350,462)
810,647,689	739,565,369	645,358,492	525,371,500	(1,249,402,822)	(1,297,770,879)
(133,976,662)	(121,543,599)	(156,694,176)	(154,052,677)	(151,947,383)	(148,268,300)
1,613,492,531	1,658,285,180	1,753,165,275	1,793,471,564	1,880,534,602	1,980,284,625
124,398,927	63,923,451	62,249,420	60,388,898	34,501,162	29,294,958
(1,061,220,431)	(1,104,186,861)	(1,326,750,379)	(1,482,541,639)	(3,316,385,969)	(3,455,618,762)
\$ 676,671,027	\$ 618,021,770	\$ 488,664,316	\$ 371,318,823	\$ (1,401,350,205)	\$ (1,446,039,179)

County of Westchester, New York
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013
Expenses				
Governmental Activities				
General Government	\$ 275,381,697	\$ 281,693,028	\$ 285,730,753	\$ 289,820,252
Education	176,013,742	174,141,492	168,494,282	161,303,912
Public Safety	434,270,886	436,490,155	430,680,536	451,204,516
Health Services	160,066,067	139,766,299	132,576,877	126,285,794
Transportation	201,937,897	208,099,907	202,375,900	214,498,616
Economic Assistance and Opportunity	725,664,366	724,323,837	709,289,880	688,405,478
Culture and Recreation	81,415,850	76,636,386	76,325,202	79,758,239
Home and Community Services	178,060,226	186,540,298	184,828,152	186,145,497
Interest	34,055,737	32,784,042	37,573,729	38,416,704
	<u>2,266,866,468</u>	<u>2,260,475,444</u>	<u>2,227,875,311</u>	<u>2,235,839,008</u>
Business Type Activities				
Westchester Tobacco Asset				
Securitization Corporation	11,513,291	11,422,592	11,339,462	11,163,769
Total Primary Government Expenses	<u>2,278,379,759</u>	<u>2,271,898,036</u>	<u>2,239,214,773</u>	<u>2,247,002,777</u>
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	40,666,354	36,499,615	39,296,129	39,379,757
Public Safety	23,191,596	25,653,279	24,932,464	22,844,187
Health Services	25,827,933	23,105,113	21,156,215	12,745,210
Transportation	77,066,054	79,517,138	80,037,954	80,580,841
Economic Assistance and Opportunity	3,397,939	3,111,220	4,432,946	3,996,472
Culture and Recreation	32,761,570	30,772,476	30,659,066	28,598,695
Home and Community Services	36,308,633	38,396,783	38,781,997	38,383,892
Operating Grants and Contributions	577,038,831	556,248,859	553,813,860	543,156,158
Capital Grants and Contributions	19,326,137	29,498,198	31,746,206	32,254,612
Total Primary Government Program Revenues	<u>835,585,047</u>	<u>822,802,681</u>	<u>824,856,837</u>	<u>801,939,824</u>
Net (Expense)/Revenue				
Governmental Activities	(1,431,281,421)	(1,437,672,763)	(1,403,018,474)	(1,433,899,184)
Business Type Activities	(11,513,291)	(11,422,592)	(11,339,462)	(11,163,769)
	<u>(1,442,794,712)</u>	<u>(1,449,095,355)</u>	<u>(1,414,357,936)</u>	<u>(1,445,062,953)</u>
General Revenues				
Governmental Activities				
Taxes on Real Property	702,408,897	692,440,664	695,053,337	694,904,941
Sales Tax	443,664,756	453,013,940	460,997,517	489,522,517
Auto Use Tax	14,821,113	15,124,111	14,771,666	15,375,989
Harness Racing Admissions Tax	2,705	5,510	5,966	5,581
Hotel Tax	4,751,110	5,169,840	5,298,409	5,306,491
Mortgage Tax	12,969,204	13,079,307	13,798,860	16,997,949
Payments in Lieu of Taxes	8,927,211	10,184,593	11,323,377	10,566,714
Intergovernmental Transfer	57,424,123	72,845,000	59,355,000	49,652,000
Earnings on Investments	9,828,213	8,861,660	8,800,234	9,455,437
Miscellaneous	36,635,418	43,603,484	49,804,962	32,832,775
Transfers	1,818,337	1,854,715	1,852,337	2,099,252
Gain on Sale of Real Property	—	—	—	—
Total Governmental Activities	<u>1,293,251,087</u>	<u>1,316,182,824</u>	<u>1,321,061,665</u>	<u>1,326,719,646</u>
Business Type Activities				
Earnings on Investments	579,129	579,681	580,347	579,599
Tobacco Revenues	13,253,785	13,516,441	13,499,271	15,290,831
Transfers	(1,818,337)	(1,854,715)	(1,852,337)	(2,099,252)
Total Business Type Activities	<u>12,014,577</u>	<u>12,241,407</u>	<u>12,227,281</u>	<u>13,771,178</u>
Total General Revenues	<u>1,305,265,664</u>	<u>1,328,424,231</u>	<u>1,333,288,946</u>	<u>1,340,490,824</u>
Changes in Net Position				
Governmental Activities	(138,030,334)	(121,489,939)	(81,956,809)	(107,179,538)
Business Type Activities	501,286	818,815	887,819	2,607,409
	<u>\$ (137,529,048)</u>	<u>\$ (120,671,124)</u>	<u>\$ (81,068,990)</u>	<u>\$ (104,572,129)</u>

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

(2) Reflects initial implementation of Governmental Accounting Standards Board Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

See independent auditors' report

EXHIBIT P-2

2014	2015 (1)	2016	2017	2018 (2)	2019
\$ 279,498,075	\$ 292,920,535	\$ 311,773,179	\$ 288,564,954	\$ 319,930,591	\$ 342,175,705
170,899,799	170,212,825	171,190,010	159,818,491	165,254,135	168,827,834
451,216,154	419,202,353	448,688,871	480,357,652	456,177,132	488,084,027
120,886,847	118,684,365	116,543,351	118,089,095	120,399,430	124,126,260
217,958,463	219,412,656	223,791,919	232,512,770	244,765,103	250,904,153
707,778,948	694,617,403	700,290,920	684,303,902	745,686,456	755,486,005
79,752,519	79,044,899	73,889,592	78,834,849	78,484,794	84,093,278
189,913,637	184,666,295	189,701,196	188,991,665	196,276,530	197,892,409
40,959,942	38,447,875	37,527,890	37,942,396	33,042,017	55,883,817
2,258,864,384	2,217,209,206	2,273,396,928	2,269,415,774	2,360,016,188	2,467,473,488
11,036,430	10,920,332	38,596,754	8,728,233	8,697,730	8,628,940
2,269,900,814	2,228,129,538	2,311,993,682	2,278,144,007	2,368,713,918	2,476,102,428
36,454,317	36,716,580	37,364,775	36,009,695	35,706,676	40,469,426
23,260,359	24,695,441	25,390,895	22,063,692	24,612,479	26,418,349
12,360,046	10,800,507	10,096,264	9,384,388	9,828,811	13,970,218
80,947,503	82,666,277	84,035,603	85,879,669	85,496,348	91,424,823
3,900,111	3,532,042	4,298,336	3,850,878	4,103,142	8,816,965
29,430,493	33,459,718	35,225,385	32,887,568	31,930,833	34,426,611
40,110,922	41,862,863	42,888,530	43,438,390	41,191,968	41,652,527
545,082,413	541,546,592	512,995,512	513,160,346	537,399,404	549,631,183
61,058,436	22,719,429	21,366,320	18,293,306	33,260,876	61,798,896
832,604,600	797,999,449	773,661,620	764,967,932	803,530,537	868,608,998
(1,426,259,784)	(1,419,209,757)	(1,499,735,308)	(1,504,447,842)	(1,556,485,651)	(1,598,864,490)
(11,036,430)	(10,920,332)	(38,596,754)	(8,728,233)	(8,697,730)	(8,628,940)
(1,437,296,214)	(1,430,130,089)	(1,538,332,062)	(1,513,176,075)	(1,565,183,381)	(1,607,493,430)
694,609,543	694,597,306	694,597,306	694,597,306	705,565,775	719,674,814
503,322,529	500,642,409	507,445,900	525,230,119	551,883,494	630,288,471
15,345,870	15,905,840	15,855,777	16,168,942	16,382,152	16,423,208
5,074	4,824	4,153	3,048	4,176	3,219
5,581,672	6,115,422	6,325,138	6,449,824	6,825,805	6,881,646
14,951,342	18,396,878	19,718,700	20,141,856	18,414,553	20,135,934
9,593,210	10,532,518	10,601,482	10,375,346	9,934,442	10,413,195
67,553,000	77,993,600	77,937,600	55,284,600	111,792,988	108,305,098
10,778,863	11,298,055	11,097,588	11,474,311	13,203,368	13,805,222
35,072,783	37,634,421	36,983,553	43,000,796	32,072,072	22,680,110
1,793,975	3,641,209	8,707,915	1,734,702	1,643,586	1,885,516
—	—	16,253,319	—	—	—
1,358,607,861	1,376,762,482	1,405,528,431	1,384,460,850	1,467,722,411	1,550,496,433
579,508	579,283	587,886	579,510	579,562	579,708
13,077,885	26,415,321	11,566,206	12,524,923	11,867,048	13,613,831
(1,793,975)	(3,641,209)	(8,707,915)	(1,734,702)	(1,643,586)	(1,885,516)
11,863,418	23,353,395	3,446,177	11,369,731	10,803,024	12,308,023
1,370,471,279	1,400,115,877	1,408,974,608	1,395,830,581	1,478,525,435	1,562,804,456
(67,651,923)	(42,447,275)	(94,206,877)	(119,986,992)	(88,763,240)	(48,368,057)
826,988	12,433,063	(35,150,577)	2,641,498	2,105,294	3,679,083
\$ (66,824,935)	\$ (30,014,212)	\$ (129,357,454)	\$ (117,345,494)	\$ (86,657,946)	\$ (44,688,974)

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

	<u>2010 (1)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Nonspendable	\$ 10,050,000	\$ 10,050,000	\$ 23,199,887	\$ 21,635,145
Restricted	3,474,709	3,903,115	5,144,034	6,115,714
Assigned	110,569,339	81,498,851	81,650,061	79,870,802
Unassigned	<u>35,986,461</u>	<u>56,123,164</u>	<u>59,408,904</u>	<u>62,003,562</u>
Total General Fund	<u>160,080,509</u>	<u>151,575,130</u>	<u>169,402,886</u>	<u>169,625,223</u>
All Other Governmental Funds				
Nonspendable	—	—	596,779	649,311
Restricted	8,467,358	11,722,949	12,531,115	7,647,780
Assigned	170,165,588	170,421,969	184,748,096	183,242,783
Unassigned	<u>(134,781,268)</u>	<u>(10,454,124)</u>	<u>(109,651,144)</u>	<u>(46,497,484)</u>
Total All Other Governmental Funds	<u>43,851,678</u>	<u>171,690,794</u>	<u>88,224,846</u>	<u>145,042,390</u>
Total Governmental Funds	<u>\$ 203,932,187</u>	<u>\$ 323,265,924</u>	<u>\$ 257,627,732</u>	<u>\$ 314,667,613</u>
General Fund Unrestricted Fund				
Balance as a Percentage of General Fund Expenditures	8.41%	7.82%	8.23%	8.22%
Governmental Funds Unrestricted Non-capital Fund				
Balance as a Percentage of Non-capital Governmental Funds Expenditures	15.09%	14.54%	15.63%	15.56%

(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".

See independent auditors' report

EXHIBIT P-3

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 24,408,055	\$ 25,487,413	\$ 26,187,109	\$ 25,793,700	\$ 29,530,674	\$ 32,683,995
956,771	—	—	—	—	—
87,687,837	84,590,558	83,083,190	86,417,318	46,997,501	47,960,422
56,612,606	54,665,169	56,944,177	21,825,361	17,921,922	27,642,805
169,665,269	164,743,140	166,214,476	134,036,379	94,450,097	108,287,222
700,000	18,478,823	850,000	850,000	850,000	1,459,198
3,950,910	5,113,371	6,138,844	3,720,725	3,333,436	22,792,978
170,047,992	146,682,265	148,789,170	141,897,065	115,393,271	90,695,835
(58,119,296)	(33,267,390)	(138,735,253)	(68,995,115)	(1,453,387)	—
116,579,606	137,007,069	17,042,761	77,472,675	118,123,320	114,948,011
<u>\$ 286,244,875</u>	<u>\$ 301,750,209</u>	<u>\$ 183,257,237</u>	<u>\$ 211,509,054</u>	<u>\$ 212,573,417</u>	<u>\$ 223,235,233</u>
8.23%	7.84%	7.85%	6.05%	3.42%	3.83%
14.75%	13.23%	13.33%	11.56%	7.85%	7.03%

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

	2010	2011	2012	2013	2014
Revenues					
Taxes on Real Property	\$ 702,408,897	\$ 692,440,664	\$ 695,053,337	\$ 694,904,941	\$ 694,609,543
Sales Tax	443,664,756	453,013,940	460,997,517	489,522,517	503,322,529
Federal Aid	276,785,015	280,797,076	245,846,304	282,135,691	294,842,966
State Aid	302,361,229	292,017,209	327,262,275	280,259,431	307,951,830
Departmental Income	256,622,741	249,257,112	247,953,208	235,534,388	228,155,204
Earnings on Investments	6,399,888	5,807,370	6,253,874	6,965,587	8,460,954
Miscellaneous Revenues	130,283,461	152,132,242	150,125,650	133,971,763	141,453,394
Total Revenues	2,118,525,987	2,125,465,613	2,133,492,165	2,123,294,318	2,178,796,420
Expenditures					
Current					
General Government	198,160,034	207,455,688	211,911,412	207,872,944	203,057,865
Education	170,893,914	169,121,408	162,897,826	155,264,128	155,767,999
Public Safety	281,686,467	276,239,092	277,439,469	284,779,779	283,206,725
Health Services	126,026,604	109,006,980	105,280,820	99,477,411	94,424,051
Transportation	168,693,823	173,206,836	174,775,717	186,604,135	191,146,332
Economic Assistance and Opportunity	653,341,074	652,606,054	639,957,849	619,253,621	640,873,206
Culture and Recreation	50,539,143	46,827,906	47,911,478	49,955,021	49,784,906
Home and Community Services	131,251,357	137,540,063	137,385,796	140,648,597	145,214,511
Employee Benefits	210,906,825	229,281,000	206,200,269	219,618,040	229,337,567
Debt Service					
Principal	73,357,213	82,144,423	84,370,693	84,986,856	93,785,319
Interest	31,136,097	31,441,831	34,483,427	37,680,022	41,163,943
Costs of Issuance	1,761,272	1,779,261	1,684,036	2,187,788	1,241,333
Advance Refunding Escrow	—	—	—	—	—
Capital Outlay	188,904,413	190,113,059	217,661,824	171,359,650	166,082,318
Total Expenditures	2,286,658,236	2,306,763,601	2,301,960,616	2,259,687,992	2,295,086,075
Deficiency of Revenues					
Over Expenditures	(168,132,249)	(181,297,988)	(168,468,451)	(136,393,674)	(116,289,655)
Other Financing Sources (Uses)					
Sale of Real Property	—	—	—	—	—
Bonds Issued	162,243,978	281,020,000	78,152,595	183,994,000	85,957,000
Refunding Bonds Issued	94,005,000	79,410,000	22,360,000	—	9,245,000
Bond Premium	9,998,678	27,151,470	11,885,504	7,340,303	27,948
Premium on Refunding Bonds	—	—	—	—	—
Transfers In	11,602,004	21,875,793	32,170,077	19,126,697	13,705,419
Transfers Out	(9,783,667)	(22,134,828)	(14,552,326)	(17,027,445)	(11,911,444)
Payment to Refunded Bond Escrow Agent	(96,025,652)	(86,690,710)	(27,185,591)	—	(9,157,006)
Total Other Financing Sources	172,040,341	300,631,725	102,830,259	193,433,555	87,866,917
Net Change in Fund Balances	\$ 3,908,092	\$ 119,333,737	\$ (65,638,192)	\$ 57,039,881	\$ (28,422,738)
Debt Service as a Percentage of					
Non-capital Expenditures	4.96%	5.33%	5.71%	5.86%	6.31%

See independent auditors' report

EXHIBIT P-4

2015	2016	2017	2018	2019
\$ 694,597,306	\$ 694,597,306	\$ 694,597,306	\$ 705,565,775	\$ 719,674,814
500,642,409	507,445,900	525,230,119	551,883,494	630,288,471
268,349,007	241,643,092	226,580,659	242,957,439	245,428,421
286,756,313	287,777,139	296,151,380	318,545,265	364,528,855
239,703,175	243,021,433	240,497,892	241,966,750	253,197,117
9,063,180	9,223,767	9,610,582	11,057,489	11,814,664
164,880,461	167,903,926	153,505,728	196,800,695	187,892,424
2,163,991,851	2,151,612,563	2,146,173,666	2,268,776,907	2,412,824,766
209,718,912	216,527,136	216,381,353	235,442,312	251,319,883
159,050,745	161,350,743	149,666,455	155,795,752	160,306,636
279,916,654	261,306,306	277,545,282	287,280,735	295,819,577
95,678,175	90,341,575	91,722,256	96,821,308	97,568,395
198,966,517	198,122,971	204,147,119	216,668,422	224,191,666
634,829,795	629,596,633	613,480,432	681,954,970	683,403,729
50,575,448	45,068,400	46,539,775	50,423,538	51,949,155
150,340,416	144,947,792	142,867,017	152,427,988	149,168,944
242,365,196	263,344,808	271,763,947	263,779,157	278,368,039
95,216,972	110,126,986	102,710,754	104,698,999	114,923,105
39,997,571	42,361,572	43,660,740	44,751,222	53,634,494
809,771	1,415,537	1,516,186	898,226	1,163,786
—	—	—	—	1,394,683
113,889,492	162,499,270	183,513,640	180,968,501	217,671,188
2,271,355,664	2,327,009,729	2,345,514,956	2,471,911,130	2,580,883,280
(107,363,813)	(175,397,166)	(199,341,290)	(203,134,223)	(168,058,514)
—	20,400,000	—	—	—
103,975,000	26,494,000	197,439,660	182,155,000	148,857,652
—	109,980,000	—	—	46,775,000
15,252,938	22,802,961	28,418,745	20,400,000	23,618,258
—	—	—	—	5,265,278
10,420,109	27,393,071	19,435,965	20,620,276	20,352,936
(6,778,900)	(18,685,156)	(17,701,263)	(18,976,690)	(18,467,420)
—	(131,480,682)	—	—	(53,134,328)
122,869,147	56,904,194	227,593,107	204,198,586	173,267,376
\$ 15,505,334	\$ (118,492,972)	\$ 28,251,817	\$ 1,064,363	\$ 5,208,862
6.28%	7.02%	6.72%	6.59%	7.13%

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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

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

EXHIBIT P-5

Last Ten Fiscal Years

Year	Assessed Valuation (a)	Average Equalization Rate	Full Valuation (a)	County Direct Rate (a)
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
2018	60,430,784,749 (e)	34.69%	174,189,428,026	3.21
2019	61,378,271,540	34.03%	180,383,474,053	3.16

(a) *Source: County of Westchester 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

(e) For the 2018 tax year the Town of North Salem reassessed their properties to full value

See independent auditors' report

County of Westchester, New York

Top Ten Property Taxpayers

EXHIBIT P-6

Current Year and Nine Years Ago

Fiscal Year 2010		
<u>Taxpayer</u>	<u>Equalized Full Value</u>	<u>Percentage of County Equalized Full Value</u>
Con Edison	\$ 5,393,155,224	2.93%
City of New York Water	1,808,963,329	0.98%
Cali/Robert Martin	889,033,439	0.48%
Reckson Operating	823,591,032	0.46%
NYNEX/New Yrk Tel/Verizon	678,451,542	0.38%
Westchester Mall LLC	390,121,479	0.21%
NYC Aqueduct	332,567,901	0.18%
IBM	317,970,405	0.17%
United Water of New Rochelle	302,727,308	0.16%
Westchester County Airport	229,723,892	0.12%
Total:	\$ 11,166,305,550	6.07%
County of Westchester	<u>\$ 183,872,292,338</u>	<u>100%</u>

Fiscal Year 2019		
<u>Taxpayer</u>	<u>Equalized Full Value</u>	<u>Percentage of County Equalized Full Value</u>
Con Edison	\$ 6,275,058,511	3.48%
City of New York Water	2,566,792,311	1.42%
Mack-Cali/Cali WP Realty	475,065,793	0.26%
Westchester Mall LLC	342,317,035	0.19%
Verizon	335,947,546	0.19%
Avalon	297,460,876	0.16%
Reckson Operating	242,129,420	0.13%
Suez Utilities	223,410,355	0.12%
Westchester County Airport	194,393,578	0.11%
BA Leasing BSC LLC	153,206,792	0.08%
Total:	\$ 11,105,782,217	6.14%
County of Westchester	<u>\$ 180,383,474,053</u>	<u>100%</u>

Source: County of Westchester, New York Tax Commission

See independent auditors' report

County of Westchester, New York

Property Tax Levies And Collections

EXHIBIT P-7

Last Ten Fiscal Years

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			
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%
2018	559,391,937	146,173,838	705,565,775	705,565,775	—	100%
2019	570,579,000	149,095,814	719,674,814	719,674,814	—	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: County of Westchester, New York Property Tax Legislation.

See independent auditors' report

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County of Westchester, New York

Direct and Overlapping Property Tax Rates

Last Ten Years

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

	2010	2011	2012	2013
County Rates				
General (equalized full value rate)	3.05	3.39	3.54	3.57
City Rates				
Mount Vernon	289.97	302.99	321.61	341.40
New Rochelle	170.32	175.10	185.53	198.50
Peekskill	211.49	215.47	224.72	233.86
Rye	139.52	140.87	144.99	148.91
White Plains	167.82	176.11	184.47	191.74
Yonkers	181.57	190.66	209.85	209.23
Town Rates	.06-219.2352	.05-232.3106	.05-244.05	.05-258.08
Village Rates	2.67-420.92	2.859-447.30	2.943-464.89	3.01-489.18
School Districts	12.64-1507.46	13.79-1486.09	12.50-1538.31	12.31-1553.56

Source: County of Westchester, New York Tax Commission

See independent auditors' report

EXHIBIT P-8

2014	2015	2016	2017	2018	2019
3.67	3.52	3.35	3.27	3.21	3.16
367.90	383.58	391.76	395.97	395.98	403.62
202.59	208.36	210.95	225.21	229.68	234.23
238.37	244.91	259.27	260.71	266.56	271.03
150.38	155.11	157.16	167.74	172.83	176.76
196.14	200.74	200.95	205.37	211.36	217.07
214.22	217.16	238.97	234.12	283.07	295.20
.04-266.17	.04-273.03	.03-338.86	.03-342.98	.03-353.22	.11-363.60
3.07-501.77	3.04-530.39	3.06-545.79	3.10-540.42	3.17-562.81	3.28-576.15
12.82-1583.52	12.99-1460.65	12.13-1544.89	9.24-1517.74	9.10-1590.45	9.21-1622.33

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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

County of Westchester, New York

Ratios of Outstanding Debt by Type

EXHIBIT P-9

Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business Type Activities	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
	General Obligation Bonds	Capital Leases	Tobacco Securitization Bonds			
2010	\$ 837,688,891	\$ 113,614,419	\$ 164,225,874	\$ 1,115,529,184	1.55%	\$ 1,173.46
2011	1,052,854,144	106,947,266	163,556,695	1,323,358,105	1.74%	1,382.43
2012	1,058,797,988	99,965,550	162,572,516	1,321,336,054	1.57%	1,374.13
2013	1,157,157,000	92,651,193	191,513,315	1,441,321,508	1.71%	1,487.70
2014	1,140,885,733	84,986,115	188,032,254	1,413,904,102	1.60%	1,453.88
2015	1,155,134,287	76,952,563	186,296,193	1,418,383,043	1.56%	1,452.67
2016	1,085,166,947	68,532,567	185,368,041	1,339,067,555	1.42%	1,374.05
2017	1,205,666,790	63,521,240	182,947,563	1,452,135,593	1.46%	1,481.40
2018	1,302,229,151	47,453,633	180,142,085	1,529,824,869	1.45%	1,581.03
2019	1,353,645,386	37,769,030	177,846,607	1,569,261,023	*	1,619.77

(1) Personal Income data can be found in Exhibit P-12.

(2) Population data can be found in Exhibit P-12.

* Data not yet available.

See independent auditors' report

County of Westchester, New York

Ratios of Net General Bonded Debt Outstanding

EXHIBIT P-10

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income (2)	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (2)
	General Obligation Bonds (1)	Less: Amounts Restricted to Repaying Principal	Total			
2010	\$ 837,688,891	\$ 8,467,358	\$ 829,221,533	1.15 %	4.79 %	\$ 872.28
2011	1,052,854,144	11,722,949	1,041,131,195	1.37	6.35	1,087.60
2012	1,058,797,988	12,531,115	1,046,266,873	1.24	6.63	1,088.07
2013	1,157,157,000	7,647,780	1,149,509,220	1.36	7.49	1,186.50
2014	1,140,885,733	3,950,910	1,136,934,823	1.28	4.75	1,169.08
2015	1,155,134,287	5,113,371	1,150,020,916	1.26	3.47	1,177.82
2016	1,085,166,947	6,138,844	1,079,028,103	1.15	3.15	1,107.22
2017	1,205,666,790	3,720,725	1,201,946,065	1.21	2.07	1,226.17
2018	1,302,229,151	3,333,436	1,298,895,715	1.23	2.15	1,342.37
2019	1,353,645,386	7,244,344	1,346,401,042	*	2.19	1,389.74

(1) - Presented net of original issuance discounts and premiums

(2) - Personal Income data can be found in Exhibit P-12.

(3) - Assessed Value data can be found in Exhibit P-5.

* Data not yet available.

See independent auditors' report

County of Westchester, New York

Legal Debt Margin Information

Last Ten Fiscal Years
(as of December 31)

	2010	2011	2012	2013
Five-year Average Full Valuation of Taxable Real Property (a)	<u>\$ 181,954,233,884</u>	<u>\$ 177,338,750,092</u>	<u>\$ 169,158,120,154</u>	<u>\$ 160,060,081,792</u>
Debt Limit (7% thereof)	\$ 12,736,796,372	\$ 12,413,712,506	\$ 11,841,068,411	\$ 11,204,205,725
Total Net Debt Applicable to Limit	739,911,018	889,916,313	753,228,550	800,726,657
Legal Debt Margin	<u>\$ 11,996,885,354</u>	<u>\$ 11,523,796,193</u>	<u>\$ 11,087,839,861</u>	<u>\$ 10,403,479,068</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	5.81%	7.17%	6.36%	7.15%

Legal Debt Margin Calculation for Fiscal Year 2019

Five Year Average Full Valuation of Taxable Real Property (a)	\$ 174,236,956,684
Debt Limit (7% thereof)	<u>12,196,586,968</u>
Outstanding Indebtedness - Bonds	1,249,373,825
Outstanding Indebtedness - Notes	62,280,800
	<u>1,311,654,625</u>
Less Exclusions:	
2020 Debt Service Appropriation (Principal Only):	
- General Fund and Special Revenue Fund - Airport	80,651,952
- District Funds	27,163,222
Certain Sewer District Debt	372,022,555
Water District Debt	23,537,260
	<u>503,374,989</u>
Total Net Indebtedness	<u>808,279,636</u>
Net Debt Contracting Margin	<u>\$ 11,388,307,332</u>
Percentage of Debt Contracting Power Exhausted as of December 31, 2019	6.63%

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

See independent auditors' report

EXHIBIT P-11

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</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>	<u>\$ 168,422,062,734</u>	<u>\$ 174,236,956,684</u>
<u>\$ 10,835,969,078</u>	<u>\$ 10,860,639,177</u>	<u>\$ 11,056,142,555</u>	<u>\$ 11,357,736,868</u>	<u>\$ 11,789,544,391</u>	<u>\$ 12,196,586,968</u>
<u>580,323,360</u>	<u>593,382,334</u>	<u>554,454,798</u>	<u>666,093,039</u>	<u>743,890,152</u>	<u>808,279,636</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>	<u>\$ 11,045,654,239</u>	<u>\$ 11,388,307,332</u>
5.36%	5.46%	5.01%	5.86%	6.31%	6.63%

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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

County of Westchester, New York

Demographic and Economic Statistics

EXHIBIT P-12

Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾ (in thousands)	Per Capita Personal Income ⁽²⁾	Median Age ⁽³⁾	Percent High School Graduate or Higher ⁽⁴⁾	PK-12 School Enrollment ⁽⁵⁾	Unemployment Rate ⁽⁶⁾
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	94,100,550	96,158	40.5	87.6	149,332	4.3
2017	980,244	99,536,199	101,542	40.6	87.6	149,081	4.5
2018	967,612	105,446,410	108,976	40.9	87.8	148,033	3.9
2019	968,815	*	*	*	*	146,888	3.8

* 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.

See independent auditors' report

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County of Westchester, New York

Employment and Wages by Sector

2018 and 2013

2018

<i>Employment Sector</i>	<i>Average Employment</i>	<i>Total Wages</i>	<i>Average Wages</i>	<i>Percentage of Total Employment</i>
Total, All Industries	429,037	\$ 31,358,120,279	\$ 73,090	100%
Total, All Private	368,398	\$ 26,297,240,380	\$ 71,383	85.87%
Agriculture, Forestry, Fishing and Hunting	353	\$ 16,946,118	\$ 48,006	0.08%
Utilities, Mining	2,691	\$ 376,750,461	\$ 140,004	0.63%
Construction	28,973	\$ 2,257,688,578	\$ 77,924	6.75%
Manufacturing	12,984	\$ 1,372,442,022	\$ 105,703	3.03%
Wholesale Trade	13,548	\$ 1,293,114,127	\$ 95,447	3.16%
Retail Trade	49,237	\$ 1,840,917,141	\$ 37,389	11.48%
Transportation and Warehousing	10,871	\$ 645,999,234	\$ 59,424	2.53%
Information	7,608	\$ 712,569,714	\$ 93,661	1.77%
Finance and Insurance	17,601	\$ 3,180,521,131	\$ 180,701	4.10%
Real Estate, Rental and Leasing	10,209	\$ 744,690,863	\$ 72,945	2.38%
Professional and Technical Services	26,180	\$ 3,414,023,437	\$ 130,406	6.10%
Management of Companies and Enterprises	8,992	\$ 1,661,953,616	\$ 184,826	2.10%
Administrative and Waste Services	24,173	\$ 1,210,492,803	\$ 50,076	5.63%
Educational Services	16,128	\$ 811,005,652	\$ 50,286	3.76%
Health Care and Social Assistance	74,769	\$ 4,599,747,642	\$ 61,519	17.43%
Arts, Entertainment and Recreation	11,435	\$ 428,011,604	\$ 37,430	2.67%
Accommodation and Food Services	31,326	\$ 878,346,388	\$ 28,039	7.30%
Other Services	20,617	\$ 811,211,394	\$ 39,347	4.82%
	367,695	\$ 26,256,431,925	\$ 71,408	85.71%
Government:				
Federal Government	4,235	\$ 329,869,976	\$ 77,891	0.99%
State Government	6,882	\$ 527,206,102	\$ 76,607	1.60%
Local Government	49,522	\$ 4,203,803,821	\$ 84,888	11.54%
Total Government	60,639	\$ 5,060,879,899	\$ 83,459	14.13%
Unclassified/Not Disclosed *	703	\$ 40,808,455	\$ 58,049	0.16%
Totals	429,037	\$ 31,358,120,279	\$ 73,090	100%

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 2018.

* 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.

See independent auditors' report

2013

<i>Average Employment</i>	<i>Total Wages</i>	<i>Average Wages</i>	<i>Percentage of Total Employment</i>
405,994	\$ 26,998,978,288	\$ 66,501	100%
348,136	\$ 22,670,014,949	\$ 65,118	85.75%
359	\$ 16,316,738	\$ 45,451	0.09%
2,770	\$ 341,091,255	\$ 123,138	0.68%
21,960	\$ 1,484,836,979	\$ 67,616	5.41%
13,452	\$ 1,401,831,292	\$ 104,210	3.31%
13,983	\$ 1,197,906,789	\$ 85,669	3.44%
49,685	\$ 1,619,403,891	\$ 32,593	12.24%
10,336	\$ 534,165,743	\$ 51,680	2.55%
9,419	\$ 783,377,600	\$ 83,170	2.32%
18,586	\$ 2,772,050,450	\$ 149,147	4.58%
9,219	\$ 582,405,759	\$ 63,175	2.27%
25,312	\$ 3,090,873,183	\$ 122,111	6.23%
9,287	\$ 1,801,623,376	\$ 193,994	2.29%
22,213	\$ 949,689,747	\$ 42,754	5.47%
15,658	\$ 767,102,450	\$ 48,991	3.86%
66,228	\$ 3,557,696,332	\$ 53,719	16.31%
9,775	\$ 333,359,169	\$ 34,103	2.41%
28,706	\$ 681,560,725	\$ 23,743	7.07%
20,048	\$ 706,411,292	\$ 35,236	4.94%
346,996	\$ 22,621,702,770	\$ 65,193	85.47%
4,402	\$ 309,321,430	\$ 70,268	1.08%
6,023	\$ 378,589,445	\$ 62,857	1.48%
47,433	\$ 3,641,052,464	\$ 76,762	11.69%
57,858	\$ 4,328,963,339	\$ 74,820	14.26%
1,141	\$ 48,312,179	\$ 42,342	0.28%
405,994	\$ 26,998,978,288	\$ 66,501	100%

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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

County of Westchester, New York

County Government Annual Positions By Function/Department

Last Ten Fiscal Years

	2010	2011	2012	2013	2014
General Government					
Board of Legislators	55	53	57	57	57
County Executive	73	68	67	65	68
Board of Acquisitions and Contract	4	4	3	3	3
Board of Elections	74	78	82	82	88
Department of Human Resources	55	48	47	44	43
Department of Budget	15	12	13	13	14
Department of Finance	62	49	51	50	51
Department of Information Technology	175	140	136	132	133
Department of Law	109	99	96	95	95
Department of Planning	31	64	25	26	26
County Clerk	81	79	78	77	77
Tax Commission	2	2	2	2	2
Public Administrator	7	7	7	7	7
Department of Public Works	251	213	202	186	184
Solid Waste Commission	8	8	8	8	8
Education					
Department of Health	5	3	6	4	4
Public Safety					
Department of Corrections	908	887	881	878	878
District Attorney	206	200	200	200	200
Department of Public Safety	308	327	320	320	320
Department of Emergency Services	71	71	66	50	52
Department of Probation	242	218	211	206	203
Health Services					
Community Mental Health Services	68	72	41	38	38
Department of Health	278	216	211	211	211
Department of Laboratories and Research	110	106	101	98	98
Transportation					
Department of Transportation	35	21	20	19	19
County Road Maintenance	41	35	35	33	33
Economic Assistance					
County Executive	4	4	4	4	4
Department of Social Services	1,232	1,118	1,077	1,032	1,032
Culture and Recreation					
Department of Parks Recreation and Conservation	335	281	265	250	254
Home and Community Services					
Senior Program Services	1	1	1	1	1
Weights Measures and Consumer Protection	24	22	21	21	21
Total	4,870	4,506	4,334	4,212	4,224

Source: County Operating Budget

See independent auditors' report

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
58	58	58	60	60
69	67	67	63	68
3	3	3	3	3
90	90	90	104	104
42	42	42	42	43
14	13	13	14	14
51	49	50	50	49
134	128	128	129	130
94	87	87	87	91
26	24	21	21	26
72	72	71	70	68
2	2	2	2	2
7	7	8	8	8
182	179	184	177	212
8	8	8	8	8
5	4	4	5	5
878	877	877	877	877
200	200	224	224	228
333	333	333	333	338
51	50	50	54	50
203	201	201	217	228
39	36	36	36	40
200	189	188	188	196
98	97	97	97	100
19	16	16	18	19
36	35	35	35	35
5	4	4	4	4
1,032	1,032	1,041	1,041	1,039
252	235	235	240	244
1	1	1	1	1
24	21	21	21	22
<u>4,228</u>	<u>4,160</u>	<u>4,195</u>	<u>4,229</u>	<u>4,312</u>

County of Westchester, New York

Operating Indicators by Function

Last Ten Fiscal Years

	2010	2011	2012	2013
Public Safety				
Emergency Services: Number of 911 Calls	18,246	20,645	18,944	19,425
Arrests for DWI	411	379	355	302
Average County Police Training Hours (per Officer)	28	28	28	28
Basic Recruits Trained	56	99	83	103
Department of Correction				
Average Daily Population	1,407	1,468	1,471	1,333
Average Yearly Admissions	9,035	8,921	8,547	8,055
Department of Social Services				
Medical Assistance Applications Processed **	36,468	35,286	36,157	38,046
Child Protective Services—Reports Investigated	7,556	7,349	6,661	6,808
Child Preventive Services—Children Served (monthly avg.)	1,616	1,382	1,356	1,362
Children in Foster Care (monthly average)	791	703	638	582
Child Support Collections (in millions)	\$70.4	\$72.9	\$74.1	\$74.8
Veterans: Contacts	43,250	42,080	38,650	42,235
Veterans: Follow-up Services	16,980	14,223	14,606	15,803
Transportation				
Total Transit Passengers	32,273,641	31,584,651	32,117,882	32,475,123
Airport				
Total Operations (including General Aviation)	154,972	164,276	161,109	150,998
General Aviation Operations	119,456	129,818	129,043	124,276
Passengers	1,994,088	1,905,557	1,751,087	1,437,685
Typical Number of Airlines	12	12	9	8
Parks				
Number of paid admissions	3,187,111	3,108,615	3,131,754	2,896,392
Total revenues realized	\$32,463,757	\$30,780,870	\$30,912,181	\$28,668,812
Public Works: Roads and Bridges Maintenance				
Miles of roads maintained	145	136	136	136
Number of bridges maintained	165	165	165	165
Sewer Systems (County operated)				
Average daily sewage treatment (thousands of gallons)	130,600	163,300	129,300	119,000
Water Systems (County operated)				
Maximum daily capacity of plants (millions of gallons)	62	62	62	62

* 2019 figures are estimated.

** 2014-2019 decline in applications processed due to NYS Health Benefit Exchange/Marketplace

Source: County of Westchester, New York Departments and County Operating Budgets.

See independent auditors' report

EXHIBIT P-15

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>
19,720	18,440	18,440	18,203	20,297	19,736
371	234	224	227	227	220
28	28	28	28	28	28
121	109	76	103	131	170
1,214	1,110	1,041	1,048	1,034	1,000
7,472	6,197	5,946	5,746	5,849	5,600
24,442	18,313	16,501	15,868	15,695	14,905
6,769	6,765	7,118	7,118	7,255	7,800
1,470	1,355	1,286	1,200	1,153	1,160
585	573	547	527	477	480
\$75.8	\$77.5	\$78.4	\$77.9	\$79.0	\$78.0
44,350	43,995	44,070	44,470	44,043	44,750
17,470	17,950	18,025	18,065	18,069	18,075
31,413,914	29,879,885	29,216,300	28,639,782	27,373,048	26,985,000
137,151	141,567	147,516	161,146	151,368	148,410
112,570	118,298	124,380	138,878	129,231	124,260
1,442,501	1,459,554	1,468,808	1,480,589	1,521,708	1,680,000
8	8	8	8	8	8
3,075,836	3,224,500	3,149,888	3,133,055	3,031,027	3,108,188
\$29,725,897	\$33,448,916	\$35,218,572	\$32,887,568	\$31,929,842	\$33,629,432
136	136	136	136	136	136
165	165	165	165	165	135
127,400	118,500	114,900	118,200	139,397	134,500
62	62	62	62	62	62

County of Westchester, New York

Capital Asset Statistics by Function

Last Ten Fiscal Years

	2010	2011	2012	2013
Parks				
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	4	4	4
Education				
Westchester Community College (main campus)	1	1	1	1
Health				
Health Department Clinics/in County-owned buildings	4/1	4/1	4/1	4/1
Boat (used for water sampling)	2	2	2	2
Home and Community Services				
Sewer Systems (County operated):				
Miles of sanitary sewers	194	194	194	194
Number of treatment plants	7	7	7	7
Water Systems (County operated)				
Miles of water mains	17	17	17	17
Transportation				
Buses	347	347	329	329
ParaTransit Vans	83	56	59	50
Transit Connect/Prius	-	10	40	39

Source: County Departments or Operating Budget

See independent auditors' report

EXHIBIT P-16

2014	2015	2016	2017	2018	2019
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	5	5	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	326	326	327
49	49	59	59	59	63
38	38	38	40	42	43

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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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 23, 2020.

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 County'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 County'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

July 23, 2020

THE COUNTY OF WESTCHESTER CONTINUING DISCLOSURE INFORMATION – GENERAL OBLIGATION BONDS

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.

The projections included in this document are based on the estimates included in the County's 2020 Adopted Budget. Such projections do not make any predictions as to the potential impact of the COVID-19 pandemic on the County's financial position due to the COVID-19 pandemic. (See "MARKET FACTORS AFFECTING FINANCINGS OF THE COUNTY, THE STATE AND MUNICIPALITIES OF THE STATE" herein.)

General Information

County of Westchester, 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 2019 Federal census estimated population of 968,815 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
2019	969	8,336	19,453	328,239

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

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 2019 of 2,150 people per square mile is much lower than 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 (27,810 per square mile) and less than one-half as densely populated as Nassau County (4,782 per square mile). However, it is more densely populated than Rockland County (1,882 per square mile), Suffolk County (1,624 per square mile), Putnam County (429 per square mile) or Dutchess County (368 per square mile).

Personal Income

Total personal income of Westchester residents was \$105.4 billion in 2018. The County's 2018 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 \$108,976 in 2018 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 2018 per capita personal income of \$108,976 compared favorably to New York State and the U.S., which were \$69,101 and \$55,222, respectively.

Economy

From 2009 through 2019, employment in the County has for the most part stabilized along with the County population. From 2009 through 2019, the County's rate of unemployment has been primarily lower than the State and national rates as shown in Table 2.

TABLE 2

Employment and Unemployment, 2009-2019
(Employment figures in thousands)

	Westchester ^(a)		New York State		United States	
	Employment	Unemployment Rate	Employment	Unemployment Rate	Employment	Unemployment Rate
2010	478.7	7.4%	9,595	8.6%	153,889	9.6%
2011	473.5	7.1	9,517	8.3	153,617	8.9
2012	477.5	7.3	9,612	8.5	154,975	8.1
2013	477.7	6.3	9,659	7.7	155,389	7.4
2014	470.5	5.1	9,529	6.3	155,922	6.2
2015	478.3	4.5	9,562	5.3	157,130	5.3
2016	477.2	4.3	9,557	4.9	159,187	4.9
2017	480.0	4.5	9,561	4.7	160,320	4.4
2018	484.3	3.9	9,575	4.1	162,075	3.9
2019	484.4	3.8	9,514	4.0	163,539	3.7

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*
2014 – 2018
(Figures in thousands)

	Total Non-Farm	Services	Trade Transportation and Utilities	Education & Health Services	Government	Finance, Insurance & Real Estate	Manufacturing	Construction/ Mining	Other
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	143.5	103.9	47.3	28.6	40.2	29.2
2018	699.0	162.3	137.7	147.7	104.3	47.3	29.2	42.3	28.1

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 2018 were with firms whose major activity was other than manufacturing. During the period 2014-2018, employment in the Education & Health Services sector showed an approximate 13 percent increase. There were a total of approximately 390,000 County residents employed in 2018. 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 23%. However, a large portion of the vacancies exist in Northern Westchester County due to the relocation of employees of PepsiCo and IBM to other locations within Westchester County. Westchester County rents are competitive, and significantly less than commercial rents in New York City (averaging approximately \$28 per square foot vs. approximately \$80 per square foot). These qualities continue to be a major economic development attraction for the County.

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, as does transit-oriented residential housing. 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 and the growth and expansion of Hospitals and Medical Consortiums. Currently, there are plans for an additional 16,000 new residential housing units, which will create approximately 25,000 construction jobs, and an additional 2 million square feet of commercial space as part of the new housing sites, which is expected to create 5,000-7,500 new permanent jobs.

Other major initiatives include the Westchester Bioscience and Technology Center, a potential three-million square foot, mixed-use biotech center, hotel and Science 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.

Retail highlights include:

- Shopping attractions in the County include Ridge Hill, The Westchester Mall, Rivertowns, New Roc City, the Galleria at White Plains, Jefferson Valley Mall and the Cross County Mall.
- Major department stores in the County include Bloomingdale's, Kohl's, Lord & Taylor, Macy's, Neiman Marcus, Nordstrom, Sears and Target.

Other development highlights include:

- New York Medical College's opening of the Touro College of Dental Medicine, in Valhalla, the first new dental school in the region in 50 years
- A planned STEM high school for 1,800 students located at the former IBM campus in Somers
- The City of White Plains has more than 3,000 residential units approved a portion of which are under construction and another 2,000 units proposed. Construction was completed in 2019 on a 160-bed nursing and rehabilitation facility.
- The City of Yonkers continues a revitalization of its downtown and waterfront with thousands of new residential units built or approved since 2012. Yonkers retail properties have also undergone significant investment including a \$350 million renovation and expansion of the Cross County Shopping Center recently completed. In addition, Empire City Casino was acquired by MGM for \$850 million in 2018. MGM management has held a number of community events for input on site design, which may include a hotel, entertainment venue and increased gaming floor.
- The City of New Rochelle has embarked on a Downtown revitalization plan, which includes goals that could result in roughly one million square feet of retail and restaurant space in the core downtown area, over two million square feet of office space, up to 5,500 residential units and a mix of hotel rooms, adult care and independent living units, cultural attractions and significantly expanded parking. As of February 2019, permits were outstanding for over 2,700 housing units and 20 large projects have begun construction.
- Long-term investments in mixed-use developments throughout Westchester County

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>
Westchester Medical Center	Hospital and healthcare services
IBM	Custom computer programming services
White Plains Hospital	Acute health care, preventive medical care
Phelps Hospital Robotics	Physician Offices
Regeneron Pharmaceuticals Inc.	Pharmaceuticals
St. John's Riverside Hospital	General medical & surgical
PepsiCo Inc.	Soft Drink manufacturing
Northern Westchester Hospital	General medical & surgical
Montefiore New Rochelle	General medical & surgical
Empire City Casino Yonkers	Casinos

*Source: InfoGroup as of June 2020.

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 to 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. Seventy eight new hybrid diesel-electric buses were put into service early in 2019 to replace standard diesel buses. The Bee-Line Transit System operates over 900 route miles and carries over 28 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. The Airport also houses numerous corporate and privately owned aircraft.

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 a prior 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 had a substantial financial impact on those SSDs. The 2008 Consent Order extended 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 met its obligations for total nitrogen removal under the Consent Order by achieving the 12-month rolling average limit by May 2015, ahead of the required August, 2017 deadline.

The County had originally authorized approximately \$407.7 million in bonds 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 \$22,944,000. The New York State Environmental Facilities Corporation (the “EFC”) which administered and financed the subject debt, forgave 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 \$359.1 million of which \$22.9 million was forgiven as described above.

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 are performing investigation and remediation work as required by the inter-municipal agreements and the Compliance Schedule contained in the Order on Consent.

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 intermunicipal agreement. Under this agreement, the lessee made lease payments to the County which covered the County's remaining annual debt service for prior capital projects at Water District Number 2. The County is reviewing the possible transfer of District assets to the lessee. 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 November 15, 2019 has a fund balance of \$41,853,241. 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 extended the date for commencement of operation at the UV Facility to 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. There remains \$320,754 of available authorization pursuant to Bond Act 65-2015.

Refuse Disposal

The County provides refuse disposal services to approximately 90% of the County’s population through the County Refuse Disposal District Number 1 (the “District”). The District has four transfer stations, a Material Recovery Facility, and a Household-Hazardous Material Recovery Facility.

Originally established through an agreement with the County of Westchester Industrial Development Agency in 1985, since October 2009, the County, on behalf of the District, has had a solid waste disposal agreement with Wheelabrator Westchester, L.P. to bring all municipal solid waste collected under intermunicipal agreements with District municipalities (“IMAs”) to the Charles Point Facility in the City of Peekskill, New York. The Agreement was renewed and extended in October 2019 through October 2029 (the “2019 Agreement”), and the County is in the process of executing new IMAs with District municipalities. Under the 2019 Agreement, the District is not obligated to supply a minimum tonnage of solid waste and the agreement allows the District to divert up to 62,500 tons annually to explore new waste disposal technologies.

On December 28, 2016, the United States Environmental Protection Agency (“EPA”) 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) at the Brockway Solid Waste Transfer Station in White Plains. 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 site. 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. Source investigation is now being conducted and the County is working collaboratively with the EPA to address these concerns.

Additionally, the District has been asked by the New York State Department of Environmental Conservation to address stormwater runoff and leachate concerns at the Yonkers Transfer Station and Material Recovery Facility located in the City of Yonkers. The District is upgrading its stormwater system at the Yonkers Facility to address these concerns.

Recreational and Cultural Facilities

The nationally accredited Westchester County Department of Parks, Recreation and Conservation (“Westchester County Parks”) operates and manages 50 parks and recreational facilities spanning nearly 18,000 acres of publicly-owned parkland throughout the County. In 2018, Westchester County Parks has, for the fourth time, earned the distinction of being accredited by the National Recreation and Parks Association (NRPA). Westchester County Parks is the only agency in New York State to be nationally accredited, and the distinction makes the parks system a member of an elite group of 71 agencies that have been accredited since the program was introduced in 1994. The national accreditation by the NRPA is the highest honor that can be bestowed on a parks system, and sets it apart from thousands of other parks systems throughout the nation.

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, and Kensico Dam Plaza, known as the County’s “Central Park”.

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 PKF 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 \$2.1 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 or to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, 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.

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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, 2019

Five year average full valuation of taxable real property	\$174,236,956,684
Debt limit (7% thereof).....	<u>12,196,586,968</u>
Outstanding indebtedness:	
Bonds.....	\$ 1,249,373,825 ^(a)
NYSEFC Bond Anticipation Notes	62,280,800
Less Exclusions:	
Current year Debt Service Appropriation (principal only)	
General Fund and Special Revenue Fund Airport.....	80,651,952
District Funds	27,163,222
Certain Sewer District Debt.....	372,022,555
Water District Debt	<u>23,537,260</u>
Total Exclusions	<u>503,374,989</u>
Total Net Indebtedness	\$ <u>808,279,636</u>
Net Debt — contracting margin	<u>\$11,388,307,332</u>
Percentage of Debt Contracting Power Exhausted as of December 31, 2019	<u>6.63%</u>

(a) 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 Limitation Law imposes a statutory limit on the amount of taxes the County may levy. See “FINANCIAL FACTORS - The Tax Levy Limitation 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, 2019

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$32,735,000</u>	<u>\$2,759,949</u>	<u>\$35,494,949</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 Limitation Law imposes a statutory limit on the power of the County to increase its annual tax levy. (See “FINANCIAL FACTORS - Tax Levy Limitation 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.

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 Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the County default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. The Bonds 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 Bonds 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 therefore 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 Bonds, the owners of such Bonds 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 Bonds 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 Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. 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 Bonds 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, 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*, 40 N.Y.2d 1088 (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 Bonds. 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 Bonds, 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 Bonds 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 Bonds 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 Bonds.

If and when an owner of any of the Bonds should elect to sell all or a part of the Bonds 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 those Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bonds 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 Bonds. 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 Bonds, 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 Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (see "*Tax Matters*" herein).

The enactment of the Tax Levy Limitation 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 Bonds. (See "*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 Bonds.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, could have an adverse impact on the County's financial condition and operating results. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impact of COVID-19, including closing schools and non-essential businesses. The County executive declared a local State of Emergency for the County on March 16, 2020. The impact to the County's operations and finances cannot be predicted at this time due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. There can be no assurances that the spread of COVID-19 will not materially adversely impact the financial condition of the County. Potential impacts to the County include, but are not limited to, costs and challenges to the County's public health system and reductions in tourism with corresponding decreases in major revenues such as transient occupancy tax and sales tax. The County is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. The County continues to evaluate various options to mitigate the impact of COVID-19 on the County's finances, including cash flow borrowings, reductions of budgeted expenditures, and eligibility for federal or state aid for COVID-19 related costs.

TABLE 7

County Long-Term Bond Indebtedness ^(a)
Principal Amount Outstanding as of December 31, 2019

Parks and Recreation.....	\$155,038,838
Roads and Bridges.....	131,284,895
Airport.....	11,628,268
Courthouse	44,686
Correctional Facilities	13,979,098
Community College	34,542,082
WCHCC	1,753,274
Transportation	49,721,032
Laboratories and Research	4,964,356
Other Buildings and Miscellaneous.....	319,214,094
Refuse Disposal District.....	10,656,886 ^(b)
Water District 1	16,560,267 ^(b)
Water District 3	6,976,993 ^(b)
Sewer Districts	<u>493,009,056^(b)</u>
 Total Net Indebtedness	 \$1,249,373,825
 Deduct District debt	 <u>(527,203,202)</u>
 Net Long-Term debt.....	 <u>\$ 722,170,623</u>

^(a) See Table 6 for previously refunded debt, which is excluded from the above table.

^(b) 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, 2019

	<u>Amount ^(a)</u>	Per <u>Capita ^(b)</u>	Estimated Percentage <u>Full Value ^(c)</u>
Gross Long-Term Bond Debt	\$1,249,373,825	\$1,291	0.68%
Net Long-Term Bond Debt	722,169,450	746	0.39

^(a) See Table 6 for previously refunded debt, which is excluded from the above table.

^(b) County of Westchester’s 2019 estimated population was 967,506, according to the U.S. Bureau of the Census.

^(c) Calculated using 2020 Full Value of \$185,037,881,544.

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, 2019

	Principal ^(a)	Interest ^{(a)(b)}	Total
2020	\$110,420,701	\$52,514,415	\$162,935,116
2021	121,463,134	47,549,663	169,012,797
2022	120,219,995	41,833,209	162,053,204
2023	110,859,995	36,664,384	147,524,379
2024	100,105,000	32,018,099	132,123,099
2025	90,800,000	28,016,109	118,816,109
2026	93,545,000	24,128,871	117,673,871
2027	84,460,000	20,084,669	104,544,669
2028	75,190,000	16,562,117	91,752,117
2029	77,440,000	13,452,822	90,892,822
2030	40,055,000	10,428,266	50,483,266
2031	39,745,000	8,852,573	48,597,573
2032	24,590,000	7,280,535	31,870,535
2033	24,400,000	6,290,459	30,690,459
2034	21,785,000	5,324,427	27,109,427
2035	19,220,000	4,457,341	23,677,341
2036	19,265,000	3,673,986	22,938,986
2037	18,390,000	2,887,454	21,277,454
2038	17,865,000	2,132,951	19,997,951
2039	10,540,000	1,485,353	12,025,353
2040	9,405,000	1,028,020	10,433,020
2041	5,230,000	711,310	5,941,310
2042	5,060,000	492,915	5,552,915
2043	4,595,000	287,260	4,882,260
2044	2,265,000	144,034	2,409,034
2045	720,000	82,587	802,587
2046	720,000	54,491	774,491
2047	720,000	26,395	746,395
2048	300,000	6,648	306,648
Total	<u>\$1,249,373,825</u>	<u>\$368,471,363</u>	<u>\$1,617,845,188</u>

- (a) Excluded from this Table 9 are bond anticipation notes in the amount of \$62,280,800 sold to the New York State Environmental Facilities Corporation (EFC). As of December 31, 2019, approximately \$31.4 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 \$401,281,104 in long-term financing with EFC.
- (b) Interest does not reflect any applicable subsidies for EFC debt.

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^{(a)(b)}
As of December 31

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2010	\$ 829,750,770 ^(c)	2015	\$1,103,557,005
2011	1,023,060,598	2016	1,020,539,000 ^(c)
2012	1,012,426,484	2017	1,122,593,660 ^(c)
2013	1,108,757,834	2018	1,211,674,675
2014	1,098,445,984 ^(c)	2019	1,249,373,825

^(a) See Table 6 for previously refunded debt.

^(b) Excludes short-term notes sold to the New York State Environmental Facilities Corporation.

^(c) 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

In December 1998, 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”). Concurrently, 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.

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. DASNY’s bonds are not general obligations of the County.

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
	Court Facilities Incentive Aid							
	Administrative Costs	Health Law	Highway Law-CHIPs	Maintenance of		Total		
				Facilities	Interest			
2019	\$42,081,098	-	\$3,605,311	\$2,156,501	\$1,772,584	\$49,615,494	\$12,255,875	4.05 x
2018	35,425,844	-	3,608,751	2,431,654	1,072,938	42,539,187	12,255,875	3.47 x
2017	44,482,325	-	3,511,660	3,305,901	277,170	51,577,056	12,406,750	4.28 x
2016	36,912,184	-	3,696,399	1,361,828	405,232	42,375,643	12,406,500	3.42 x
2015	42,519,110	-	2,838,627	1,856,968	527,219	47,741,924	12,411,463	3.85 x
2014	50,064,362	-	2,817,055	2,271,147	643,535	55,796,099	12,411,463	4.50 x
2013	44,868,991	-	2,726,113	2,247,583	754,803	50,597,490	12,411,463	4.08 x
2012	45,397,522	-	2,952,768	2,765,312	860,456	51,976,058	12,411,463	4.19 x
2011	48,038,856	-	2,174,651	2,201,382	960,208	53,375,097	12,411,463	4.30 x
2010	41,654,718	167,477	2,587,768	2,731,988	796,691	47,938,642	12,411,463	3.86 x

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. (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

Proposed Capital Budget Projection
As of January 1, 2020
(Dollars in Thousands)

	Financing ^(c)					
	Estimated Total Cost ^(a)	Cumulative Appropriations ^(b)	Operating Budgets ^(d)	Non- County Share ^(e)	Aggregate Bonding Authorized And Anticipated ^(f)	Bonds Authorized ^(g)
Buildings, Land & Misc.	\$ 702,287	\$ 557,286	\$ 750	\$ 23,575	\$ 532,961	\$ 301,788
Parkways	84,450	76,450	-	-	76,450	20,244
Roads & Bridges	343,735	221,340	-	16,985	204,355	113,695
Recreation Facilities	709,106	558,926	363	6,194	552,369	197,088
Transportation	348,721	228,981	100	132,296	96,585	54,560
Total County	\$ 2,188,299	\$ 1,642,983	\$ 1,213	\$ 179,050	\$ 1,462,720	\$ 687,375
Airport	\$ 194,300	\$ 132,810	\$ 10,632	\$ 42,846	\$ 79,332	\$ 27,913
Refuse Disposal						
District No. 1	75,280	58,280	13,300	2,000	42,980	17,850
Sewer and Water						
Districts ^(h)	1,851,474	1,084,109	14,613	63,663	1,005,833	806,173
Grand Total	\$ 4,309,353	\$ 2,918,182	\$ 39,758	\$ 287,559	\$ 2,590,865	\$ 1,539,311

^(a) 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.

^(b) 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.

^(c) 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.

^(d) Reflects contribution from operating budgets.

^(e) Reflects other revenues, primarily Federal and State funds.

^(f) 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.

^(g) 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.

^(h) The Sewer and Water Districts costs include system, pump stations and treatment plants upgrades and rehabilitations as well as biological nutrient removal projects.

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Temporary Borrowing

Bond Anticipation Notes. The following table sets forth the ten year history of bond anticipation notes issued by the County:

TABLE 13

Bond Anticipation Notes

<u>Fiscal Year</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance as of December 31</u>
2010	147,000,000 ^(b)	46,470,000	206,485,000
2011	9,198,000 ^(a)	151,485,000	64,198,000
2012	80,000,000 ^(a)	9,198,000	135,000,000
2013	--	80,000,000	55,000,000
2014	88,727,800 ^(c)	55,000,000	88,727,800
2015	39,136,800 ^(a)	44,827,800	73,036,800
2016	79,426,000 ^(d)	27,200,000	125,262,800
2017	78,940,000 ^(e)	97,956,000	106,246,800
2018	17,350,000 ^(a)	69,410,000	54,186,800
2019	42,124,100 ^(a)	34,030,100	62,280,800

^(a) Sold to the New York State Environmental Facilities Corporation (the "EFC").

^(b) \$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 EFC on September 2, 2010.

^(c) \$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 EFC.

^(d) \$64,660,000 of Tax Exempt and \$7,750,000 of Taxable Bond Anticipation Notes were issued on December 15, 2016 and matured on December 15, 2017. \$7,016,000 of notes were sold to the EFC.

^(e) 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, which matured on December 14, 2018.

On April 30, 2020 the County issued two Bond Anticipation Notes. The Notes mature April 30, 2021. The Series A Note is in the amount of \$33,852,764 and the Series B Note is in the amount of \$9,474,269.

Tax Anticipation Notes. The following table shows the ten year history of tax anticipation note issuance by the County:

TABLE 14

As of December 31, 2019
Tax Anticipation Notes

<u>Fiscal Year</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance as of December 31</u>
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	150,000,000	--
2019	200,000,000	200,000,000	--

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.

On January 15, 2020, the County issued a \$200,000,000 Tax Anticipation Note. The Note was issued to provide cash flow assistance to the County leading up to the May 26, 2020 property tax collection. The Note matured on May 27, 2020 and was paid in full.

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, 2019

Cities:	Yonkers	\$ 562,443,082 ^(c)
	Peekskill	55,737,062
	Rye	9,270,000
	White Plains	161,889,511
	Mount Vernon	18,110,000
	New Rochelle	60,184,081
Towns:	Nineteen	367,833,069
Villages:	Twenty-three	542,621,461
School Districts:	Forty-seven	<u>1,432,791,748</u> ^(a)
Overall Estimated Underlying Gross Debt		<u>\$ 3,210,880,014</u> ^(b)

^(a) Net of State Building Aid of \$68,477,261.

^(b) Does not include deductions for self-supporting debt.

^(c) The amount reported includes the Yonkers School District indebtedness of \$178,265,654.

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 Part II of this Appendix B of this Official Statement. These statements have been audited by PKF 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 their own sales tax. In 2019 an additional 1% sales tax was authorized and became effective as of August 1, 2019, within the towns and cities not imposing 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 Limitation Law (as defined below in "FINANCIAL FACTORS - The Tax Levy Limitation 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 Limitation Law" herein).

In each of the years 2015 through 2019, the County levied approximately 30% of its annual 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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Levy for County Purposes	\$570,579,000	\$559,391,937	\$548,423,468	\$548,423,468	\$548,423,468
Tax Levy for Sewer, Water and Refuse Disposal Districts	<u>149,095,814</u>	<u>146,173,838</u>	<u>146,173,838</u>	<u>146,173,838</u>	<u>146,176,838</u>
Total	<u>\$719,674,814</u>	<u>\$705,565,775</u>	<u>\$694,597,306</u>	<u>\$694,597,306</u>	<u>\$694,597,306</u>

The tax levy as per the 2020 adopted budget is \$569,579,000 for County purposes and \$149,095,814 for special district purposes.

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 Limitation 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 Limitation Law. (See "FINANCIAL FACTORS - The Tax Levy Limitation Law" herein).

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The following table sets forth such real estate taxing limit of the County for the fiscal year 2020.

TABLE 17

Computation of Constitutional Taxing Power-General Fund
For the Fiscal Year 2020

<u>Tax Year</u>	<u>Full Valuation of Real Estate</u>
2020	\$185,037,881,544
2019	180,383,474,053
2018	174,189,428,026
2017	167,758,214,049
2016	<u>163,815,785,746</u>
Total	\$871,184,783,418
Five-year average full valuation	174,236,956,684
Tax Limit: (1.5%)	2,613,554,350
Total Additions	<u>166,126,326^(a)</u>
Total taxing power	2,779,680,676
Total levy for 2020	<u>718,674,814</u>
Tax Margin	<u>\$2,061,005,862</u>

(a) Excluded from the Constitutional Tax Limit is \$161,347,646 appropriated for Net Debt Service and \$4,778,680 for Equipment replacement/Additional Equipment as per the 2020 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>
2020	\$185,037,881,544	\$569,579,000	\$3.08
2019	180,383,474,053	570,579,000	3.16
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

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 therefore, 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 February 3, 2020 the tax warrants for fiscal year 2020 were approved by the Board of Legislators. The warrants total \$718,674,814 and will be collected in two installments. 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 five fiscal years.

TABLE 19

Fiscal Year Ending <u>December 31</u>	<u>Historic Tax Collection Record</u>		<u>Uncollected at End of Tax or Fiscal Year</u>
	<u>Total Ad Valorem Property Tax</u>	<u>Actual Collection</u>	
2020	718,674,814	N/A	N/A
2019	719,674,814	719,674,814	--
2018	705,565,775	705,565,775	--
2017	694,597,306	694,597,306	--
2016	694,597,306	694,597,306	--

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 of the State of New York was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and the Big 5 City School Districts (Buffalo, Rochester, Syracuse, Yonkers and New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities’ tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. On April 12, 2019, the enacted State budget legislation made the Tax Levy Limitation Law permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy

limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

Each of the County's 2014 through 2019 tax levies were below the respective limitations as prescribed by the Tax Levy Limitation Law.

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit", are used and they are not tautological. That is what the words say and that is what courts have held they mean."

Article 8 Section 12 of the State Constitution specifically provides as follows:

"It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted."

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the *Flushing National Bank* case stated:

"So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted....While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the *Flushing National Bank* case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

Therefore, while the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

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 November 30, 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 November 30, 2020. 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 November 30, 2020.

In 2019, the County petitioned the State Legislature to authorize a 1% increase to the 3% currently imposed by the County outside of the four cities imposing sales and use taxes. The tax increase was approved and effective as of August 1, 2019. This authorization expires on November 30, 2020. The County retains 70% of the 1% point increase, the municipalities 20% and school districts 10%.

In summary, the combined sales tax (County, State, and MTA) in the County, exclusive of cities that have imposed sales tax, is 8.375%. 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 2.833% (after municipal sharing) on sales in locations that do not have city sales tax. Therefore the total sales and use tax rate within the County is 8.375% in all jurisdictions except Yonkers (8.875%).

Chapter 59 of the Laws of 2019 requires the tax be withheld to be distributed as payments to towns and villages in the amounts they had previously received through the Aid and Incentives to Municipalities program in State fiscal year 2018-19. Chapter 56 of the Laws of 2020 requires the tax be withheld and deposited in the State's Distressed Provider Assistance Account for distribution to distressed nursing homes and hospitals. The impact of these two initiatives is expected to be approximately \$8mm annually.

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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>
2019	630,288,471	487,866,640
2018	551,883,494	431,369,350
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
2010	443,664,755	347,619,070

The 2020 Adopted Operating Budget includes Sales Tax of \$741,786,582 (Gross) and \$566,098,582 (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.

	<u>Adopted Budget 2020</u>	<u>Actual 2019</u>	<u>Actual 2018</u>	<u>Actual 2017</u>	<u>Actual 2016</u>
Hotel Occupancy Tax	\$7,212,000	\$6,881,646	\$ 6,825,805	\$ 6,449,824	\$ 6,325,138
Motor Vehicle Tax	16,874,000	16,423,208	16,382,152	16,168,942	15,855,777
Mortgage Recording Tax	19,347,000	20,135,934	18,414,553	20,141,856	19,718,700

In 2017 State and Federal Aid totaled \$401.5 million. This included \$238.7 million 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.

In 2018 State and Federal Aid totaled \$419.4 million. This included \$243.1 million in Federal and State aid for Social Service programs and \$176.3 million for mental health, public health, transportation and other County programs. Of such amounts 40% (\$169.5 million) is Federal aid and 60% (\$249.9 million) is State aid.

In 2019 State and Federal Aid totaled \$453 million, which includes \$262 million for Social Service programs and \$191 million for mental health, public health, transportation and other County programs. Of such amounts, approximately 37% (\$166.6 million) is Federal aid and 63% (\$286.5 million) is State aid.

The 2020 Adopted Operating Budget anticipates a total of \$482.5 million of Federal and State aid, which includes \$286 million for Social Service programs and \$196.5 million for mental health, public health, transportation and other County programs. Of such amounts, approximately 38% (\$184.3 million) is Federal aid and 62% (\$298.2 million) is State aid.

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 2018 Audited Operating results for the General Fund expenditures and other financing uses totals approximately \$1.908 billion, of which 33.6% was spent for economic assistance.

The 2019 Audited Operating results for the General Fund expenditures and other financing uses totals approximately \$2.0 billion, of which 32% was spent for economic assistance.

The 2020 Adopted Operating Budget for the General Fund and other financing uses totals approximately \$1.976 billion with an estimated 31% to be spent on economic assistance.

TABLE 21

	2020 Adopted <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
General Government	\$304,437	\$241,640	\$223,548	\$ 205,365	\$ 204,368
Education	158,458	160,307	155,796	149,666	161,350
Public Safety	311,744	279,130	271,378	263,101	241,086
Health	43,991	40,069	39,710	36,684	35,131
Transportation	182,737	177,603	172,287	161,901	158,109
Economic Assistance	659,684	645,649	640,702	572,959	589,547
Culture and Recreation	53,143	49,925	48,432	45,008	44,071
Home & Community Services	5,899	5,069	4,358	5,044	4,285
Employee Benefits	268,180	257,855	243,207	250,540	243,327
Cost of Debt Issuance	935	584	614	1,077	303
Debt Service	112,941	117,567	99,810	97,044	103,037
Transfers Out & other (net)	<u>4,631</u>	<u>1,528</u>	<u>8,458</u>	<u>3,495</u>	<u>6,136</u>
Total Expenditures	<u>\$2,106,780</u>	<u>\$1,976,926</u>	<u>\$1,908,300</u>	<u>\$1,791,884</u>	<u>\$1,790,750</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 2017 AND 2018 FISCAL YEARS, THE ADOPTED BUDGET FOR THE 2019 FISCAL YEAR AND THE 2020 PROPOSED BUDGET

Results 2017

The December 31, 2017 General Fund balance totaled \$134 million. This balance is made up of the following items: unassigned - \$21.8 million, non-spendable - \$25.8 million, and 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 million, purchases on order - \$6.6, Medicaid claims - \$4.1 million, and for subsequent year's expenditures - \$19.8 million.

Results 2018

The December 31, 2018 General Fund balance totaled \$94.5 million. This balance is made up of the following items: unassigned - \$17.9 million, non-spendable - \$29.6 million, and assigned - \$47.0 million. The detail of the assigned balance is as follows: other post-employment benefits (GASB 75) - \$41 million, purchases on order - \$6.0 million.

Results 2019

The December 31, 2019 General Fund balance totaled \$108.3 million. This balance is made up of the following items: unassigned - \$27.6 million, non-spendable - \$32.7 million, and assigned - \$48.0 million. The detail of the assigned balance is as follows: other post-employment benefits (GASB 75) - \$41 million, purchases on order - \$7.0 million.

Adopted 2020 Budget

Total expenditures in the adopted budget are \$2.107 billion. Sales tax revenues in are budgeted at \$741.8 million (35.2% of total), property tax is budgeted at \$569.6 million (27.1% of total) and Federal and State Aid is budgeted at \$482.5 million (22.9% of total). The 2020 Adopted Operating Budget includes an assumed increase in general fund balance of \$10 million.

EMPLOYEES

As of June 23, 2020, the County provides services through approximately 4,545 full-time equivalent employees; 372 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 June 23, 2020, 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 122 administrators and managers;
- The Westchester County Correction Officers Benevolent Association (the “COBA”) representing 692 correction officers;
- The Westchester County Correction Department Superior Officers Association (the “SOA”) representing 112 senior assistant wardens, sergeants, captains and specialists;
- The New York State Nurses Association (the “NYSNA”) representing 32 registered nurses in various County departments;
- The Westchester County Police Officers Benevolent Association, Inc. (the “PBA”) representing 262 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 2,893 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 expired on December 31, 2019, two Corrections contracts which expired 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, 2019. The County's contract with the New York State Nurses Association will expire December 31, 2021. The CSEA contract will expire December 31, 2021. Each of these contracts is subject to negotiations. One additional bargaining unit consisting of seasonal and part time personnel is 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 now that negotiations with the CSEA are completed.

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 applicable to the County for the plan year ended March 31, 2020 are as follows:

TABLE 22

	<u>Tier</u>	<u>Rates</u>
ERS	1	21.4%
	2	19.5% - 19.6%
	3	15.8% - 15.9%
	4	15.8% - 24.9%
	5	13.2% - 22.6%
	6	9.4% - 18.1%
PFRS	2	24.3%
	3	24.2%
	5	19.8%
	6	14.6%

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 set forth as follows:

TABLE 23

	<u>2019</u>	<u>2018^(a)</u>	<u>2017^(b)</u>	<u>2016^(c)</u>	<u>2015^(d)</u>
ERS	\$81,108,813	\$67,769,770	\$65,666,470	\$66,986,134	\$60,990,054
PFRS	<u>13,875,922</u>	<u>11,611,637</u>	<u>11,720,473</u>	<u>11,168,677</u>	<u>8,126,385</u>
Total Payment	<u>\$94,984,735</u>	<u>\$79,381,407</u>	<u>\$77,386,943</u>	<u>\$78,154,811</u>	<u>\$69,116,439</u>

^(a) In 2018, the County elected to amortize the maximum ERS contribution (2019 annual invoice due February 1, 2019) of \$4,171,106. Therefore, the gross bills for ERS and PFRS were \$71,940,876 and \$11,611,637, respectively

^(b) 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 \$69,561,379 and \$11,720,473, respectively.

^(c) 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

^(d) 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.

The County did not amortize any portion of the 2019 payments.

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 75 and Other Post-Employment Benefit (OPEB)

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), replaces GASB Statement No. 45. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

Danziger & Markhoff LLP has completed its analysis and actuarial valuation of the County's OPEB obligation as of the fiscal year ended December 31, 2019 in accordance with GASB 75. The actuarial report determined that as of December 31, 2019, the County's total OPEB liability was \$3,406,314,366 using a discount rate of 3.26% and healthcare cost trend rates of 4.26% decreasing to 2.26%. For the year ended December 31, 2019, the County recognized OPEB expense of \$219,935,206 in the Government Wide Financial Statements, the County reported deferred inflows of \$18,340,382.

Actuarial valuations are required every two years since the County's OPEB plan has more than 200 members. Should the County be required to fund the total OPEB liability, it could have a material adverse impact upon the County's finances and could force the County to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the County to partially fund its OPEB liability.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the County will continue funding this expenditure on a pay-as-you-go basis.

Legislation has been introduced to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The County cannot predict whether such legislation will be enacted into law in the foreseeable future.

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 \$6,522,684 and \$8,784,899 were expended in 2019 and 2018, respectively. The 2020 adopted budget includes \$9,000,000 for tax certiorari claims.

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 have been no material changes in the terms of the Stipulation and Order of Settlement and Dismissal during the course of the settlement period. The County and the Department of Justice are in agreement that the County has substantially met its obligations under the Settlement; at this juncture the parties await a report by the Settlement's Monitor that should conclude the matter.

Connecticut Fund for the Environment et al. v. County of Westchester et al. Plaintiffs commenced this action in 2015 against the County 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, this Office 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 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 Office is unable to express an opinion on the probable outcome of the case at this stage.

105 Mt. Kisco Assoc., et. al v. Carozza, Westchester County Department of Health, et. Al. In this federal lawsuit brought under the Comprehensive Environmental Response, Compensation, and Liability Act, plaintiffs allege actions by various parties, including the Westchester County department of Health ("WCDOH") in connection with the contamination of their property. Specifically, plaintiffs assert that the WCDOH arranged for the transportation and disposal of contaminated soil. The County's motion to dismiss the Amended Complaint was denied on December 20, 2019. On June 15, 2020, the County filed an Amended Answer to the Amended Complaint and discovery is in initial stages. The County will continue to vigorously defend this action. Due to the inherent uncertainty of this type of proceeding, this Office is unable to express an opinion on the probable outcome of the case at this stage.

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, 2019 for claims arising from 1986 through 2019 exposures, including a provision for incurred but not reported claims.

Of those cases instituted after the December 31, 2019 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 “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.

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

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