COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements

December 31, 2014

I. Summary of Significant Accounting Policies

The financial statements of the County of Saratoga have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The County of Saratoga, New York, was established in 1791. The County is governed by the County Law and other general laws of the State of New York. The governing body consists of 23 supervisors representing the 19 towns and 2 cities within the county. Two supervisors represent the Town of Clifton Park and the City of Saratoga Springs each. Each municipal unit having a population of less than 25,000, according to the last decennial census, elects one supervisor. Each municipal unit having a population of more than 25,000 elects an additional supervisor for each additional 25,000 of population, or portion thereof. The Board votes by a weighted voting system in which each Supervisor casts one vote for each person in his municipality, according to the last decennial census. Where a municipality has more than one supervisor, each supervisor casts a number of votes equal to the population of the municipality divided by the number of supervisors representing it. The Chairman of the Board, elected by the board each year, is the chief executive officer of the county. The County Treasurer, elected for a four-year term, is the chief fiscal officer of the county. The County Clerk, Sheriff, and District Attorney are constitutional officials and are elected in accordance with constitutional provisions.

The County provides the following principal services: police and law enforcement, educational assistance for county residents attending community colleges, economic assistance, health and nursing services, maintenance of county roads and a part county sewer system. The County administers the Employment and Training Services (WIA) program for Saratoga, Warren and Washington Counties.

1. Included in the Reporting Entity:

Saratoga County Department of Public Works
Saratoga County Sewer District
Maplewood Manor Saratoga-County Infirmary

2. Excluded from the Reporting Entity

The following organizations, functions, and activities are related to Saratoga County but are not included in the reporting entity as they have complete control over their own budgets and use of funds, operating without County control or approval. Oversight is not vested in the County Board for these organizations:

Saratoga County Soil & Water Conservation District
Saratoga Lake Protection and Improvement District
Saratoga County Industrial Development Agency
Saratoga County Water Authority

B. Fund Accounting

The County uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The County records its transactions in the fund types and account groups described below.

1. **Fund Categories**

   a. **Governmental Funds** – Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The following are the County's governmental fund types.

   General Fund – the principal operating fund and includes all operations not required to be recorded in other funds.

   Special Revenue Funds – used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

   Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the enterprise, or internal service funds.

   Debt Service Fund – used to account for current payments of principal on general obligation long-term debt.

   b. **Proprietary Funds** – used to account for ongoing organizations or activities, which are similar to those often, found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position. The following proprietary fund(s) are utilized.

   Enterprise Funds – used to account for the following operations:

   Maplewood Manor (Saratoga County Infirmary)
   Saratoga County Sewer District

   c. **Fiduciary Funds** – used to account for assets held by the local government in a trustee or custodial capacity:

   Trust and Agency Funds – used to account for money (and/or property) received and held in the capacity of trustee, custodian or agent. These include expendable trusts, non-expendable trust, and agency funds.

2. Account Groups

Account groups are used to establish accounting control and accountability for general fixed assets and general long-term debt. The two account groups are not “funds”. They are concerned with measurement of financial position and not results of operations.

The General Fixed Assets Account Group – used to account for land, buildings, improvements other than buildings, and equipment utilized for general government purposes, except those accounted for in proprietary funds.

The General Long-Term Debt Account Group – used to account for all long-term debt except that accounted for in proprietary funds.

C. Basis of Accounting/Measurement Focus

The accounting policies of the County of Saratoga, New York, conform to generally accepted accounting principles (GAAP). The County's accounting and reporting conform to recommendations of the American Institute of Certified Public Accountants industry audit guide entitled, "Audits of State and Local Governmental Units". This audit guide is based upon the accounting principles presented in the National Council on Governmental Accounting Publication, "Governmental Accounting and Financial Reporting Principles" (NCGA Statement 1) and are adhered to by the County. Its purpose is to promote greater uniformity in accounting and reporting practices of governmental units.

The accounts of the County are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the financial statements.

Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities (except those accounted for in the enterprise fund) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

Modified Accrual Basis – All Governmental Funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred except that:

1. Expenditure for prepaid expense and inventory-type items are recognized at the time of purchase.

2. Principal and interest on indebtedness are not recognized as an expenditure until due.

3. Compensated absences, such as vacation and sick leave that vests or accumulates, are charged as an expenditure when paid.

<u>Accrual Basis</u> – Proprietary funds are accounted for on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred. Fixed assets and long-term liabilities related to these activities are recorded within the funds.

<u>Account Groups</u> – General fixed assets are recorded at actual or estimated cost or, in the case of gifts and contributions, at the fair market value at the time received. No provision for depreciation is made. General long-term debt liabilities are recorded at the par value of the principal amount: No liability is recorded for interest payable to maturity.

D. Budgetary Data

1. General Budget Policies

The County's Procedures for establishing the budgetary data reflected in the financial statements are as follows:

a. No later than November 15, the Budget Officer is to submit a tentative budget with the Clerk of the Board for the fiscal year commencing the following January. The tentative budget includes proposed expenditures and a means of financing them.

b. Public hearings are conducted to obtain taxpayer comments.

c. No later than December 20, the Board of Supervisors is to adopt the county budget.

d. The County Administrator (Budget Officer) is authorized to transfer certain budgeted amounts within departments, within a fund; however, any revisions that alter total expenditures of any department or fund must be approved by the Board of Supervisors.

2. Encumbrances

Encumbrance accounting is employed in all governmental funds. With encumbrance accounting, purchase orders and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations. Open encumbrances do not constitute expenditures or liabilities.

E. Revenues, Expenditures and Expenses

1. Property Taxes and Collection

The property taxes are levied each January 1, on the full-assessed value for all taxable real property located within the county. The initial responsibility for collecting county property taxes rests with the 19 towns and 2 cities.

The two cities remit to the County all taxes levied for County purposes within the cities and the cities enforce tax liens for unpaid taxes. Outside the cities, the County is responsible for collecting unpaid taxes; the towns, villages, and school districts receive their entire levies. Based on historical statistics the County will ultimately collect 100% of the original tax levy.

2. Sales Tax

Effective June 1, 2002, the City of Saratoga Springs reimposed its own sales tax, abrogating the then existing distribution formula. For sales on or after that date, there is a 1-½% county sales tax within the City of Saratoga Springs and 3% county sales tax elsewhere in the county. In accordance with Section 1262 of the New York State Tax Law, the additional 1 ½% collected outside the City of Saratoga Springs is distributed to the City of Mechanicville and each town and village within the County proportionately to its share of the full value of taxable real property outside Saratoga Springs.

Special annual distributions are made to the City of Mechanicville ($542,000) and the Town of Milton ($60,000) by permission of the State Legislature and direction of the Board of Supervisors.

3. <u>Vacation, Sick Leave, and other Compensated Absences</u>

Under the terms of Union contracts, County employees are granted personal time, vacation, and sick leave annually in varying amounts. Employees may accrue a maximum of 200 days sick leave. In the event of termination, employees are reimbursed for unused vacation time, unpaid compensatory time and personal time but are not paid for unused sick time. A liability has been recorded in the long term liability fund, Fund W, for the estimated vacation, unpaid compensatory time and personal time as of December 31, 2014. The total amount of this accrual in all funds for compensated absences is $3,388,239.

4. <u>Medicaid Claims</u>

Physicians, hospitals, pharmacists and others who provide services to public assistance recipients, and other individuals enrolled in the Medicaid Assistance program, are entitled to reimbursement of the defined costs of such services through the State, Federal and locally funded Medicaid programs. Prior to June 1981, the County had the initial responsibility of processing and paying such claims and was later reimbursed for the State and Federal portions. From June 1981 to 2005, the County participated in a statewide system utilizing an outside service bureau to process and pay such claims. The County was subsequently billed by the state for its share of paid claims. At any point in time, unpaid claims for services rendered by providers were either being processed by the service bureau or were still to be reported by the providers. Due to a legislative enactment of a Medicaid cap we no longer need to accrue for the so-called lag factor (money outstanding with providers) not processed through the state MMIS.

5. <u>Post Employment Benefits</u>

The County provides health insurance coverage and Medicare reimbursement for retirees in accordance with the coverage the employee had at the time of retirement (individual or family). Retirees under 65 are covered by regular health insurance. Those over 65 are covered by the Medicare rate and those who are eligible, receive Medicare reimbursement. During 2014, $6,656,394 was paid on behalf of retirees and recorded as expenditures in the funds and departments in which each employee worked at the time of retirement.

F. POST-RETIREMENT EMPLOYEE BENEFITS

Plan Description. The County provides a single-employer self-insured medical plan (Plan) that offers two options. The Plan provides lifetime healthcare insurance and prescription drug coverage for eligible retirees and their spouses through the County's Plan, which covers both active and retired members. Benefit provisions are established through negotiations between the County and the unions, representing employees, and are renegotiated at the end of each of the bargaining periods.

Funding Policy. Contribution requirements also are negotiated between the County and union representatives. The County contributes a percent of the cost of current year premiums for eligible retired Plan members and their spouses. For the year ended December 31, 2014, the County contributed $7,459,457 to the Plan. Plan members receiving benefits contribute 5%, 15% or 20% of their premium costs.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution* of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year. Unfunded actuarial liabilities (or funding excess) are amortized over a period not to exceed thirty years. The County's OPEB cost (expense) for the year ended December 31, 2014, was $21,140,640. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan:

Annual required contribution	$23,376,640
Interest on net OPEB obligation	5,731,179
Adjustment to annual required contribution	(7,967,179)
Annual OPEB cost	21,140,640
Contributions made	(7,459,457)
Increase Net OPEB obligation	13,681,183
Net OPEB obligation, beginning of year	143,279,466
Net OPEB obligation, end of year	$156,960,649

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
12/31/2014	$21,140,640	35.3%	$156,960,649
12/31/2013	$20,780,105	47.4%	$143,279,466
12/31/2012	$32,605,593	25.5%	$132,345,818
12/31/2011	$31,283,537	27.2%	$108,053,423
12/31/2010	$30,252,900	24.5%	$85,268,128
12/31/2009	$29,018,089	23.4%	$62,429,309
12/31/2008	$26,031,975	24.2%	$40,201,919

Funded Status and Funding Progress. As of December 31, 2014, the actuarial accrued liability for benefits was $223,099,924 all of which was unfunded.

The projection of future benefit payments for an ongoing Plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement Age for Active Employees - The rates of decrement due to retirement based on the experience under the New York State and Local Retirement System were prepared by the Department of Civil Service's actuarial consultant in the report titled, *Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation*.

Marital Status - It is assumed that 70% of retirees will be married at the time of their retirement, and the male spouse is assumed to be approximately three years older than the female.

Mortality - Life expectancies were based on RP-2000 mortality tables for males and for females.

Turnover - The rates of decrement due to turnover based on the experience under the New York State and Local Retirement System were prepared by the Department of Civil Service's actuarial consultant in the report titled, *Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation*.

Healthcare Cost Trend Rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 11 percent initially, reduced to an ultimate rate of five percent after six years, was used.

Health Insurance Premiums - The 2014 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation Rate - The expected long-term inflation assumption of 4.0 percent was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in *The 2008 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

Payroll Growth Rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the County's short-term investment portfolio, a discount rate of four percent was used in 2011. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014, was 30 years.

G. Hudson River Black River Regulating District (HRBRRD)

As a result of subsequent negotiations between the five counties and HRBRRD, a settlement of the litigation was reached, approved and executed by the parties in March 2013, and approved by the New York State Department of Environmental Conservation on April 3, 2013.

The parties agreed to a stipulated reduced arrearage figure for assessment years 2009-2010; 2010-2011 and 2011-2012 in the amount of $3,500,000. Saratoga County's share of that arrearage was established at $1,210,825, down from the $3,916,315 proposed by HRBRRD on July 10, 2012. The parties stipulated that future total annual assessments by the District through assessment year 2017-2018 would not exceed $2,994,100. Saratoga County's share of said overall annual assessment was established at $1,035,809.

Due to the fact that since 2009 HRBRRD has been delinquent in paying property taxes on four parcels it owns in Saratoga County, and Saratoga County made the towns and school districts to which those taxes were owed whole by paying those towns and school districts an amount equal to HRBRRD's delinquent taxes, HRBRRD owes Saratoga County $3,764,004.73 in delinquent property taxes. The parties' settlement agreement allows Saratoga County, in lieu of paying the District's assessments, to take a series of credits against the amount owed by the District to the County for the District's delinquent taxes. Pursuant to the payment schedule agreed upon by the parties, Saratoga County will not need to make an actual payment to the District in the amount of $1,035,809 until the District's 2015-2016 assessment due in October 2015.

II. Stewardship, Compliance, Accountability

A. Assets

1. Cash and Investments

While the Saratoga County Treasurer, the County's Chief Fiscal Officer, has the principal responsibility for safeguarding the financial assets of the County and for obtaining a reasonable return on the investment of those assets, the Board of Supervisors also shares the responsibility for protecting County funds. Moreover, the Board has an obligation, under New York State Law, to define and delimit those instruments, which it regards as acceptable for the investment of Saratoga County funds. Therefore, both to comply with applicable statutes and regulations and to offer appropriate guidance to the Saratoga County Treasurer, the Board of Supervisors establishes this investment policy.

a. The Treasurer may deposit funds in any financial institution, which is a commercial bank with a branch office within Saratoga

County if it meets the minimum capital and debt criteria described in Section II and has been approved as a depository by the Board of Supervisors. Each such bank must execute a depository undertaking and an assignment of collateral agreement with the County Treasurer; such agreements will call for the provision, by the bank, to the County Treasurer, of annual financial statements and quarterly “call reports”. All County deposits must be secured by collateral in accordance with Section (d) of this policy.

b. Primary Capital defined as the sum of common stock, perpetual preferred stock, capital surplus, undivided profits, reserves for contingencies and other capital reserves, mandatory convertible instruments, the allowance for possible loan and lease losses, and any minority interest in the equity accounts of consolidated subsidiaries. Excess Problem Loans are defined as the amount by which problem loans (those still accruing but past due by 90 days or more, those not accruing and renegotiated “troubled” debt) exceed the allowance for loan and lease losses.

c. To qualify as a depository of Saratoga County funds, a bank must meet four of the following financial criteria. With respect to any bank, which is a subsidiary of another bank, these criteria will be applied to the parent bank.

- i. Ratio of Primary Capital to assets – greater than 7%
- ii. Ratio of liquid assets to deposit – greater than 25%
- iii. Ratio of the sum of Excess Problem Loans and foreign loans to equity less than 30%
- iv. Return on investment – greater than .5%
- v. Outstanding loans to mature to be re-priced within twelve months – greater than 20%

d. Saratoga County’s deposits in each qualified bank, or family of banks, are limited to the lesser of 75% of Primary Capital or the maximum amount set forth in the Board of Supervisors’ Designation of Depositories.

e. Each depository bank must provide collateral for all Saratoga County deposits and investments it holds to the extent that their sum exceeds federal deposit insurance, if any, for such accounts. The collateral must consist of securities acceptable to the County and have an aggregate market value of 105% of the deposits secured. Collateral must be held by a third party, in trust,or, in safekeeping, in a restrained account, or otherwise specifically segregated as collateral for the public funds of Saratoga County. That third party shall be financial institution of the depository bank's choice, subject to the approval of the County Treasurer, which has entered into an escrow/custodian agreement with the depository bank and the County Treasurer. Under that agreement, the depository bank will have the right to the income from the collateral and the right to substitute alternative, acceptable collateral. The County will be notified of any substitution or reduction of collateral and will have an undisputed right of delivery of the collateral in the event of a default by the depository bank. The custodian need not have physical possession of the collateral but may hold the collateral in book entry form acceptable to the County Treasurer.

f. The Treasurer may, from time to time, invest County funds not immediately needed for County purposes in (a) an interest-bearing account in that approved depository bank offering the highest interest rate at the time of the investment, but only to the extent that all such investments and deposits in that depository bank do not exceed the amounts set forth in Section III or (b) by purchase of securities permitted by Section 11 of the General Municipal Law and authorized by the Board of Supervisors.

g. The County Treasurer will report monthly to the Law & Finance Committee on the status of all County investments and deposits. The Law & Finance Committee will annually review this policy and, at its discretion, recommend changes to the Board of Supervisors.

h. At December 31, 2014, all county cash was in authorized checking accounts, municipal savings accounts and certificates of deposit.

B. Fixed Assets

The total fixed assets net of accumulated depreciation included in the report is $231,023,907. This figure includes land, buildings, improvements, and machinery and equipment and construction work in progress.

C. Liabilities

Contributions for Retirement Benefits

The County of Saratoga participates in the New York State and Local Employees' Retirement System (ERS), and the Public Employees' Group Life Insurance Plan (Systems). These are cost sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244-0001.

The Systems are noncontributory for employees who joined the New York State and Local Employees' Retirement System before 7/28/76; employees joining after 7/28/76 contribute 3% of their salary, until they are in the retirement system for ten years. Employees joining on or after 1/1/10 contribute 3% of their salary for all their years of public service. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates, expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The County of Saratoga is required to contribute at an actuarially determined rate. The required contributions for the current year and ten preceding years were:

	ERS
2004	$6,172,880
2005	$6,053,411
2006	$5,538,905
2007	$5,615,165
2008	$5,221,615
2009	$5,002,367
2010	$7,944,334
2011	$12,815,354
2012	$12,370,870
2013	$12,336,753
2014	$12,160,083

The contributions made to the Systems were equal to 100 percent of the contributions required for each year.

D. <u>Deferred Revenue - Property Tax</u>

At December 31, 2014, our deferred tax revenue account equals our uncollected County taxes, using the 60-day rule.

E. Capital Projects

A summary of the Capital Projects at December 31, 2014 is as follows:

HE- Emergency Radio Communication - This project is for the improvement of emergency radio communication throughout the county. This project will be closed in 2015.

HG- Zim Smith Trail- the Board originally appropriated $550,000 of Federal and State Grant funds and County funds for the development of the Zim Smith Trail.

HK –Sewer District #1 Expansion Project – This authorized construction of an expansion and upgrade to the Sewer District Treatment Plant through the issuance of serial bonds.

HM –Sewer Improvement Saratoga Lake – The project is to improve sewer lines around Saratoga Lake. The funding of the project was initially through a Bond Anticipation Note for $18,500,000 which was redeemed in June of 2014 with proceeds from a Serial Bond which was for $18,200,000. The construction is expected to be completed by 2016.

HN –Information Technology Infrastructure – Internally funded project to improve the wiring, hardware, and security infrastructure of the County IT resources.

F. General Long-Term Debt Group of Accounts

The County, like most governmental units, borrows money in order to acquire land; equipment; construct buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of these capital assets. These long-term liabilities are recorded in the general long-term debt account group. The provision to be made in the future budgets for capital indebtedness represents the amount, exclusive of interest, authorized by the Board of Supervisors to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

1. The following is a statement of Serial Bonds and maturity schedule, and State Loans Payable at December 31, 2014.

Description of Issue	Issue Date	Final Maturity	Interest Rate	Payable to Maturity
Emergency Radio	2010	2017	4%	$5,395,000
Environmental Facilities	2010	2017	*	$65,000
Environmental Facilities	2011	2017	*	$2,965,000
Emergency Radio	2009	2019	*	$3,710,000
County Sewer District	2012	2023	*	$2,595,000
Animal Shelter	2009	2029	*	$4,250,000
Sewer- Saratoga Lake	2014	2034	*	$18,200,000

Sewer Expansion	2009	2039	*	$20,955,000
Sewer Expansion	2010	2040	*	$15,755,000
				$73,890,000

∗Note: The interest rates vary during the life of the bond.

2. A summary of changes in long-term debt is as follows:

	Long-Term Debt Group of Accounts
Balance 01/01/14	$60,235,000
Debt Added	$18,200,000
Debt Retired	$(4,545,000)
Balance 12/31/14	$73,890,000

The annual requirements to amortize debt outstanding on Bonds as of December 31, 2014 are as follows:

Sewer Expansion – Halfmoon **(2012)**

(Sewer Bonds)	Principal	Interest	Total
2015	250,000	98,700	348,700
2016-2023	2,345,000	437,800	2,782,800
Total	$2,595,000	$536,500	$3,131,500

(Environmental Facilities) **(2011)**	Principal	Interest	Total
2015	995,000	78,447	1,073,447
2016-2017	1,970,000	83,486	2,053,486
	$2,965,000	$161,933	$3,126,933

(Environmental Facilities) **(2010)**		Principal	Interest	Total
	2015	20,000	1,770	21,770
	2016-2017	45,000	2,052	47,052
		$65,000	$3,822	$68,822

(Sewer Expansion) **(2009)**				
	2015	465,000	934,153	1,399,153
	2016-2039	20,490,000	13,783,230	34,273,230
		$20,955,000	$14,717,383	$35,672,383

(Animal Shelter) **(2009)**				
	2015	205,000	255,409	460,409
	2016-29	4,045,000	2,102,320	6,147,320
		$4,250,000	$2,357,729	$6,607,729

(Emergency Radio) **(2009)**				
	2015	685,000	148,400	833,400
	2016-2019	3,025,000	308,200	$3,333,200
		$3,710,000	$456,600	$4,166,600

(Emergency Radio) **(2010)**				
	2015	1,740,000	215,800	1,955,800
	2016 – 2017	3,655,000	220,400	3,875,400
		$5,395,000	$436,200	$5,831,200

(Sewer Expansion) **(2010)**				
	2015	340,000	652,779	992,779
	2016 – 2040	15,415,000	9,870,533	25,285,533
		$15,755,000	$10,523,311	$26,278,311

(Sewer – Saratoga Lake) **(2014)**				
	2015	450,000	756,786	1,206,786
	2016 – 2040	17,750,000	5,551,613	23,301,613
		$18,200,000	$6,308,398	$24,508,398

3. Short-Term Debt:
On June 6, 2014 Saratoga County redeemed Bond Anticipation Notes for $18,500,000 with an interest rate of .75%.

G. Interfund Transactions

1. Interfund Transfers

The following is a summary of interfund transfers for the year ended December 31, 2014:

Transfer To	From General
County Road Fund	$12,677,283
Road Machinery Fund	$2,974,962
Capital Projects	$969,563
Maplewood Manor	0
	$15,652,245

2. Interfund Receivables and Payables

Interfund receivables and payables at December 31, 2014 were as follows:

Fund Type	Interfund Receivable	Interfund Payable
General	$3,028,994	$0
Special Grant	26,339	0
County Road	0	379,274
Road Machinery	398,671	0
Enterprise Health Fac.	0	2,052,404
Sewer	0	22,792
Worker's Comp	0	30,375
Capital Projects	0	639,462
Trust	0	329,697
Total	$3,454,004	$3,454,004

H. Subsequent Events

A contract for the sale of Maplewood Manor, the Saratoga County nursing home:

The sale is for more than $14,100,000 with a majority of the revenue to be recognized by 2018 upon completion of the sale. In 2013 over $1,965,000 was recognized in the General Fund as a receivable and deferred revenue. In February 2015 the operation of the nursing home was turned over to Saratoga Center for Care, LLC. The County retains ownership of the land and building, which will have ownership transferred to another business entity on or before December 31, 2018.