

# COUNTY OF SCHUYLER

Watkins Glen, New York

## FINANCIAL REPORT

For the Year Ended  
December 31, 2023



**insero&co**

Certified Public Accountants | Business Advisors

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# ***COUNTY OF SCHUYLER***

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## INDEPENDENT AUDITORS' REPORT

To the Chairperson and  
Members of the Legislature  
County of Schuyler  
Watkins Glen, New York

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Schuyler (the County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Schuyler, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Budgetary Comparison Schedules; the Schedule of Changes in the County's Total Other Postemployment Benefits (OPEB) Liability and Related Ratios; Schedule of County's Contributions - New York State and Local Retirement System (NYSLRS) Pension Plan; Schedule of the County's Proportionate Share of the Net Pension (Asset)/Liability; and the related notes to required supplementary information 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 Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2024 on our consideration of the County of Schuyler’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Schuyler’s internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
July 22, 2024

# ***COUNTY OF SCHUYLER***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

Our discussion and analysis of the financial performance of the County of Schuyler (the County) provides an overview of the County's financial activities for the fiscal year ended December 31, 2023. Please read this information in conjunction with the County's financial statements, which begin on page 6.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 6 through 8) provide information about the County as a whole and present a longer-term view of the County's finances. Governmental Fund financial statements start on page 8. Governmental Activities these statements tell how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the County's operations in greater detail than the Government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside the government. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the County's General and Major Special Revenue Fund budgets for the year; a Schedule of Changes in the County's Total OPEB Liability and Related Ratios related to the County's other postemployment benefits; a Schedule of County's Contributions - NYSLRS Pension Plan; and a Schedule of the County's Proportionate Share of Net Pension (Asset)/Liability.

In addition to the basic financial statements, the annual report contains other information in the form of combining statements for those funds that are not considered Major Funds and, therefore, are not presented individually in the basic financial statements.

### **Reporting the County as a Whole**

Analysis of the County as a whole begins on page 6, with the Government-wide statements. The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer the question of whether the County, as a whole, is better off or worse off as a result of the year's activities. These statements include *all* assets; deferred outflows of resources, liabilities; and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the County's net position and changes in it. The County's net position (the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources) is one way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. One needs to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

# ***COUNTY OF SCHUYLER***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

In the Statement of Net Position and the Statement of Activities, the County reports:

**Governmental Activities:** Most of the County's services are reported in this category, including public safety, public health, transportation, economic assistance and opportunity, culture and recreation, home and community services, and general administration. Property and sales taxes, and state and federal grants, finance most of these activities.

**Component Units:** The County includes four separate legal entities in its report - the Schuyler County Industrial Development Agency, the Soil and Water Conservation District, the Schuyler County Human Services Development Corporation (HSDC) and the Schuyler Tobacco Asset Securitization Corporation (STASC). STASC is reported as a blended component unit with the County's Governmental Activities. HSDC is reported as an Internal Service Fund and blended with the County's Governmental Activities. The other two component units are reported discretely. Although legally separate, these component units are important because the County is financially accountable for them. Complete financial statements for the Industrial Development Agency can be obtained from their administrative office at 216 North Franklin Street, Watkins Glen, New York 14891. Financial statements for STASC and HSDC can be obtained from Schuyler County, 105 9<sup>th</sup> Street, Watkins Glen, New York 14891. Soil and Water Conservation District financial information may be obtained from Schuyler County Soil and Water Conservation District, PO Box 326, Montour Falls, New York 14865.

### **Reporting the County's Most Significant Funds**

#### **Fund Financial Statements**

Analysis of the County's Major Funds begins on page 9. The Fund financial statements provide detailed information about the most significant funds and not on the County as a whole. Some funds are required to be established by state law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants. The County reports its activities in Funds.

**Governmental Funds:** With the exception of Internal Service Funds, the County's services are reported in the Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting* which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund financial statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The relationship (or differences) between Governmental *Activities* (reported in the Government-wide financial statements) and Governmental *Funds* is explained in a reconciliation following the Governmental Fund financial statements.

# ***COUNTY OF SCHUYLER***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

**Proprietary Funds:** When the County charges customers for the services it provides, whether to outside customers or to other units of the County, these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. Internal Service Funds (a component of Proprietary Funds) are used to report activities that provide supplies and services for other programs and activities directly benefitting the County.

**The County as Trustee:** The County is the trustee, or fiduciary, for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All the County's Fiduciary Activities are reported in a separate Statement of Fiduciary Net Position on page 16. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### **THE COUNTY AS A WHOLE**

The County's net position for the fiscal year ended December 31, 2023 increased from \$13,158,986 to \$19,157,819.

A large portion of the County's net position, \$40,824,861, reflects its investment in capital assets (e.g. land, buildings, machinery and 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; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the County's net position, \$7,175,215, represents resources subject to external restrictions on how they may be used and is reported as restricted. These net resources consist of unspent funds restricted for public safety, community development, and debt service.

The remaining category of total net position, unrestricted net deficit, may generally be used to meet the government's ongoing obligations and services to creditors and citizens.

Our analysis below focuses on the net position (*Figure 1*), and changes in net position (*Figure 2*), of the County's Governmental Activities.

# ***COUNTY OF SCHUYLER***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

*Figure 1  
Net Position*

<b>Governmental Activities</b>	<b>2023</b>	<b>2022</b>	<b>Dollar Change</b>
Current Assets	<b>\$ 38,845,201</b>	\$ 36,077,489	\$ 2,767,712
Capital Assets, Net	<b>45,872,223</b>	42,738,095	3,134,128
Other Noncurrent Assets	<b>1,042,998</b>	4,320,349	(3,277,351)
<b>Total Assets</b>	<b>85,760,422</b>	83,135,933	2,624,489
<b>Total Deferred Outflows of Resources</b>	<b>13,707,472</b>	14,215,509	(508,037)
Current Liabilities	<b>10,138,129</b>	10,353,838	(215,709)
Noncurrent Liabilities	<b>42,391,145</b>	35,448,935	6,942,210
<b>Total Liabilities</b>	<b>52,529,274</b>	45,802,773	6,726,501
<b>Total Deferred Inflows of Resources</b>	<b>27,780,801</b>	38,389,683	(10,608,882)
Net Investment in Capital Assets	<b>40,824,861</b>	37,593,214	3,231,647
Restricted	<b>7,175,215</b>	7,257,738	(82,523)
Unrestricted	<b>(28,842,257)</b>	(31,691,966)	2,849,709
<b>Total Net Position</b>	<b>\$ 19,157,819</b>	<b>\$ 13,158,986</b>	<b>\$ 5,998,833</b>

Significant changes from the prior year are as follows:

- Current assets increased during the year due to increases in amounts due from State and Federal governments. Noncurrent assets decreased during the year due to the New York State Local Retirement Systems (NYSLRS) net pension asset in the prior year switching to a net pension liability in the current year.
- Capital outlay exceeded depreciation expense and net book value of disposals, resulting in increases in both capital assets, net, and net investment in capital assets. The majority of the capital outlay consists of street reconstruction, bridge rehabilitation, and other miscellaneous projects.
- Changes in total deferred inflows and outflows of resources related to changes in actuarial assumptions for the NYSLRS pension plan, as well as the County's other postemployment benefits plan, due to differences between expected and actual earning on the NYSLRS pension plan.
- Noncurrent liabilities increased mainly due to the change in the net pension liability referred to above.

# ***COUNTY OF SCHUYLER***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

*Figure 2  
Changes in Net Position*

<b>Governmental Activities</b>	<b>2023</b>	<b>2022</b>	<b>Dollar Change</b>
<b>REVENUES</b>			
<b>Program Revenues</b>			
Charges for Services	\$ 9,414,267	\$ 8,462,130	\$ 952,137
Operating Grants and Contributions	13,974,614	15,416,996	(1,442,382)
Capital Grants and Contributions	1,998,964	3,011,697	(1,012,733)
<b>General Revenues</b>			
Property Taxes and Tax Items	11,880,452	11,681,288	199,164
Sales and Other Taxes	17,463,828	16,223,898	1,239,930
Tobacco Settlement Payments	271,523	307,924	(36,401)
Use of Money and Property	691,047	28,486	662,561
Other	416,261	910,482	(494,221)
<b>Total Revenues</b>	<b>\$ 56,110,956</b>	<b>\$ 56,042,901</b>	<b>\$ 68,055</b>
<b>PROGRAM EXPENSES</b>			
General Governmental Support	\$ 11,378,996	\$ 10,310,171	\$ 1,068,825
Education	1,590,281	1,324,545	265,736
Public Safety	7,145,037	6,447,990	697,047
Public Health	6,838,339	5,484,055	1,354,284
Transportation	4,878,342	6,335,953	(1,457,611)
Economic Assistance and Opportunity	16,590,321	14,334,443	2,255,878
Culture and Recreation	289,553	302,789	(13,236)
Home and Community Services	801,515	829,968	(28,453)
Interest on Debt	599,739	676,813	(77,074)
<b>Total Expenses</b>	<b>\$ 50,112,123</b>	<b>\$ 46,046,727</b>	<b>\$ 4,065,396</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 5,998,833</b>	<b>\$ 9,996,174</b>	<b>\$ (3,997,341)</b>

Significant changes from prior year are as follows:

- Operating Grants and Contributions decreased mainly due to one time public safety grants in the prior year that were not received in the current year, as well as reduction in federal transportation grants.
- Capital Grants and Contributions decreased due to a decrease in expenses associated with reimbursable grants and capital projects.
- Sales and Other Taxes increased during the year due to increases in rates and state and use taxes.
- Public Health and Economic Assistance and Opportunity expenses increased significantly due to additional monies and contractual expenditures. Transportation expenses significantly decreased during the year due to reduction in expenses associated with federal transportation grants.

# COUNTY OF SCHUYLER

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

As shown in the Statement of Activities, the amount that our taxpayers ultimately financed through County property and other tax revenues was \$24,724,278, as some of the costs were paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. Overall, the County's governmental program revenues were \$25,387,845.

### THE COUNTY'S FUNDS

As the County completed the year, its Governmental Funds, as presented in the balance sheet on page 9, reported combined fund balances greater than the prior year's total fund balance. Of this amount, \$470,241 is nonspendable; \$6,849,880 is restricted for future expenditures; \$4,033,415 is committed for future expenditures; and \$3,552,383 is assigned; leaving \$13,562,210 in unassigned fund balance. *Figure 3* shows the changes in fund balance for the County's Governmental Funds.

*Figure 3*  
**Governmental Funds**  
**Fund Balances**

Governmental Funds	2023	2022	Dollar Change
<b>Major Funds</b>			
General Fund	\$ 24,934,944	\$ 22,472,215	\$ 2,462,729
<b>Non-Major Funds</b>			
<b>Special Revenue Funds</b>			
County Road Fund	1,775,797	1,511,652	264,145
Road Machinery Fund	969,038	800,012	169,026
Capital Projects Fund	161,794	117,944	43,850
STASC Debt Service Fund	626,556	626,465	91
<b>Totals</b>	<b>\$ 28,468,129</b>	<b>\$ 25,528,288</b>	<b>\$ 2,939,841</b>

Significant changes from prior year are as follows:

- Fund balance in the General Fund increased due to increases in departmental income as a result of additional ambulance fees and timing of when work was actually performed and earned.
- The General Fund also had increases in fund balance as a result of significant increases in interest on investments during the year as well as a significant increase in sales tax collection.

### General Fund Budgetary Highlights

Over the course of the year, the County Legislature revised the County budget several times. These budget amendments consist of budget transfers between functions, which did not increase the overall budget. In addition to these transfers, the County Legislature increased the overall budget to provide for unspent appropriations from the previous year (encumbrances) and various grants for which the majority of funding came from federal and state sources.

# COUNTY OF SCHUYLER

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

*Figure 4  
Budgetary Comparison Schedule - General Fund  
December 31, 2023*

	Original Budget	Final Budget	Actual w/ Encumbrances	Variance Fav.(Unfav.)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Real Property Taxes and Tax Items	\$ 12,030,691	\$ 12,030,691	\$ 11,866,277	\$ (164,414)
Nonproperty Tax Items	16,180,000	16,180,000	17,553,580	1,373,580
Departmental Income and Intergovernmental Charges	6,907,386	7,213,282	7,131,689	(81,593)
Use of Money and Property	632,683	632,683	1,171,879	539,196
State Sources	9,299,304	10,901,790	8,524,911	(2,376,879)
Federal Sources	6,014,407	7,443,505	5,865,882	(1,577,623)
Other Revenues and Financing Sources	383,657	379,657	853,796	474,139
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 51,448,128</b>	<b>\$ 54,781,608</b>	<b>\$ 52,968,014</b>	<b>\$ (1,813,594)</b>
<b>Appropriated Reserves and Fund Balance</b>	<b>\$ -</b>	<b>\$ 2,042,786</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
General Governmental Support	\$ 10,513,215	\$ 9,891,959	\$ 9,390,019	\$ 501,940
Education	1,750,000	1,750,000	1,590,281	159,719
Public Safety	4,752,719	5,991,622	5,486,747	504,875
Public Health	4,805,364	7,401,783	6,050,091	1,351,692
Transportation	887,633	1,036,740	903,108	133,632
Economic Assistance and Opportunity	16,876,367	16,759,559	14,988,908	1,770,651
Culture and Recreation	216,532	216,532	204,123	12,409
Home and Community Services	835,842	865,317	662,040	203,277
Employee Benefits	7,301,000	7,321,769	5,948,211	1,373,558
Debt Service	106,000	448,209	431,509	16,700
Other Financing Uses	3,403,456	5,140,904	5,140,904	-
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 51,448,128</b>	<b>\$ 56,824,394</b>	<b>\$ 50,795,941</b>	<b>\$ 6,028,453</b>
<b>Excess of Revenues and Other Financing Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,172,073</b>	<b>\$ 4,214,859</b>

# COUNTY OF SCHUYLER

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Significant changes from prior year are as follows:

- Revenue was less than anticipated as a result of significant decreases in State and Federal Sources during the year, especially with the Bus Transportation Aid. This was partially offset by an increase in sales tax collections within Nonproperty Tax Items.
- Expenditures were a favorable variance as less monies were spent on Public Health and Economic Assistance and Opportunity than originally budgeted for, as less State and Federal funding was awarded. Additionally, less spending was required for the County's health insurance premiums within Employee Benefits.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of December 31, 2023, the County had capital assets of \$98,621,407, net of accumulated depreciation and amortization, of \$52,749,184. This amount represents an investment in a broad range of capital assets, including buildings, machinery and equipment, roads, and bridges.

*Figure 5  
Capital Assets, Net of Depreciation*

<b>Governmental Activities</b>	<b>2023</b>	<b>2022</b>	<b>Dollar Change</b>
Land	\$ 428,839	\$ 430,399	\$ (1,560)
Construction-in-Progress	2,407,220	1,693,833	713,387
Buildings and Improvements	8,474,001	7,957,629	516,372
Land Improvements	1,869,823	1,942,446	(72,623)
Machinery and Equipment	8,230,218	7,693,564	536,654
Infrastructure	23,941,315	22,880,213	1,061,102
Intangible Lease Assets	172,309	140,011	32,298
Subscription Assets	348,498	-	348,498
<b>Totals</b>	<b>\$ 45,872,223</b>	<b>\$ 42,738,095</b>	<b>\$ 3,134,128</b>

# COUNTY OF SCHUYLER

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

This year's additions consisted of:

Sugarhill Site Tower	\$ 101,250
HSC Building Updates	745,319
Other Construction in Progress	799,848
County Bridge Projects	162,038
County Road Projects	2,019,988
Machinery and Equipment	1,525,493
Intangible Lease Assets	51,135
Subscription Assets	424,480
<b>Total Additions</b>	<u>5,829,551</u>
(Less): Depreciation	(2,811,063)
HSDC Depreciation	(130,277)
Amortization	(94,819)
Net Book Value of Disposed Assets	<u>340,736</u>
<b>Total Net Change</b>	<u><b>\$ 3,134,128</b></u>

### Debt Administration

Of the total outstanding debt, \$1,576,992 was subject to the constitutional debt limit and represented 1.2% of the County's statutory debt limit.

Tobacco settlement pass-through bonds are debt of STASC, under which the County's future tobacco settlement proceeds were securitized. The County is not responsible for this debt in the event the STASC were to default in repayment of the bonds. The HSDC bonds are debt of the Human Services Development Corporation. The County is not responsible in the event the HSDC were to default in repayment of the bonds. *Figure 6* shows the changes in outstanding debt.

# COUNTY OF SCHUYLER

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

*Figure 6  
Outstanding Debt at Years Ended*

<b>Governmental Activities</b>	<b>2023</b>	<b>2022</b>	<b>Dollar Change</b>
Bonds	\$ 7,037,324	\$ 7,692,523	\$ (655,199)
Tobacco Settlement Pass-Through Bonds			
Accreted Interest	3,673,918	3,258,370	415,548
Installment Purchase Debt	101,992	166,415	(64,423)
Lease Liabilities	148,649	142,989	5,660
Subscription Liabilities	231,857	-	231,857
<b>Totals</b>	<b>\$ 11,193,740</b>	<b>\$ 11,260,297</b>	<b>\$ (66,557)</b>

The County's Moody's bond rating is currently A, which did not change from the prior year. More detailed information about the County's debt is presented in Note 10 to the basic financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Schuyler County continues to experience an improving financial and liquidity position subsequent to the implementation of additional accounting and management protocols and additional efficiency initiatives. Due to the unforeseen financial position of the economy due to the COVID-19 pandemic, it is unknown what the specific effects on the County will be for 2024. Continuing inflation has put a strain on the economy that has affected the County on many levels. The County will continue to make adjustments to spending as necessary should revenue sources be diminished and will seek to fund mandated increases in expenditures without proportionately increasing property taxes. Uncertainty with respect to the state budget and policy changes and the potential negative financial impact associated with same drive a continued conservative approach to budgeting and spending by the County. County administration has successfully reduced local tax burden by securing state and federal funding opportunities through grants and maximization of cost sharing. Should those funding sources be reduced, corresponding reductions in expenditures will also occur.

Effective January 1, 2016, the County enacted a change in sales tax distribution, capping the amount of revenue shared with local municipalities, reserving a greater portion for County purposes. New York State pension contributions are leveling off and are expected to remain stable in 2024 and beyond. This, coupled with continued conservative fiscal management, should result in future tax levies that not only stay within the New York State tax cap legislative mandate but also result in tax reductions to our property tax payors.

# COUNTY OF SCHUYLER

## STATEMENT OF NET POSITION DECEMBER 31, 2023

	Primary Government	Component Units	
	Governmental Activities	Soil and Water Conservation District	Industrial Development Agency
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents - Unrestricted	\$ 20,513,844	\$ 1,310,541	\$ 79,564
Cash and Cash Equivalents - Restricted	6,849,880	-	-
Temporary Investments - Unrestricted	53,077	31,605	-
Temporary Investments - Restricted	312,995	-	-
Taxes Receivable, Net	3,136,833	-	-
Other Receivables	1,112,269	-	-
Leases Receivable, Current Portion	101,687	-	20,320
Accrued Interest Receivable, Current Portion	-	-	234
Due From State and Federal Governments	6,288,538	121,108	-
Due From Other Governments	5,837	-	-
Prepaid Expenses	462,977	-	-
Inventories	7,264	-	-
<b>Total Current Assets</b>	<b>38,845,201</b>	<b>1,463,254</b>	<b>100,118</b>
<b>Noncurrent Assets</b>			
Cash and Cash Equivalents - Restricted	12,340	-	-
Temporary Investments	-	-	500,872
Leases Receivable, Long-Term Portion	1,030,658	-	398,240
Accrued Interest Receivable, Long-Term Portion	-	-	3,483
Intangible Lease Asset, Net	172,309	-	175,536
Subscription Asset, Net	348,498	-	-
Land and Construction-in-Progress	2,836,059	37,000	-
Depreciable Capital Assets, Net	42,515,357	702,957	-
<b>Total Noncurrent Assets</b>	<b>46,915,221</b>	<b>739,957</b>	<b>1,078,131</b>
<b>Total Assets</b>	<b>85,760,422</b>	<b>2,203,211</b>	<b>1,178,249</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	8,172,497	84,692	-
Other Postemployment Benefits	5,534,975	-	-
<b>Total Deferred Outflows of Resources</b>	<b>13,707,472</b>	<b>84,692</b>	<b>-</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	2,102,005	27,938	-
Accrued Liabilities	1,557,164	3,703	-
Interest Payable	42,290	-	-
Due to Other Governments	1,910,774	-	-
Unearned Revenue	3,493,906	-	-
Long-Term Obligations Due Within One Year:			
Accrued Interest Liability	-	-	3,530
Installment Purchase Debt Payable	43,433	-	-
Bonds Payable	641,159	-	-
Lease Liability	11,793	-	8,475
Subscription Liability	55,045	-	-
Compensated Absences	280,560	-	-
<b>Total Current Liabilities</b>	<b>10,138,129</b>	<b>31,641</b>	<b>12,005</b>

*See Notes to Financial Statements*

# **COUNTY OF SCHUYLER**

## **STATEMENT OF NET POSITION (Continued) DECEMBER 31, 2023**

	<b>Primary Government</b>	<b>Component Units</b>	
	<b>Governmental Activities</b>	<b>Soil and Water Conservation District</b>	<b>Industrial Development Agency</b>
Total Current Liabilities Brought Forward	\$ 10,138,129	\$ 31,641	\$ 12,005
<b>Noncurrent Liabilities</b>			
Long-Term Obligations Due After One Year:			
Accreted Interest Payable	3,673,918	-	-
Installment Purchase Debt Payable	58,559	-	-
Bonds Payable	6,396,165	-	-
Lease Liability	136,856		125,848
Subscription Liability	176,812	-	-
Other Postemployment Benefits Payable	19,648,876	-	-
Compensated Absences	980,714	33,919	-
Net Pension Liability - Proportionate Share	11,319,245	113,716	-
<b>Total Noncurrent Liabilities</b>	<b>42,391,145</b>	<b>147,635</b>	<b>125,848</b>
<b>Total Liabilities</b>	<b>52,529,274</b>	<b>179,276</b>	<b>137,853</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	871,083	20,375	-
Other Postemployment Benefits	25,662,087	-	-
Leases	1,247,631	-	409,313
<b>Total Deferred Inflows of Resources</b>	<b>27,780,801</b>	<b>20,375</b>	<b>409,313</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	40,824,861	739,957	41,213
Restricted	7,175,215	-	-
Unrestricted (Deficit)	(28,842,257)	1,348,295	589,870
<b>Total Net (Deficit) Position</b>	<b>\$ 19,157,819</b>	<b>\$ 2,088,252</b>	<b>\$ 631,083</b>

*See Notes to Financial Statements*

# COUNTY OF SCHUYLER

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component	
					Government	Units	
				Governmental Activities	Soil and Water Conservation District	Industrial Development Agency	
<b>Primary Government</b>							
Governmental Activities:							
General Governmental Support	\$ 11,378,996	\$ 2,658,388	\$ 225,858	\$ -	\$ (8,494,750)	\$ -	
Education	1,590,281	-	354,510	-	(1,235,771)	-	
Public Safety	7,145,037	601,457	1,791,151	-	(4,752,429)	-	
Public Health	6,838,339	3,683,912	2,803,097	-	(351,330)	-	
Transportation	4,878,342	659,992	927,942	1,998,964	(1,291,444)	-	
Economic Assistance and Opportunity	16,590,321	1,654,204	7,039,377	-	(7,896,740)	-	
Culture and Recreation	289,553	46,946	112,601	-	(130,006)	-	
Home and Community Services	801,515	109,368	720,078	-	27,931	-	
Interest on Debt	599,739	-	-	-	(599,739)	-	
<b>Total Governmental Activities</b>	<b>\$ 50,112,123</b>	<b>\$ 9,414,267</b>	<b>\$ 13,974,614</b>	<b>\$ 1,998,964</b>	<b>(24,724,278)</b>	<b>-</b>	
<b>Component Units</b>							
Soil and Water Conservation District	\$ 1,334,509	\$ 61,976	\$ 623,047	-	(649,486)	-	
Industrial Development Agency	145,353	171,128	-	-	-	25,775	
<b>Total Component Units</b>	<b>\$ 1,479,862</b>	<b>\$ 233,104</b>	<b>\$ 623,047</b>	<b>\$ -</b>	<b>(649,486)</b>	<b>25,775</b>	
Net (Expense) and Changes in Net Position					(24,724,278)	(649,486)	
<b>GENERAL REVENUES</b>							
Real Property Taxes					11,169,832	-	
Real Property Tax Items					710,620	-	
Nonproperty Tax Items					17,463,828	-	
Tobacco Settlement Payments					271,523	-	
Use of Money and Property					691,047	902	
Miscellaneous Local Sources					334,235	-	
Sale of Property and Compensation for Loss					82,026	18,512	
Miscellaneous Revenue					-	331,908	
<b>Total General Revenues</b>					<b>30,723,111</b>	<b>351,322</b>	
Change in Net Position					5,998,833	(298,164)	
Net Position - Beginning of Year					13,158,986	2,386,416	
<b>Net Position - End of Year</b>					<b>\$ 19,157,819</b>	<b>\$ 2,088,252</b>	
					<b>\$ 631,083</b>		

*See Notes to Financial Statements*

# COUNTY OF SCHUYLER

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2023

	Major Funds		Total Governmental Funds
	General Fund	Non-Major Funds	
<b>ASSETS</b>			
Cash and Cash Equivalents - Unrestricted	\$ 18,340,321	\$ 2,127,356	\$ 20,467,677
Cash and Cash Equivalents - Restricted	6,578,422	271,458	6,849,880
Temporary Investments - Unrestricted	-	53,077	53,077
Taxes Receivable, Net	3,136,833	-	3,136,833
Due From Other Funds	646,861	2,139,652	2,786,513
Due From State and Federal Governments	6,247,651	40,887	6,288,538
Other Receivables	669,563	298,967	968,530
Prepaid Expenses	462,977	-	462,977
Inventories	7,264	-	7,264
Leases Receivable	1,132,345	-	1,132,345
<b>Total Assets</b>	<b>\$ 37,222,237</b>	<b>\$ 4,931,397</b>	<b>\$ 42,153,634</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 1,572,395	\$ 529,610	\$ 2,102,005
Accrued Liabilities	1,167,593	41,726	1,209,319
Due to Other Funds	1,959,637	826,876	2,786,513
Due to Other Governments	1,904,937	-	1,904,937
Unearned Revenue	3,493,906	-	3,493,906
Other Liabilities	347,845	-	347,845
<b>Total Liabilities</b>	10,446,313	1,398,212	11,844,525
<b>Deferred Inflows of Resources</b>			
Unavailable Tax Revenue	737,088	-	737,088
Leases	1,103,892	-	1,103,892
<b>Total Deferred Inflows of Resources</b>	1,840,980	-	1,840,980
<b>Fund Balances</b>			
Nonspendable	470,241	-	470,241
Restricted	6,578,422	271,458	6,849,880
Committed	4,033,415	-	4,033,415
Assigned	290,656	3,261,727	3,552,383
Unassigned	13,562,210	-	13,562,210
<b>Total Fund Balances</b>	24,934,944	3,533,185	28,468,129
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 37,222,237</b>	<b>\$ 4,931,397</b>	<b>\$ 42,153,634</b>

*See Notes to Financial Statements*

# COUNTY OF SCHUYLER

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2023

**Total Governmental Fund Balances** **\$ 28,468,129**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets of the Governmental Activities, net of accumulated depreciation, are not financial resources and, therefore, are not reported in the funds.

Land and Construction in Progress	\$ 2,795,420	
Depreciable Capital Assets	90,169,888	
Accumulated Depreciation	(50,526,083)	
Intangible Lease Assets	205,321	
Subscription Assets	424,480	
Accumulated Amortization	<u>(108,994)</u>	42,960,032

The County's proportionate share of the net pension (asset)/liability is not reported in the funds. (11,319,245)

Certain accrued expenses, such as interest on debt, reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in Governmental Funds.

Accrued Interest Payable	\$ (24,757)	
Accreted Interest Payable	<u>(3,673,918)</u>	(3,698,675)

Deferred outflows of resources represent a consumption of net position that applies to future periods and, therefore, is not reported in the Governmental Funds. Deferred inflows of resources represents an acquisition of net position that applies to future periods and, therefore, is not reported in the Governmental Funds.

Unavailable Tax Revenue	\$ 737,088	
ERS Deferred Inflows of Resources - Pensions	(871,083)	
ERS Deferred Outflows of Resources - Pensions	8,172,497	
Deferred Outflows of Resources - OPEB	5,534,975	
Deferred Inflows of Resources - OPEB	<u>(25,662,087)</u>	(12,088,610)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	\$ (1,475,000)	
Bond Premium	(108,467)	
Installment Purchase Debt Payable	(101,992)	
Lease Liabilities	(148,649)	
Subscription Liabilities	(231,857)	
Tobacco Settlement Pass-Through Bonds	(2,472,460)	
Other Postemployment Benefits Payable	(19,648,876)	
Compensated Absences	<u>(1,261,274)</u>	(25,448,575)

The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Position. 284,763

**Net Position of Governmental Activities** **\$ 19,157,819**

*See Notes to Financial Statements*

# COUNTY OF SCHUYLER

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Non-Major Funds</u>	
<b>REVENUES</b>			
Real Property Taxes	\$ 11,132,298	\$ -	\$ 11,132,298
Real Property Tax Items	733,979	-	733,979
Nonproperty Tax Items	17,553,580	-	17,553,580
Departmental Income	6,853,133	21,338	6,874,471
Intergovernmental Charges	278,556	659,992	938,548
Use of Money and Property	1,171,879	92,127	1,264,006
Fines and Forfeitures	18,914	-	18,914
Sale of Property and Compensation for Loss	32,179	49,847	82,026
Miscellaneous Local Sources	344,676	271,523	616,199
State Sources	8,524,911	1,910,669	10,435,580
Federal Sources	5,865,882	88,295	5,954,177
<b>Total Revenues</b>	<u>52,509,987</u>	<u>3,093,791</u>	<u>55,603,778</u>
<b>EXPENDITURES</b>			
General Governmental Support	9,269,706	29,154	9,298,860
Education	1,590,281	-	1,590,281
Public Safety	5,486,747	-	5,486,747
Public Health	5,881,298	-	5,881,298
Transportation	903,108	5,210,300	6,113,408
Economic Assistance and Opportunity	14,987,358	-	14,987,358
Culture and Recreation	204,123	-	204,123
Home and Community Services	662,040	-	662,040
Employee Benefits	5,948,211	579,015	6,527,226
Debt Service - Principal and Interest	431,509	360,400	791,909
Capital Outlay	-	1,596,302	1,596,302
<b>Total Expenditures</b>	<u>45,364,381</u>	<u>7,775,171</u>	<u>53,139,552</u>
Excess of Revenues (Expenditures)	<u>7,145,606</u>	<u>(4,681,380)</u>	<u>2,464,226</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers In	33,547	5,140,904	5,174,451
Interfund Transfers (Out)	(5,140,904)	(33,547)	(5,174,451)
Proceeds of Obligations	424,480	51,135	475,615
<b>Total Other Financing (Uses) Sources</b>	<u>(4,682,877)</u>	<u>5,158,492</u>	<u>475,615</u>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	<u>2,462,729</u>	<u>477,112</u>	<u>2,939,841</u>
Fund Balances, Beginning of Year	22,472,215	3,056,073	25,528,288
<b>Fund Balances, End of Year</b>	<u><u>\$ 24,934,944</u></u>	<u><u>\$ 3,533,185</u></u>	<u><u>\$ 28,468,129</u></u>

*See Notes to Financial Statements*

# ***COUNTY OF SCHUYLER***

## **RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 2,939,841**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded the net book value of disposed assets and depreciation expense in the current period.

Capital Outlay	\$ 5,829,551	
Net Book Value of Disposed Assets	340,736	
Depreciation Expense	(2,811,063)	
Amortization Expense	<u>(94,819)</u>	3,264,405

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in Unavailable Tax Revenue	146,902
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Proceeds of long-term debt are recognized as revenue in Governmental Funds, but increases liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Amortization of bond discounts increases expenses in the Statement of Activities.

Bond, BAN, and IPD Repayments	\$ 394,423	
Proceeds of Subscription Assets	(424,480)	
Subscription Liability Repayments	192,623	
Proceeds of Lease Assets	(51,135)	
Lease Repayments	45,474	
Amortization of Bond Premiums	19,800	
Amortization of Bond Discounts	<u>(6,745)</u>	169,960

Net revenue of the Internal Service Fund component unit is reported with Governmental Activities. 189,359

Changes in the County's proportionate share of net pension (asset)/liability and other postemployment benefits liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the County's deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits do not affect current financial resources and are, also, not reported in the Governmental Funds.

Pensions	\$ (2,051,473)	
Other Postemployment Benefits	<u>2,043,210</u>	(8,263)

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 the Governmental Funds. These expenses include changes in compensated absences and interest payable.

Compensated Absences	\$ (280,560)	
Change in Accrued Interest Payable	(7,263)	
Change in Accreted Interest Payable	<u>(415,548)</u>	<u>(703,371)</u>

**Change in Net Position of Governmental Activities** **\$ 5,998,833**

*See Notes to Financial Statements*

# COUNTY OF SCHUYLER

## STATEMENT OF PROPRIETARY NET POSITION DECEMBER 31, 2023

	<b>Internal Service Fund Component Unit HSDC Fund</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents - Unrestricted	\$ 46,167
Investments - Restricted	312,995
Leases Receivable - Current Portion	143,739
<b>Total Current Assets</b>	<u>502,901</u>
<b>Noncurrent Assets</b>	
<b>Capital Assets</b>	
Nondepreciable Capital Assets	5,026,298
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>(2,114,107)</u>
<b>Total Capital Assets</b>	2,912,191
Cash and Cash Equivalents - Restricted	12,340
<b>Total Noncurrent Assets</b>	<u>2,924,531</u>
<b>Total Assets</b>	<u>3,427,432</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Interest Payable	17,533
Current Portion of Noncurrent Liabilities:	
Bonds Payable	250,000
Unamortized Bond Premium	70,335
<b>Total Current Liabilities</b>	<u>337,868</u>
<b>Noncurrent Liabilities</b>	
Bonds Payable	2,380,000
Unamortized Bond Premium	281,062
<b>Total Noncurrent Liabilities</b>	<u>2,661,062</u>
<b>Total Liabilities</b>	<u>2,998,930</u>
<b>Deferred Inflows of Resources</b>	
Leases	<u>143,739</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets (Deficit)	(69,206)
Restricted	325,335
Unrestricted	28,634
<b>Total Net Position (Deficit)</b>	<u>\$ 284,763</u>

*See Notes to Financial Statements*

# ***COUNTY OF SCHUYLER***

## **STATEMENT OF PROPRIETARY REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Internal Service Fund Component Unit HSDC Fund</b>
<b>Operating Revenues</b>	
Rent	\$ 357,075
In-Kind Contribution	3,123
<b>Total Operating Revenues</b>	<u>360,198</u>
<b>Operating Expenses</b>	
Contractual Expenses	6,923
In-Kind Administrative Expense	3,123
Depreciation Expense	130,277
<b>Total Operating Expenses</b>	<u>140,323</u>
<b>Operating Income</b>	<u>219,875</u>
<b>Nonoperating Income (Expense)</b>	
Interest and Dividends	78
Interest (Expense)	(30,594)
<b>Total Nonoperating Income (Expense)</b>	<u>(30,516)</u>
Total Net Income - Revenues Over (Expenses)	189,359
Net Position, January 1,	<u>95,404</u>
<b>Net Position, December 31,</b>	<u><u>\$ 284,763</u></u>

*See Notes to Financial Statements*

# COUNTY OF SCHUYLER

## STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	<b>Internal Service Fund Component Unit HSDC Fund</b>
<b>Cash Flows From Operating Activities</b>	
Cash Received From Providing Services	\$ 357,075
Cash Payments - Contractual Expenses	(6,923)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>350,152</u>
<b>Cash Flows From Noncapital Financing Activities</b>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Bond Principal	(235,000)
Interest Paid	(109,305)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(344,305)</u>
<b>Cash Flows From Investing Activities</b>	
Interest and Dividend Income Received	78
Purchase of Investments	900
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>978</u>
Change in Cash and Cash Equivalents	6,825
Cash and Cash Equivalents, January 1,	<u>51,682</u>
<b>Cash and Cash Equivalents, December 31,</b>	<u><u>\$ 58,507</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>	
Operating Income	\$ 219,875
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	130,277
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 350,152</u></u>
<b>Supplemental Disclosures</b>	
<b>Noncash Operating Activities</b>	
In-Kind Contributions	\$ 3,123
In-Kind Administrative Expenses	3,123

*See Notes to Financial Statements*

# ***COUNTY OF SCHUYLER***

## **STATEMENT OF FIDUCIARY NET POSITION DECEMBER 31, 2023**

	<b>Custodial Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents - Unrestricted	\$ 243,549
<b>Total Assets</b>	<b>\$ 243,549</b>
<b>LIABILITIES</b>	
Agency Liabilities	\$ 1,529
Due to Other Governments	21,542
<b>Total Liabilities</b>	23,071
<b>NET POSITION</b>	
Restricted for Individuals, Organizations, and Other Governments	220,478
<b>Total Liabilities and Net Position</b>	<b>\$ 243,549</b>

*See Notes to Financial Statements*

# ***COUNTY OF SCHUYLER***

## **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION DECEMBER 31, 2023**

	<b>Custodial Fund</b>
<b>ADDITIONS</b>	
Social Services	\$ 99,796
Court and Trust	867
Other	25,706
<b>Total Additions</b>	<u>126,369</u>
<b>DEDUCTIONS</b>	
Bail Payments	14,000
Court and Trust	31,904
Social Services	108,372
<b>Total Deductions</b>	<u>154,276</u>
Net Change in Net Position	<u>(27,907)</u>
Net Position, Beginning of Year	<u>248,385</u>
<b>Net Position, End of Year</b>	<u><u>\$ 220,478</u></u>

*See Notes to Financial Statements*

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1*** **Summary of Significant Accounting Policies**

The financial statements of the County of Schuyler (the County) have been prepared in conformity with generally accepted accounting principles (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the County's accounting policies are described below.

#### **Financial Reporting Entity**

The County, which was incorporated in 1854, is governed by County Law and other laws of the State of New York and various local laws and ordinances. The County Legislature, which is the legislative body responsible for the overall operation of the County, consists of eight legislators. The Chairman of the Legislature serves as Chief Executive Officer of the County and the Treasurer serves as Chief Fiscal Officer.

The County provides the following basic services: public safety (including district attorney, assigned counsel, sheriff, probation, and jail), education (partial tuition to community colleges and tuition and transportation of handicapped children), public health, mental health, social services, highway maintenance, culture, and recreation programs.

All Governmental Activities and functions performed for the County are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the County; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's statements to be misleading or incomplete, as set forth in GASB Statement No. 14, "The Financial Entity," as amended.

The decision to include a component unit in the County's reporting entity is based on several criteria set forth in GASB Statement No. 14, "The Financial Entity," as amended, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the County's reporting entity.

#### **Included in the Reporting Entity**

Based on the foregoing criteria and the significant factors presented below, the following organizations are included in the reporting entity.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Discretely Presented Component Units**

##### **The Schuyler County Industrial Development Agency**

The Schuyler County Industrial Development Agency (the Agency) was created in 1971 by the Schuyler County Legislature under the provisions of Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth in Schuyler County. The Agency is exempt from federal, state, and local income taxes. The Agency, although established by the Schuyler County Legislature, is a separate entity and operates independently of the County. A separate audit report dated March 19, 2024 has been issued for the Agency for the year ended December 31, 2023. The Agency is considered a component unit of the County and is discretely presented. Complete financial statements for the Schuyler County Industrial Development Agency may be obtained by writing their administrative office at 216 N Franklin Street, Watkins Glen, New York 14891.

§870 of General Municipal Law (GML) indicates that the bonds or notes and other obligations of the Agency are not the debt of the County, and the payment of such is payable out of the funds of the Agency.

##### **The Schuyler County Soil and Water Conservation District**

The Schuyler County Soil and Water Conservation District (the District) was established in October 1940, in accordance with the Soil and Water Conservation District's Law, to provide for the conservation of soil and water resources. Members of the District's Board of Directors are appointed by the County Board of Supervisors and 10% of the District's General Fund revenue is provided via County appropriation. The District is considered a component unit of the County and is discretely presented. Complete financial information for the Schuyler County Soil and Water Conservation District may be obtained by writing their administrative office at P.O. Box 326, Montour Falls, New York 14865.

#### **Blended Component Units**

##### **The Schuyler Tobacco Asset Securitization Corporation**

The Schuyler Tobacco Asset Securitization Corporation (STASC) is a local development corporation organized pursuant to §1411 of the Not-for-Profit Corporation Law of New York State. STASC is one of 17 New York County TASC's created in 2000 for the purpose of purchasing the tobacco settlement rights from each respective county with the net proceeds of bonds issued to the New York Counties Tobacco Trust I (NYCTT). The trust in-turn issued \$227,130,000 aggregate principal amounts of Tobacco Settlement Pass-Through Bonds - Series 2000, dated December 7, 2000. The Trust bonds represent a direct, pass-through interest in the corresponding TASC bonds. All payments of the TASC bonds will be made directly by the Trust with the future proceeds of the Tobacco Settlement Revenues (TSRs).

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Blended Component Units - Continued**

##### **The Schuyler Tobacco Asset Securitization Corporation - Continued**

STASC, along with 23 other TASCs, created a trust known as the New York Counties Tobacco Trust V (NYCTTV) in order to issue \$199,375,348 aggregate principal amount of Tobacco Settlement Pass-Through Bonds (Series 2005 NYCTT Bonds). Series 2005 NYCTT Bonds, issued on November 29, 2005, represent a direct, pass-through interest in corresponding TASC bonds held by the trust and are subordinate to the prior bonds issued. The Series 2005 TASC bonds are subject to the rights of holders of the prior bonds, payable solely from, and secured solely by, the Collections and the funds and accounts pledged by the respective TASC Indenture. The Collections of the STASC will be comprised of the TSRs remaining after payment of the prior bonds and investment earnings on funds and accounts established under the STASC's Indenture. The STASC Series 2005 TASC Bonds are also payable from certain amounts released from Liquidity Reserve Accounts upon retirement of the prior bonds and amounts released from Trapping Accounts.

STASC is controlled by a group of four directors who are appointed by the Chair of the Schuyler County Legislature. At this time, two directors are members of the County Legislature, one of whom is a member of the management team of the County and one who has no affiliation with the County. STASC is deemed to be a component unit of the County and is presented in the annual financial statements of the County as a blended component unit, reported as a Non-Major Debt Service Fund. A separate audit report dated March 8, 2024 has been issued for the STASC for the year ended December 31, 2023. Complete financial statements for Schuyler Tobacco Asset Securitization Corporation may be obtained from Schuyler County, 105 9<sup>th</sup> Street, Watkins Glen, New York 14891.

##### **The Schuyler County Human Services Development Corporation**

The Schuyler County Human Services Development Corporation (HSDC) was created in 2006 by the Schuyler County Legislature under the provisions of §1411 of the Not-For-Profit Corporation Law of New York State for the purpose of encouraging economic growth in Schuyler County. HSDC is exempt from federal, state, and local income taxes. HSDC, although established by the Schuyler County Board of Legislators, is a separate entity and operates independently of the County. HSDC is considered a component unit of the County and is presented in the annual financial statements of the County as an internal service fund. A separate audit report dated February 9, 2024 has been issued for the HSDC for the year ended December 31, 2023. Complete financial statements for Human Services Development Corporation may be obtained from Schuyler County, 105 9<sup>th</sup> Street, Watkins Glen, New York 14891.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Excluded from the Reporting Entity**

The Counties of Steuben, Chemung, and Schuyler are participants in the joint Southern Tier Central Regional Planning and Development Board. The municipal agreement provides that each County's share of the cost shall be prorated as agreed upon by the member counties. In 2023, the County's share aggregated \$35,400. As none of the member Counties have sole control over the Board's operation, the activity of the Board is excluded from the reporting entity of all member Counties. Complete financial statements for the Southern Tier Central Regional Planning and Development Board may be obtained by writing their administrative office at 8 Denison Parkway East, Suite 310, Corning, New York 14830.

#### **Basic Financial Statements**

The County's basic financial statements include both Government-wide (reporting the County as a whole) and Governmental Fund financial statements (reporting the County's Major Funds). Both the Government-wide and Governmental Fund financial statements categorize primary activities as either Governmental or Business type. The County's general governmental support, education, public safety, public health, transportation, highways and streets, economic assistance and opportunity, culture and recreation, and home and community services are classified as Governmental Activities. The County currently has no funds classified as Business-type Activities.

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

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government and for the County's discretely presented component units.

Government-wide financial statements do not include the activities reported in the Fiduciary Funds or fiduciary component units. This Government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, the Governmental Activities column is presented on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets, receivables, and deferred outflows of resources as well as long-term debt, obligations, and deferred inflows of resources. The County's net position is reported in three parts: net investment in capital assets, restricted, and unrestricted. The County first utilizes restricted resources to finance qualifying activities.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

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

The Statement of Activities reports both the gross and net cost for each of the County's functions or programs. Gross expenses are direct expenses, including depreciation, specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues - charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the program or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the County. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### **Governmental Fund Financial Statements**

The financial transactions of the County are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

#### **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 based upon determination of financial position and changes in financial position. The following are the County's Governmental Funds.

#### **Major Funds**

- General Fund - Principal operating fund which includes all operations not required to be recorded in other funds.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Non-Major Funds**

- Capital Projects Fund - Accounts for financial resources to be used for the acquisition, construction, or renovation of major capital assets.
  
- **Special Revenue Funds**
  - County Road Fund - Accounts for expenditures for highway purposes authorized by §114 of the Highway Law.
  
  - Road Machinery Fund - Accounts for the purchase, repair, maintenance, and storage of highway machinery, tools, and equipment pursuant to §133 of the Highway Law.
  
- **Debt Service Fund**
  - STASC Debt Service Fund - Accounts for accumulation of resources from tobacco settlement payments and payment of principal and interest on the tobacco settlement pass-through bonds.

**Proprietary Fund** - Accounts for ongoing organizations or activities similar to those found in the private sector. The measurement focus is based on determination of net income, financial position, and changes in financial position. The following propriety fund is utilized:

- **Internal Service Fund**
  - HSDC Internal Service Fund - Accounts for accumulation of rent and interest revenue and payment of principal and interest on Human Services Development Corporation bonds.

**Fiduciary Fund** - Accounts for assets held by the local government in a trustee or custodial capacity. The following is the County's fiduciary fund:

- Custodial Fund - Accounts for money and/or property received and held in the capacity of trustee, custodian, or agent.

#### **Basis of Accounting/Measurement Focus**

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, such as expenditures or expenses.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Accrual Basis**

The Government-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all the County's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, deferred outflows of resources and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

#### **Modified Accrual Basis**

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. The County considers property tax receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. All other revenues that are deemed collectible within one year after year end are recognized as revenues in the current year. 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. The cost of capital assets is recognized as an expenditure when received. Exceptions to this general rule are that 1) principal and interest on indebtedness are not recognized as an expenditure until due; and 2) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

#### **Property Taxes**

The authority of levying taxes for the support of County and town governments, inclusive of special districts, and for re-levying unpaid school taxes, has been delegated by the State Legislature to the governing board of the County through various provisions of the Real Property Tax Law. For purposes of both county and town taxes, the value of real property is listed and established by the towns for each parcel of real property therein. Amounts to be raised by tax are determined from balanced budgets of towns and the County and levied on or before December 31, each year. Unpaid school taxes are purchased from each school district and added to tax levies and, until paid, are counted among the assets of the County; the County thus acquires all rights, title, and interest in any unpaid school taxes. Any such taxes remaining unpaid at the time of the tax sale are sold along with any other unpaid taxes subject to County enforcement.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Property Taxes - Continued**

Property taxes are levied each December 31, on the assessed value of all real property located within the County, and become a lien on January 1. Taxes are payable during January without penalty. Beginning in February a 1% penalty is added. Property tax payments may be made in installments, which carry a 1% fee, payable on January 30, and on or before July 1. The initial responsibility of collecting County property taxes rests with the towns located within the County. The tax rolls are delivered to the Treasurer on or before the 15th of April at which time a 5% fee plus 12% per annum from February 1, to date of payment are added. The towns retain the full amount of their related town levy and remit the balance of collected taxes to the County. Responsibility for collection of delinquent taxes is then transferred to the County.

Property taxes are recorded as receivables and revenues at the time the tax levy is billed. Uncollected amounts estimated to be collected subsequent to the first 60 days after year end are recorded as deferred inflows of resources.

Non-city school district taxes are turned over to the County for enforcement on November 15. The County collects the second installment of school taxes on or before November 30. Payment to school districts for second installments is required to be remitted within ten days of collection. On December 1, any such taxes remaining unpaid are relieved as County taxes in the subsequent year. The balance of uncollected school taxes is required to be remitted by April 1.

Corning City school taxes are turned over to the County for enforcement on April 15 and are enforced as a separate tax until the time of tax sale at which time they become part of the County's lien. The balance of uncollected city school taxes is remitted by December 31.

#### **Constitutional 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 debt service on County indebtedness) is limited to one and one-half per centum (subject to increase up to two per centum by resolution of the County Legislature) of the five-year average full valuation of taxable real estate of the County, per New York State statutes.

# COUNTY OF SCHUYLER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 1 Summary of Significant Accounting Policies - Continued

#### Constitutional Tax Limit - Continued

The County's constitutional tax limit (per New York State statutes) for the fiscal year ended December 31, 2023 is computed as follows:

Five-Year Average Full Valuation of Taxable Real Estate (2019-2023)	\$ 1,926,960,524
Tax Limit @ 1.5%	28,904,408
(Less):	
Tax Levy	11,022,930
(Less) Exclusions	<u>(157,380)</u>
Tax Levy Subject to Tax Limit	<u>10,865,550</u>
<b>Tax Margin</b>	<b><u>\$ 18,038,858</u></b>

#### Receivables

Amounts due from state and federal governments represent amounts owed to the County to reimburse it for expenditures incurred pursuant to state and federally funded programs. Other receivables represent amounts owed to the County for billed services, health insurance, and medical loans. No provision has been made for uncollectible accounts for amounts reported as Other Receivables, as it is believed such amounts would be immaterial.

#### Vacation, Sick Leave, and Compensatory Absences

Pursuant to contractual agreements, County employees are entitled to accrue a maximum of 250 days of sick leave and 50 days of vacation leave. An individual who leaves County employment is entitled to be paid for unused vacation leave credits.

Estimated vacation accumulated by Governmental Fund type employees has been recorded in the Government-wide financial statements.

Payment of vacation recorded in the Government-wide financial statements is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes sufficient resources will be made available when such payment becomes due.

#### Cash and Cash Equivalents

For financial statement purposes, the County considers all highly liquid investments of three months or less as cash equivalents.

#### Investments

Investments are valued at fair value.

#### Inventory

Inventory is recorded at cost on a first-in, first-out basis.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Capital Assets**

All capital assets, including right to use assets acquired through financed lease agreements, are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Amortization expense is recorded in line with payments on lease liabilities.

Governmental capital assets purchased or acquired with minimum value of \$2,500 for equipment; \$5,000 for land, buildings and building improvements; and \$10,000 for infrastructure and having a useful life of greater than one year are capitalized. The estimated useful lives for governmental capital assets are as follows:

Real Property (Buildings)	50 Years
Machinery and Equipment	10 Years
Infrastructure	10 Years
Vehicles	5 Years
Police Vehicles	3 Years
Computers	5 Years

#### **Leases**

The County determines if an arrangement is or contains a lease at inception. The County records assets and lease obligations for leases, in which they are the lessee, and lease receivables and deferred inflows of resources for leases in which they are the lessor, which are initially based on the discounted future minimum lease payments over the term of the lease. The County uses the rate implicit in the lease agreements. In some case the implicit rate is not easily determinable, and the County elects to use its incremental borrowing rate in calculating present value of lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonable certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position and the County will recognize short-term lease expense for these leases on a straight-line basis over the lease term.

The County's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized on the same basis as payments on the lease liabilities and is included in the public safety expense function. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Subscription-Based Information Technology Arrangements**

The County has entered into contracts granting the County the right to use vendor-provided information technology for various terms under long-term, non-cancelable subscription agreements, referred to as Subscription-Based Information Technology Arrangements (SBITAs). The County records a subscription liability and subscription asset in its financial statements. The subscriptions expired at various dates. The County initially calculates the subscription liability based on the present value of expected payments during the lease term, reducing it as payments are made. The value of the subscription asset is determined similarly, adjusted for payments and implementation costs, and is amortized over the lesser of its useful life or the lease term. Key considerations include discount rate determination, subscription term assessment, and payment evaluation. The County monitors changes that may impact subscription liabilities and adjusts asset and liability values accordingly. Assets are reported alongside long-term capital assets and liabilities with long-term debts.

#### **Other Postemployment Benefits**

In addition to providing pension benefits as described in Note 6, the County provides other postemployment benefits for health insurance coverage and survivor benefits for retired employees and their survivors. The benefits provided are in accordance with County ordinances, collective bargaining agreements, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), and New York State General Municipal Law (GML §207(a)). The criterion to determine eligibility includes years of service, employee age, and disability due to line of duty.

The County follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The County's liability for other postemployment benefits has been recorded in the Statement of Net Position in accordance with that statement. See Note 7 for additional information.

#### **Sales Tax**

Pursuant to local law, the County levies a 4% tax in accordance with the Tax Law §1210. The County retains 80% of such taxes for County purposes and distributes the remainder to the towns and villages in the County up to a maximum of \$2,000,000.

#### **Unearned Revenues**

The County reports unearned revenues on its Statement of Net Position and its Balance Sheet. Unearned revenue arises when resources are received by the County before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the County has legal claim to resources, the liability is removed, and revenue is recognized.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position reports 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 will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows related to pensions and other postemployment benefits in the Statement of Net Position. The types of deferred outflows related to pensions and other postemployment benefits are described in Notes 6 and 7.

In addition to liabilities, the Statement of Net Position and the Balance Sheet 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports deferred inflows of resources related to unavailable revenues in the Balance Sheet. The County reports deferred inflows related to pensions and other postemployment benefits in the Statement of Net Position. These are further described in Notes 6 and 7.

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, it is the County's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

#### **Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between Governmental and Proprietary Funds are netted as part of the reconciliation to the Government-wide financial statements.

#### **Insurance**

The County assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired, or a liability has been incurred and the amount of loss can be reasonably estimated.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

#### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### **Equity Classifications - Government-Wide Financial Statements**

Equity is classified as net assets and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

#### **Equity Classifications - Governmental Fund Financial Statements**

The County follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Terminology and classification of fund balance reflect spending constraints on resources, rather than availability for appropriation, which provides users more consistent and understandable information about a fund's net resources.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - Governmental Fund Financial Statements - Continued**

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- **Nonspendable** - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.
- **Restricted** - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation.
- **Committed** - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year and requires the same level of formal action to remove said constraint.
- **Assigned** - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- **Unassigned** - Represents the residual classification of the government's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The County does have a policy listing the Legislature as the highest level of authority able to assign fund balance. The Legislature, by resolution, approves fund balance appropriations for next year's budget, and fund balance is assigned by the County Treasurer for encumbrances. Expenditures which affect more than one fund balance type are applied against fund balance in the following order: non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance, respectively.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Fund Balance Policy**

It is the policy of the County Legislature to maintain the following:

- Unappropriated unassigned fund balance in the General Fund at a minimum of 20% of the following year's General Fund appropriations.
- Assigned unappropriated fund balance in the County Road Fund at a minimum of \$1,500,000. The Legislature has set a goal to attain this balance by December 31, 2026.
- Assigned unappropriated fund balance in the Road Machinery Fund at a minimum of \$750,000. The Legislature has set a goal to attain this balance by December 31, 2025.

The County Administrator and Treasurer have been designated to disburse excess fund balance in accordance with the policy.

#### **Legally Adopted Reserves**

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures, or relate to resources not available for general use or appropriation. With the exception of the encumbrance reserve, reserve funds are established through Legislative action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. Reserves currently in use by the County include the following.

- Contingency and Tax Stabilization Reserve Fund - Established for financing certain unanticipated revenue losses and expenditures or to lessen or prevent projected property tax levy increases (GML §6-e). Additions and appropriations to this reserve are subject to the County's fund balance policy.
- Reserve for Repairs (GML §6-d) - Used to pay the cost of repairs to capital improvements or equipment of a type not recurring annually. The County Legislature may establish a repair reserve fund by a majority vote of its members. Expenditures from this reserve may be made only after a public hearing is held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.
- Other Reserves - Accounts for funds restricted for miscellaneous projects, as authorized by County Resolution.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Legally Adopted Reserves - Continued**

- Mandatory Reserve for Debt Service - Used to establish a reserve for the purpose of retiring outstanding obligations upon the sale of County property or capital improvements financed by obligations which remain outstanding at the time of sale (GML §6-1). The funding of the reserve is from the proceeds of the sale of County property or capital improvements. This reserve is accounted for in the HSDC Fund and STASC Debt Service Fund.

#### **New Accounting Standards**

The County adopted and implemented the following current Statements of the GASB effective for the year ended December 31, 2023:

- GASB has issued Statement No. 96, "Subscription-Based Information Technology Arrangements."

#### **Future Changes in Accounting Standards**

- GASB Statement No. 101, "Compensated Absences," effective for the year ending December 31, 2024.

The County will evaluate the impact this pronouncement may have on its financial statements and will implement as applicable and when material.

### ***Note 2* Cash and Investments**

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. While the County does not have a specific policy for custodial credit risk, New York State statutes govern the County's investment policies. The County has its own written investment policy. The County's monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities. Collateral (security) is required for demand and time deposits and certificates of deposit not covered by FDIC. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts, obligations of Puerto Rico, obligations of municipalities of other states, obligations of domestic corporations, mortgage related securities, commercial paper and bankers acceptances, and zero coupon obligations of the United States.

GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits were either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

# COUNTY OF SCHUYLER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### *Note 2* **Cash and Investments - Continued**

The County's aggregate bank balances of \$28,758,733 are either insured or collateralized with securities held by the pledging financial institution in the County's name.

Total financial institution (bank) balances, including investments, of the HSDC and STASC at December 31, 2023, per the bank, were \$383,842 and \$361,556, respectively, and were fully collateralized.

Total bank balances of Schuyler County Industrial Development Agency (SCIDA), including long-term certificates of deposit, totaled \$612,628 at December 31, 2023, and were entirely insured or collateralized with securities held by SCIDA's agent in the Agency's name.

The Soil and Water Conservation District's aggregate bank balances totaled \$1,339,226 at December 31, 2023 and were entirely insured or collateralized with securities held by the pledging financial institution in the District's name.

Restricted cash, cash equivalents, and investments of the primary government and its blended component units at December 31, 2023 consisted of the following.

<u>Purpose</u>	<u>Amount</u>
Public Safety Funds	\$ 656,209
Human Services Funds	263,949
Lamoka-Waneta Lakes District Funds	81,936
Repair Reserve Funds	4,461,287
Contingency and Tax Stabilization Funds	1,115,041
STASC Debt Service Fund	271,458
HSDC Funds	325,335
<b>Total</b>	<b>\$ 7,175,215</b>

### *Note 3* **Property Taxes**

Property taxes levied for 2023 are recorded as revenue and receivables, net of estimated uncollectible amounts. In the fund financial statements, the net receivables collected during 2023 and expected to be collected within the first 60 days of 2023 are recognized as revenues in 2023.

Net receivables estimated to be collectible subsequent to the first 60 days of 2024 are reflected as deferred revenue. At December 31, 2023, the County recognized \$737,088 of unavailable tax revenue.

# COUNTY OF SCHUYLER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### *Note 3* **Property Taxes - Continued**

Taxes receivable at December 31, 2023 are summarized as follows:

Returned School Taxes Receivable	\$ 1,667,164
Taxes Receivable - Overdue	1,328,956
Other	<u>140,713</u>
<b>Total</b>	<b><u>\$ 3,136,833</u></b>

Uncollected school taxes assumed by the County as a result of settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. The portion of the receivable that represents taxes re-levied for schools in the amount of \$1,667,164 is reflected as part of a liability, due to other governments, in the accompanying basic financial statements.

### *Note 4* **Due From State and Federal Governments**

State and Federal aid receivables at December 31, 2023 consisted of the following, which are stated at net realizable value. The County has deemed the amounts to be fully collectible.

<u>Description</u>	<u>Amount</u>
Social Services	\$ 2,221,675
Sales Tax	867,135
Highway Reimbursement	40,887
Public Health	233,373
Other	<u>2,925,468</u>
<b>Total</b>	<b><u>\$ 6,288,538</u></b>

# COUNTY OF SCHUYLER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 5 Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance at December 31, 2022	Additions	Disposals/ Reclassifications	Balance at December 31, 2023
<b>Governmental Activities</b>				
Land	\$ 389,760	\$ -	\$ (1,560)	\$ 388,200
Construction in Progress	1,693,833	1,646,417	(933,030)	2,407,220
<b>Total Non-Depreciable Capital Assets</b>	<b>2,083,593</b>	<b>1,646,417</b>	<b>(934,590)</b>	<b>2,795,420</b>
Buildings	14,546,822	-	933,030	15,479,852
Machinery and Equipment	17,136,870	1,525,493	(648,459)	18,013,904
Land Improvements	3,418,081	-	-	3,418,081
Infrastructure	50,913,987	2,182,026	162,038	53,258,051
<b>Total Depreciable Capital Assets</b>	<b>86,015,760</b>	<b>3,707,519</b>	<b>446,609</b>	<b>90,169,888</b>
Intangible Lease Assets - Equipment	154,186	51,135	-	205,321
Subscription Assets	-	424,480	-	424,480
<b>Total Historical Cost</b>	<b>88,253,539</b>	<b>5,829,551</b>	<b>(487,981)</b>	<b>93,595,109</b>
<b>(Less) Accumulated Depreciation:</b>				
Buildings	(9,542,672)	(294,048)	(3,038)	(9,839,758)
Machinery and Equipment	(9,443,306)	(938,917)	598,537	(9,783,686)
Land Improvements	(1,523,985)	(61,918)	-	(1,585,903)
Infrastructure	(28,033,774)	(1,516,180)	233,218	(29,316,736)
<b>Total Accumulated Depreciation</b>	<b>(48,543,737)</b>	<b>(2,811,063)</b>	<b>828,717</b>	<b>(50,526,083)</b>
Intangible Lease Assets - Equipment	(14,175)	(18,837)	-	(33,012)
Subscription Assets	-	(75,982)	-	(75,982)
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 39,695,627</b>	<b>\$ 2,923,669</b>	<b>\$ 340,736</b>	<b>\$ 42,960,032</b>

# COUNTY OF SCHUYLER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 5 Capital Assets - Continued**

Depreciation and amortization expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Governmental Support	\$ 543,849
Public Safety	320,047
Public Health	45,572
Transportation	1,875,529
Economic Assistance and Opportunity	51,658
Culture and Recreation	68,826
Home and Community Services	<u>401</u>
<b>Total</b>	<b><u><u>\$ 2,905,882</u></u></b>

	<b>Balance at December 31, 2022</b>	<b>Additions</b>	<b>Disposals/ Reclassifications</b>	<b>Balance at December 31, 2023</b>
<b>HSDC Fund</b>				
Land	\$ 40,639	\$ -	\$ -	\$ 40,639
<b>Total Non-Depreciable Capital Assets</b>	<u>40,639</u>	<u>-</u>	<u>-</u>	<u>40,639</u>
Buildings	4,775,596			4,775,596
Land Improvements	210,063	-	-	210,063
<b>Total Depreciable Capital Assets</b>	<u>4,985,659</u>	<u>-</u>	<u>-</u>	<u>4,985,659</u>
<b>Total Historical Cost</b>	<u>5,026,298</u>	<u>-</u>	<u>-</u>	<u>5,026,298</u>
 (Less) Accumulated Depreciation:				
Buildings	(1,822,117)	(119,572)	-	(1,941,689)
Land Improvements	(161,713)	(10,705)	-	(172,418)
<b>Total Accumulated Depreciation</b>	<u>(1,983,830)</u>	<u>(130,277)</u>	<u>-</u>	<u>(2,114,107)</u>
 <b>HSDC Fund</b>				
<b>Capital Assets, Net</b>	<b><u><u>\$ 3,042,468</u></u></b>	<b><u><u>\$ (130,277)</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ 2,912,191</u></u></b>

Depreciation expense for the year ended December 31, 2023 for HSDC totaled \$130,277 and was charged to economic assistance and opportunity in the Statement of Activities.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### **Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS)**

#### **Plan Descriptions and Benefits Provided**

##### **Employees' Retirement System (ERS) (the System)**

The County participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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 also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 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 3.0 to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For ERS, 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 County reports the following percentages of its employees within the following tiers:

Tier 3: 0.87%, Tier 4: 51.83%, Tier 5: 3.80%, and Tier 6: 43.50%.

##### **Summary of Significant Accounting Policies**

The System's financial statements from which the System's fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual reports.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Contributions**

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required under the program and were as follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
ERS	<b>\$ 1,794,983</b>	<b>\$ 1,563,853</b>	<b>\$ 2,127,943</b>

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2023, the County reported the following (asset)/liability for its proportionate share of the net pension (asset)/liability for the System. The net pension (asset)/liability was measured as of March 31, 2023. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The County's proportionate share of the net pension (asset)/liability was based on a projection of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from a report provided to the County by the ERS System.

	<b>ERS</b>
Actuarial Valuation Date	April 1, 2022
Net Pension (Asset)/Liability	\$21,444,032,790
County's Proportionate Share of the	
Plan's Total Net Pension (Asset)/Liability	11,319,245
County's Share of the Net Pension (Asset)/Liability	0.0527851%

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

For the year ended December 31, 2023, the County recognized pension expense of \$3,790,449 for ERS in the financial statements. At December 31, 2023, the County's reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	<b>ERS</b>
<b>Deferred Outflows of Resources</b>	
Differences Between Expected and Actual Experience	\$ 1,205,588
Changes of Assumptions	5,497,356
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	123,316
County's Contributions Subsequent to the Measurement Date	1,346,237
<b>Total</b>	<b>\$ 8,172,497</b>
 <b>Deferred Inflows of Resources</b>	
Differences Between Expected and Actual Experience	\$ 317,887
Changes of Assumptions	60,756
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	66,500
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	425,940
<b>Total</b>	<b>\$ 871,083</b>

County contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset)/liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended</b>	<b>ERS</b>
2024	\$ 1,350,396
2025	(694,877)
2026	2,254,340
2027	3,045,318
2028	-
Thereafter	-

# COUNTY OF SCHUYLER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### **Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

#### **Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. Significant actuarial assumptions used in the valuation were as follows:

	<u>ERS</u>
Measurement Date	March 31, 2023
Actuarial Valuation Date	April 1, 2022
Interest Rate of Return	5.9%
Salary Increases	4.4%
Cost of Living Adjustments	1.5%
Inflation Rate	2.9%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2016 - March 31, 2020.

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

	<u>ERS</u>
Measurement Date	March 31, 2023
<b>Asset Type:</b>	
Domestic Equities	4.3%
International Equities	6.9%
Real Estate	4.6%
Private Equity	7.5%
Opportunistic/ARC Portfolio	5.4%
Real Assets	5.8%
Credit	5.4%
Fixed Income	1.5%

# COUNTY OF SCHUYLER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Discount Rate**

The discount rate used to calculate the total pension liability was 5.9%. 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 contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the County's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.9%, as well as what the County's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
County's Proportionate Share of the Net Pension (Asset)/Liability	\$ 27,353,761	\$11,319,245	\$ (2,079,458)

**Pension Plan Fiduciary Net Position**

The components of the current year net pension (asset)/liability of the employers as of the respective valuation dates were as follows:

	<b>Dollars in Thousands</b>
	<b>ERS</b>
Measurement Date	March 31, 2023
Employers' Total Pension Liability	\$ 232,627,259
Plan Net Position	(211,183,223)
<b>Employers' Net Pension (Asset)/Liability</b>	<b>\$ 21,444,036</b>
Ratio of Plan Net Position to the Employers' Total Pension Liability	90.8%

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of December 31, 2023 represent the projected employer contribution for the period of April 1, 2023 through December 31, 2023 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2023 amounted to \$-0-

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Current Year Activity**

The following is a summary of current year activity:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
Net Pension (Asset)/Liability	\$ (4,308,962)	\$ 15,628,207	\$ 11,319,245
Deferred Outflows of Resources	(8,867,814)	695,317	(8,172,497)
Deferred Inflows of Resources	15,143,134	(14,272,051)	871,083
<b>Total</b>	<b>\$ 1,966,358</b>	<b>\$ 2,051,473</b>	<b>\$ 4,017,831</b>

**Note 7 Postemployment Benefits Other Than Pensions (OPEB)**

**General Information About the OPEB Plan**

Plan Description - The County provides postemployment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The County's plan is a single-employer postemployment benefit plan (the Plan). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements because there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided - Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The County offers the benefit, with related premiums funded 50% by participating retirees. The retiree also pays 65% of the premium covering the retiree's spouse.

Employees Covered by Benefit Terms - At December 31, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	74
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	214
<b>Total</b>	<b>288</b>

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 7* Postemployment Benefits Other Than Pensions (OPEB) - Continued**

#### **Total OPEB Liability**

The County's total OPEB liability of \$19,648,876 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Single Discount Rate	3.77%
Rate of Compensation Increase	2.50%
Rate of Inflation	2.50%

The long-term bond rate is based on the Fidelity General Obligation AA 20-Year Bond rate as of the measurement date (or the nearest business day thereto).

The salary scale was based on the County's review of historical experience as well as future expectations.

The mortality assumption was updated to the sex-distinct and job category-specific headcount weighted Pub-2010 Public Plans Mortality Tables for employees and health retirees, adjusted for mortality improvements with the Scale MP-2021 mortality improvement scale on a generational basis.

Turnover rates are based on experience under the New York State Employees' Retirement System (ERS).

Healthcare Cost Trend Rates were based on a review of published national trend survey data in relation to the retiree health plan offerings and updated long-term rates based on the Society of Actuaries Long Term Healthcare Cost Trends Model v2023\_1f (the Getzen model).

CPI inflation rates were based on future increases in limits corresponding to the excise tax of the Affordable Care Act on high cost employer-sponsored health plans.

The actuarial assumptions used in the January 1, 2023 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 7 Postemployment Benefits Other Than Pensions (OPEB) - Continued**

**Changes in the Total OPEB Liability**

	<b>Liability</b>
<b>Balance at December 31, 2022</b>	<b>\$ 25,107,490</b>
<b>Changes for the Year</b>	
Service Cost	812,685
Interest Cost	724,418
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(7,762,478)
Changes in Assumptions	1,308,409
Benefit Payments	(541,648)
Net Change	(5,458,614)
<b>Balance at December 31, 2023</b>	<b>\$ 19,648,876</b>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.05% percent in 2022 to 3.77% in 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate:

	<b>1% Decrease (2.77%)</b>	<b>Discount Rate (3.77%)</b>	<b>1% Increase (4.77%)</b>
Total OPEB Liability	\$ 22,871,835	\$ 19,648,876	\$ 17,040,082

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or higher than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 16,745,498	\$ 19,648,876	\$ 23,401,226

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 7 Postemployment Benefits Other Than Pensions (OPEB) - Continued**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2023, the County recognized OPEB expense of \$1,501,562.

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ 15,188,060
Changes in Assumptions or Other Inputs	5,534,975	10,474,027
<b>Total</b>	<b>\$ 5,534,975</b>	<b>\$ 25,662,087</b>

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

<b>Fiscal Year Ending December 31,</b>	<b>Amount</b>
2024	\$ (3,038,665)
2025	(3,038,665)
2026	(3,038,665)
2027	(2,875,200)
2028	(2,298,605)
Thereafter	(5,837,312)

**Current Year Activity**

The following is a summary of current year activity:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
OPEB Liability	\$ 25,107,490	\$ (5,458,614)	\$ 19,648,876
Deferred Outflows of Resources	(5,347,695)	(187,280)	(5,534,975)
Deferred Inflows of Resources	22,059,403	3,602,684	25,662,087
<b>Total</b>	<b>\$ 41,819,198</b>	<b>\$ (2,043,210)</b>	<b>\$ 39,775,988</b>

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 8* Constitutional Debt Limit**

At December 31, 2023, the total outstanding indebtedness of the County, excluding TASC and HSDC, aggregated \$1,576,992. Of this amount, \$1,576,992 was subject to constitutional limitations on indebtedness and represented 1.2% of the County's statutory debt limit.

### ***Note 9* Short-Term Debt**

#### **Bond Anticipation Notes**

Bond Anticipation Notes (BANs) are reflected as current or long-term liabilities depending on the refinancing status. For Governmental Funds, if all legal steps have been taken to refinance the BANs, the intent is supported by an ability to consummate refinancing the short-term note on a long-term basis in the operating statement of the recipient fund. Such notes are recorded as liabilities in the Government-wide financial statements.

State law requires BANs issued for capital purposes be converted to long-term obligations or paid off within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided stipulated annual reductions of principal are made.

The County did not issue or redeem any BANs during the year ended December 31, 2023.

#### **Revenue Anticipation Notes and Tax Anticipation Notes**

The County may issue Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. During the year ended December 31, 2023, the County did not issue or redeem any short-term RANs or TANs.

### ***Note 10* Noncurrent Liabilities**

#### **Serial Bonds**

The County borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Statement of Net Position.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 10 Noncurrent Liabilities - Continued**

In addition to the above debt, the County had the following noncurrent liabilities:

- **Compensated Absences** - Represents the unfunded value of the liability for accumulated vacation. This liability is liquidated from the General, County Road, and Road Machinery Funds.
- **Installment Purchase Debt** - Represents principal balance of equipment leases. This liability is liquidated from the General Fund.

**Summary of Debt**

The following is a summary of serial bonds and installment purchase debt payable:

<u>Description</u>	<u>Original Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Date of Final Maturity</u>	<u>Balance December 31, 2023</u>
<b>Serial Bonds:</b>					
2021 Refunded Shared Services Construction	01/2021	\$ 945,000	2.00-4.00%	01/2034	\$ 830,000
Unamortized Bond Premium					108,467
Carrying Value of 2021 Bonds					<u>938,467</u>
Shared Services Construction	05/2016	1,405,000	1.50-2.00%	05/2028	645,000
<b>STASC Pass-Through Bonds:</b>					
Tobacco Settlement Bonds (2000)	12/2000	3,280,000	5.25-6.30%	06/2023	1,000,000
Less: Unamortized Bond Discount					(9,965)
Carrying Value of Series 2000 Bonds					<u>990,035</u>
Tobacco Settlement Bonds (2005)	11/2005	1,573,852	6.00-7.85%	06/2060	1,497,013
(Less): Unamortized Bond Discount					(14,588)
Interest Accretion					3,673,918
Carrying Value of Series 2005 Bonds					<u>5,156,343</u>
HSDC 2021 Refunding Bonds	03/2021	3,330,000	4.00%	05/2032	2,630,000
Unamortized Bond Premium					351,397
Carrying Value of HSDC Bonds					<u>2,981,397</u>
<b>Installment Purchase Debt:</b>					
2021 Sheriff Vehicles Lease	05/2021	37,986	10.41%	05/2026	20,887
2020 Sheriff Vehicles Lease	01/2022	19,327	10.98%	07/2024	4,363
2020 Sheriff Vehicles Lease	01/2022	17,244	9.70%	04/2024	2,464
2020 Sheriff Vehicles Lease	01/2022	14,518	10.08%	02/2024	1,116
2020 Sheriff Vehicles Lease	01/2022	14,518	10.08%	02/2024	1,116
2020 Sheriff Vehicles Lease	01/2022	13,959	10.68%	01/2024	557
2022 Sheriff Vehicles Lease	09/2022	27,216	10.41%	09/2026	20,887
2022 Sheriff Vehicles Lease	08/2022	22,838	15.86%	08/2026	17,400
2022 Sheriff Vehicles Lease	08/2022	22,838	15.86%	08/2026	17,400
2022 Sheriff Vehicles Lease	10/2022	20,450	14.87%	10/2026	15,802
Total Installment Purchase Debt					<u>101,992</u>
<b>Total</b>					<u><b>\$ 10,813,234</b></u>

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 10 Noncurrent Liabilities - Continued**

**Change in Indebtedness**

The following represents changes in the County's indebtedness during the year ended December 31, 2023:

	<b>Balance December 31, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2023</b>	<b>Amount Due Within One Year</b>
Serial Bonds	\$ 1,650,000	\$ -	\$ (175,000)	\$ 1,475,000	\$ 185,000
Bond Premium	128,267	-	(19,800)	108,467	18,472
STASC Bonds	2,652,013	-	(155,000)	2,497,013	124,110
Accreted Interest Payable	3,258,370	415,548	-	3,673,918	-
(Less): Unamortized Bond Discount	(31,298)	6,745	-	(24,553)	(6,758)
HSDC Bonds	2,865,000	-	(235,000)	2,630,000	250,000
Unamortized Bond Premium	428,541	-	(77,144)	351,397	70,335
Installment Purchase Debt	166,415	-	(64,423)	101,992	43,433
Compensated Absences	980,714	280,560	-	1,261,274	280,560
<b>Totals</b>	<b><u>\$12,098,022</u></b>	<b><u>\$ 702,853</u></b>	<b><u>\$ (726,367)</u></b>	<b><u>\$ 12,074,508</u></b>	<b><u>\$ 965,152</u></b>

Additions and deletions to compensated absences are shown net, as it is impractical to determine these amounts separately. The County paid \$88,088 in interest on bonds, installment purchase debt and leases during the year ended December 31, 2023. STASC paid \$71,300 in interest on bonds during the year. HSDC paid \$109,305 in interest on bonds during the year. Interest paid on the Serial Bonds varies from year to year, in accordance with the interest rates specified in the bond agreements.

Interest expense on long-term debt during the year was comprised of:

Interest Paid	\$ 268,693
(Less) Interest Accrued in Prior Year	(36,593)
Interest Accrued in Current Year	42,290
(Less) Prior Year Accreted Interest	(3,258,370)
Current Year Accreted Interest	3,673,918
(Less) Amortization of Bond Discount/(Premium)	<u>(90,199)</u>
<b>Total</b>	<b><u>\$ 599,739</u></b>

# COUNTY OF SCHUYLER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 10 Noncurrent Liabilities - Continued**

During January 2021, the County issued \$945,000 in general obligation bonds, with interest rates of 2% to 4%. The County issued the bonds to advance refund the \$1,020,000 of outstanding various general obligation bonds with interest rates ranging from 3.5% to 5%. The County used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the \$1,020,000 in bonds is considered defeased and the liability has been removed from the financial statements. The outstanding principal of the defeased bonds was \$900,000 at December 31, 2023.

**Debt Service Requirements**

The following tables summarize the County's future debt service requirements as of December 31, 2023:

Year	Governmental Funds							
	County Serial Bonds		HSDC Fund		STASC Bonds		Total Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 185,000	\$ 43,650	\$ 250,000	\$ 100,200	\$ 124,110	\$ 1,398,452	\$ 559,110	\$ 1,542,302
2025	190,000	38,650	260,000	90,000	105,105	352,679	555,105	481,329
2026	195,000	33,500	265,000	79,500	96,557	364,977	556,557	477,977
2027	200,000	28,200	280,000	68,600	77,204	383,324	557,204	480,124
2028	210,000	22,650	290,000	57,200	69,184	399,459	569,184	479,309
2029-2033	405,000	59,300	1,285,000	105,100	285,760	2,128,707	1,975,760	2,293,107
2034-2038	90,000	1,800	-	-	532,392	1,649,311	622,392	1,651,111
2039-2042	-	-	-	-	1,206,701	83,642	1,206,701	83,642
<b>Totals</b>	<b>\$ 1,475,000</b>	<b>\$ 227,750</b>	<b>\$ 2,630,000</b>	<b>\$ 500,600</b>	<b>\$ 2,497,013</b>	<b>\$ 6,760,551</b>	<b>\$ 6,602,013</b>	<b>\$ 7,488,901</b>

Year	Installment Purchase Debt		
	Principal	Interest	Total
2024	\$ 43,433	\$ 6,259	\$ 49,692
2025	33,817	5,198	39,015
2026	24,742	3,773	28,515
<b>Totals</b>	<b>\$ 101,992</b>	<b>\$ 15,230</b>	<b>\$ 117,222</b>

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 10* Noncurrent Liabilities - Continued**

#### **Installment Purchase Debt**

The cost and net book value of capital assets procured through installment purchase debt amounts the following:

Cost	\$ 210,894
Accumulated Depreciation	<u>(84,358)</u>
<b>Net Book Value</b>	<b><u>\$ 126,536</u></b>

#### **STASC Bonds**

The County's future right, title, and interest in the Tobacco Settlement Revenues were financed through the issuance of bonds in the amount of \$3,280,000 and bearing interest rates ranging from 5.25% to 6.3% in December 2000. STASC elected the 25-year flexible amortization option.

STASC Series 2005 bonds are capital appreciation bonds, upon which the investment return on the initial principal amount is reinvested at a compounded rate until maturity. There are no scheduled principal and interest payments on the Series 2005 bonds other than on their respective maturity dates, at which time a single payment is made representing both the initial principal amount and the total investment return.

The Series 2005 bonds are subject to redemption prior to maturity through turbo redemption payments which are to be made from surplus collections on deposit, as provided in the Bond Indenture. The amounts and timing of the turbo redemption payments are based on projections of future tobacco settlement receipts less amounts needed to satisfy debt service on the Series 2000 bonds and to satisfy operating requirements. Failure to make such turbo redemption payments will not, however, constitute an event of default.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 11 Leases**

**Lessee - Lease Liabilities**

The County enters into lease agreements for certain equipment and vehicles that are considered leases. The County is not party to any material short-term leases, and current leases do not require any variable payments.

Lease liabilities as of December 31, 2023 are as follows:

<u>Description of Lease</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Outstanding December 31,</u>
Equipment	12/31/2024	6.25%	\$ 194
Equipment	03/31/2024	5.94%	154
Equipment	10/31/2023	5.94%	493
Equipment	07/31/2026	10.22%	401
Equipment	03/31/2028	8.58%	13,074
Office Space	06/30/2032	7.85%	<u>134,333</u>
			 <b><u><u>\$ 148,649</u></u></b>

The following is a summary of the maturity of lease liabilities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 11,793	\$ 11,825	\$ 23,618
2025	13,023	10,788	23,811
2026	14,592	9,662	24,254
2027	16,162	8,418	24,580
2028	15,287	7,152	22,439
2029-2032	<u>77,792</u>	<u>14,686</u>	<u>92,478</u>
	 <b><u><u>\$ 148,649</u></u></b>	<b><u><u>\$ 62,531</u></u></b>	<b><u><u>\$ 211,180</u></u></b>

Interest paid for the current year amount to \$12,314.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 11 Leases - Continued**

**Lessor - Lease Receivable**

The County enters into lease agreements for equipment and office space that are considered leases. The County is not party to any short-term leases, and current leases do not require any variable payments.

Lease receivables as of December 31, 2023 are as follows:

<b>Description of Lease</b>	<b>Term of Lease</b>	<b>Discount Rate</b>	<b>Outstanding December 31,</b>
Office Space	10/01/2017-09/30/2027	7.01%	\$ 7,892
Office Space	01/01/2010-01/31/2034	7.85%	451,378
Office Space	06/01/2018-05/31/2023	5.55%	106,399
Office Space	01/01/2010-01/31/2034	7.85%	3,770
Office Space	07/01/2013-06/30/2033	7.85%	30,994
Office Space	12/01/2014-12/31/2043	8.56%	18,370
Office Space	01/01/2010-01/31/2034	7.85%	176,513
Office Space	01/01/2010-01/31/2034	7.85%	30,023
Office Space	07/01/2013-06/30/2033	7.85%	110,408
Waterfront Property	08/12/2013-06/16/2033	7.85%	134,332
Waterfront Property	01/01/2023-03/14/2027	8.60%	62,266
			<b><u>\$ 1,132,345</u></b>

The following is a summary of future lease receivables:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 101,687	\$ 87,756	\$ 189,443
2025	111,997	78,559	190,556
2026	123,302	68,700	192,002
2027	114,655	58,658	173,313
2028	107,538	49,465	157,003
2029-2033	554,081	112,327	666,408
2034-2038	11,289	4,461	15,750
2039-2043	7,796	1,510	9,306
		<b><u>\$ 1,132,345</u></b>	<b><u>\$ 1,593,781</u></b>

The County recognized lease revenue of \$137,971 and interest income of \$40,643 for the year ended December 31, 2023. The total of leases receivable is offset by a deferred inflow of resources totaling \$1,103,892.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

***Note 12*** **Subscription-Based Information Technology Arrangements**

During the year ended December 31, 2023, the County implemented GASB Statement No. 96, “Subscription-Based Information Technology Arrangements.”

The County enters into contracts for the right to use vendor-provided information technology.

Subscription liabilities as of December 31, 2023 are as follows:

<u>Description of Arrangement</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Outstanding December 31,</u>
Subscription	12/22/2027	8.35%	\$ 215,844
Subscription	12/31/2025	8.86%	11,565
Subscription	11/30/2025	8.86%	4,448
			<u><u>\$ 231,857</u></u>

The following is a summary of future subscription liabilities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 55,045	\$ 16,820	\$ 71,865
2025	59,903	11,854	71,757
2026	56,023	7,264	63,287
2027	60,886	2,369	63,255
	<u><u>\$ 231,857</u></u>	<u><u>\$ 38,307</u></u>	<u><u>\$ 270,164</u></u>

Interest paid for the current year amount to \$18,887.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 13 Interfund Activity**

During the course of normal operations, the County has numerous transactions between funds including expenditures and transfers of resources primarily to subsidize other funds. The Governmental Funds financial statements generally reflect such transactions as transfers. Interfund receivables and payables and interfund transfer revenues and expenditures at December 31, 2023 were as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General Fund	\$ 646,861	\$ 1,959,637
Non-Major Funds	2,139,652	826,876
<b>Totals</b>	<b>\$ 2,786,513</b>	<b>\$ 2,786,513</b>
	<b>Interfund Revenues</b>	<b>Interfund Expenditures</b>
General Fund	\$ 33,547	\$ 5,140,904
Non-Major Funds	5,140,904	33,547
<b>Totals</b>	<b>\$ 5,174,451</b>	<b>\$ 5,174,451</b>

**Note 14 Summary of Significant Commitments and Contingencies**

**State and Federally Assisted Programs**

The County receives many different state and federal grants to be used for specific purposes. These grants are generally conditioned on compliance with certain statutory, regulatory, and/or contractual requirements. The County makes every effort to comply with all applicable requirements. However, because these grants are audited from time to time, it is possible that the County will be required, upon audit, to repay portions of the grant monies received and recorded as revenue in a prior year. County officials do not anticipate material grant-in-aid disallowances, and no provision, therefore, is reflected in the financial statements.

**Note 15 Other Litigation**

The County and/or its agencies are named in several minor lawsuits arising in the ordinary course of the County's operations. These claims and lawsuits, in the opinion of management, are either adequately covered by insurance or will not result in a material impact on the financial position of the County and therefore are not reflected in the accompanying financial statements. In the past three years, no settlements exceeded insurance coverage.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 16* Other Disclosures**

#### **Schuyler County Community Services Board**

The Schuyler County Community Services Board was formed under Mental Hygiene Law §41 to enable and encourage the County to develop preventive, rehabilitative, and treatment services for the mentally ill, the mentally retarded, the developmentally disabled, and those suffering from the diseases of alcoholism and substance abuse in the community.

The Board was formed to be a policy-making body with regards to the services provided to the community. During 1996, the Board applied for and received funding to build a new building. Bonding was obtained through the Local Government Services Corporation (LGSC) and various other state grants were received to supplement the funding stream. Because the bonding was obtained through the LGSC, the LGSC will retain title to the building for the life of the bonds, and at maturity will be transferred to an entity selected by the County Legislature. During 2018, the title was transferred to the County.

### ***Note 17* Transactions With Component Units**

#### **Schuyler County Soil and Water Conservation District**

The County contributed \$160,000 for operating assistance and \$30,000 for stream stabilization services to the Soil and Water Conservation District during the year ended December 31, 2023.

#### **Schuyler County Human Services Development Corporation**

The HSDC leases office space to Schuyler County. During the year ended December 31, 2023, the County paid \$209,856 on their lease rental commitment. In addition, the Corporation's records are maintained by County employees at no charge to the Corporation for these services. In-kind contributions totaled \$3,123 for the year ended December 31, 2023. The HSDC is reported as a blended component unit, as such pursuant to GASB Statement No. 87, leases between the County and HSDC have not been recorded in the financial statements.

# ***COUNTY OF SCHUYLER***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 18 Fund Balance Detail**

At December 31, 2023, fund balance in the governmental funds was comprised of the following:

	<b>General Fund</b>	<b>Non-Major Funds</b>
<b>Nonspendable</b>		
Prepaid Expenses	\$ 462,977	\$ -
Inventory	7,264	-
<b>Total Nonspendable Fund Balance</b>	<b>\$ 470,241</b>	<b>\$ -</b>
<b>Restricted</b>		
E-911 Reserve	\$ 528,069	\$ -
Seized Assets	58,690	-
Stop-DWI Reserve	69,450	-
Lamoka/Waneta Lakes Reserve	81,936	-
Human Services Reserve	263,949	-
Contingency and Tax Stabilization Reserve	1,115,041	-
Repair Reserve	4,461,287	-
Debt Service	-	271,458
<b>Total Restricted Fund Balance</b>	<b>\$ 6,578,422</b>	<b>\$ 271,458</b>
<b>Committed</b>		
Facilities and Grounds Capital Reserve	\$ 399,336	\$ -
Voice and Data Reserve	191,166	-
Economic Development Reserve	3,442,913	-
<b>Total Committed Fund Balance</b>	<b>\$ 4,033,415</b>	<b>\$ -</b>
<b>Assigned</b>		
Encumbered for:		
General Support	\$ 120,313	\$ -
Public Health	168,793	-
Economic Assistance and Opportunity	1,550	-
TASC Debt Service	-	355,098
Capital Projects	-	161,794
Transportation	-	2,744,835
<b>Total Assigned Fund Balance</b>	<b>\$ 290,656</b>	<b>\$3,261,727</b>
Unassigned	<b>\$ 13,562,210</b>	<b>\$ -</b>
<b>Total Fund Balances</b>	<b>\$ 24,934,944</b>	<b>\$3,533,185</b>

# COUNTY OF SCHUYLER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### *Note 19* Tax Abatements

For the year ended December 31, 2023, the County was subject to tax abatements negotiated by the Schuylers County Industrial Development Agency (SCIDA), a discretely presented component unit.

Under SCIDA, companies from outside the County can apply for sales tax exemptions under eligible spending related to relocating to the County. Companies accepted into the program document the sales tax paid on eligible spending and receive a rebate up to a maximum of 100%. Through this program, companies promise to expand or maintain facilities or employment in the County, to establish new business in the County, or to relocate an existing business to the County. Economic development agreements entered into by SCIDA can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which SCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100%.

Information relevant to disclosure of the program for the year ended December 31, 2023 is as follows:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Economic Development:	
Real Property Tax	\$ 106,511
<b>Total</b>	<b>\$ 106,511</b>

### *Note 20* Stewardship, Compliance, and Accountability

#### **Deficit Net Position**

At December 31, 2023, the Statement of Net Position had an unrestricted deficit net position of \$28,842,257 for Governmental Activities. This is the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 7). This deficit is not expected to be eliminated during the normal course of operations.

# COUNTY OF SCHUYLER

## BUDGETARY COMPARISON SCHEDULE (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
<b>REVENUES</b>					
Real Property Taxes	\$ 11,325,691	\$ 11,325,691	\$ 11,132,298	\$ -	\$ (193,393)
Real Property Tax Items	705,000	705,000	733,979	-	28,979
Nonproperty Tax Items	16,180,000	16,180,000	17,553,580	-	1,373,580
Departmental Income	6,594,462	6,940,358	6,853,133	-	(87,225)
Intergovernmental Charges	312,924	272,924	278,556	-	5,632
Use of Money and Property	632,683	632,683	1,171,879	-	539,196
Fines and Forfeitures	42,607	42,607	18,914	-	(23,693)
Sale of Property and Compensation for Loss	39,750	35,750	32,179	-	(3,571)
Miscellaneous Local Sources	301,300	301,300	344,676	-	43,376
State Sources	9,299,304	10,901,790	8,524,911	-	(2,376,879)
Federal Sources	6,014,407	7,443,505	5,865,882	-	(1,577,623)
<b>Total Revenues</b>	<b>51,448,128</b>	<b>54,781,608</b>	<b>52,509,987</b>	<b>-</b>	<b>(2,271,621)</b>
<b>EXPENDITURES</b>					
General Governmental Support	10,513,215	9,891,959	9,269,706	120,313	501,940
Education	1,750,000	1,750,000	1,590,281	-	159,719
Public Safety	4,752,719	5,991,622	5,486,747	-	504,875
Public Health	4,805,364	7,401,783	5,881,298	168,793	1,351,692
Transportation	887,633	1,036,740	903,108	-	133,632
Economic Assistance and Opportunity	16,876,367	16,759,559	14,987,358	1,550	1,770,651
Culture and Recreation	216,532	216,532	204,123	-	12,409
Home and Community Services	835,842	865,317	662,040	-	203,277
Employee Benefits	7,301,000	7,321,769	5,948,211	-	1,373,558
Debt Service - Principal and Interest	106,000	448,209	431,509	-	16,700
<b>Total Expenditures</b>	<b>48,044,672</b>	<b>51,683,490</b>	<b>45,364,381</b>	<b>290,656</b>	<b>6,028,453</b>
Excess of Revenues (Expenditures)	3,403,456	3,098,118	7,145,606	(290,656)	3,756,832
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund Transfers In	-	-	33,547	-	33,547
Interfund Transfers (Out)	(3,403,456)	(5,140,904)	(5,140,904)	-	-
Proceeds of Obligations	-	-	424,480	-	424,480
<b>Total Other Financing Sources (Uses)</b>	<b>(3,403,456)</b>	<b>(5,140,904)</b>	<b>(4,682,877)</b>	<b>-</b>	<b>458,027</b>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	-	(2,042,786)	2,462,729	<b>\$ (290,656)</b>	<b>\$ 4,214,859</b>
Appropriated Fund Balance	-	2,042,786			
<b>Net Increase (Decrease)</b>	<b>\$ -</b>	<b>\$ -</b>			
Fund Balance, Beginning of Year			22,472,215		
<b>Fund Balance, End of Year</b>			<b>\$ 24,934,944</b>		

*See Notes to Required Supplementary Information*

# COUNTY OF SCHUYLER

## SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 812,685	\$ 2,056,168	\$ 1,870,831	\$ 1,908,064	\$ 1,648,285	\$ 2,215,722	\$ *	\$ *	\$ *	\$ *
Interest Cost	724,418	648,226	628,451	958,827	1,175,363	1,247,038	*	*	*	*
Changes of Benefit Terms	-	-	159,608	-	(314,183)	-	*	*	*	*
Differences Between										
Expected and Actual Experience	(7,762,478)	-	(7,967,051)	-	(6,661,226)	-	*	*	*	*
Changes in Assumptions or Other Inputs	1,308,409	(10,435,568)	(998,783)	4,925,568	3,762,182	(4,232,286)	*	*	*	*
Benefit Payments	(541,648)	(669,670)	(610,512)	(650,111)	(689,070)	(655,050)	*	*	*	*
	(5,458,614)	(8,400,844)	(6,917,456)	7,142,348	(1,078,649)	(1,424,576)	*	*	*	*
Total OPEB Liability - Beginning of Year	<u>25,107,490</u>	<u>33,508,334</u>	<u>40,425,790</u>	<u>33,283,442</u>	<u>34,362,091</u>	<u>35,786,667</u>	*	*	*	*
<b>Total OPEB Liability - End of Year</b>	<u><b>\$ 19,648,876</b></u>	<u><b>\$ 25,107,490</b></u>	<u><b>\$ 33,508,334</b></u>	<u><b>\$ 40,425,790</b></u>	<u><b>\$ 33,283,442</b></u>	<u><b>\$ 34,362,091</b></u>	<u><b>\$ 35,786,667</b></u>	<u><b>\$ *</b></u>	<u><b>\$ *</b></u>	<u><b>\$ *</b></u>
Covered Employee Payroll	\$ 15,048,883	\$ 14,335,884	\$ 13,687,791	\$ 12,769,695	\$ 12,801,462	\$ 11,790,856	\$ *	\$ *	\$ *	\$ *
Total OPEB Liability as a Percentage of Covered Payroll	131%	175%	245%	317%	260%	291%	*	*	*	*
The following is a Summary of Changes of Assumptions:										
Healthcare Cost Trend Rates	7.75% - 4.04%	7.75% - 4.04%	7.00% - 3.78%	7.00% - 3.78%	6.75% - 3.78%	7.00% - 3.78%	*	*	*	*
Salary Increases	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	*	*	*	*
Inflation Rate	2.50%	2.25%	2.25%	2.25%	2.25%	2.25%	*	*	*	*
Discount Rate	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%	*	*	*	*

\* Information for periods prior to implementation of GASB Statement No. 75 is unavailable and will be completed for each year going forward as it becomes available.

*See Notes to Required Supplementary Information*

# ***COUNTY OF SCHUYLER***

## **SCHEDULE OF COUNTY'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually Required Contribution	<b>\$1,794,983</b>	\$1,563,853	\$2,127,943	\$1,830,959	\$1,769,857	\$1,739,864	\$1,653,496	\$ 1,920,310	\$1,921,917	\$1,880,372
Contributions in Relation to the Contractually Required Contribution	<b>(1,794,983)</b>	(1,563,853)	(2,127,943)	(1,830,959)	(1,769,857)	(1,739,864)	(1,653,496)	(1,920,310)	(1,921,917)	(1,880,372)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
County's Covered Employee Payroll	<b>13,146,928</b>	12,773,216	12,335,330	11,945,363	11,119,720	10,986,070	10,305,437	9,787,386	9,516,886	9,336,382
Contributions as a Percentage of Covered Employee Payroll	<b>13.7%</b>	12.2%	17.3%	15.3%	15.9%	15.8%	16.0%	19.6%	20.2%	20.1%

*See Notes to Required Supplementary Information*

# ***COUNTY OF SCHUYLER***

## **SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED DECEMBER 31,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's Proportion of the Net Pension (Asset)/Liability	<b>0.0527851%</b>	0.0527117%	0.0511669%	0.0505382%	0.0505280%	0.0493251%	0.0660670%	0.0473124%	0.0458941%
County's Proportionate Share of the Net Pension (Asset)/Liability	<b>\$ 11,319,245</b>	\$ (4,308,962)	\$ 50,949	\$ 13,382,817	\$ 3,560,561	\$ 1,591,941	\$ 4,379,266	\$ 7,953,776	\$ 1,550,413
County's Covered Employee Payroll During the Measurement Period	<b>13,040,366</b>	12,684,166	12,219,051	11,854,134	11,319,532	10,874,916	10,115,611	9,677,978	9,463,189
County's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	<b>86.8%</b>	34.0%	0.4%	112.9%	31.5%	14.6%	43.3%	82.2%	16.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<b>90.8%</b>	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
The following is a Summary of Changes of Assumptions:									
Inflation	<b>2.90%</b>	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	<b>4.40%</b>	4.40%	4.40%	4.20%	4.20%	3.80%	3.80%	3.80%	4.90%
Cost of Living Adjustments	<b>1.50%</b>	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	<b>5.90%</b>	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	<b>5.90%</b>	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	<b>MP-2021</b>	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

*Schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.*

*See Notes to Required Supplementary Information*

# ***COUNTY OF SCHUYLER***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2023**

### ***Note 1* Budgetary Data**

#### **Budget Policies**

Budget policies are as follows:

1. No later than November 15, the budget officer submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for the following funds:
  - General Fund
  - County Road Fund
  - Road Machinery Fund
2. After public hearings are conducted to obtain taxpayer comments, no later than December 20, the governing board adopts the budget.
3. All modifications of the budget must be approved by the County Legislature. During 2023, the budget was modified for unanticipated grants and revenues, use of reserve funds, and carryover encumbrances.
4. Appropriations are adopted at the functional level by department.
5. Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects, which remain in effect for the life of the project.
6. An annual legal budget is not adopted for the STASC, a debt service fund. Budgetary controls for the STASC are established in accordance with the applicable debt service schedules.
7. Appropriations lapse at year end.

#### **Encumbrances**

Encumbrances are recorded to reserve a portion of fund balance for outstanding commitments to be financed from current appropriations. Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the General and Special Revenue Funds. Encumbrances are reported as assignments of fund balances, as they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

# ***COUNTY OF SCHUYLER***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2023**

### ***Note 1* Budgetary Data - Continued**

#### **Budget Basis of Accounting**

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America (U.S. GAAP) for the General, County Road, and Road Machinery Funds. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered disbursements in the financial plan or expenditures in U.S. GAAP-based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year end, thereby ensuring that appropriations are not exceeded. The accompanying Budgetary Comparison Schedules for the budgeted major Governmental Funds (General and County Road Funds) present comparisons of the legally adopted budget with actual data.

### ***Note 2* Reconciliation of the General Fund Budget Basis to U.S. GAAP**

No adjustment is necessary to convert excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis as there were no encumbrances added to the actual expenditures recorded in the budgetary comparison schedules.

### ***Note 3* Schedules of the County's Proportionate Share of the Net Pension (Asset)/Liability**

The Schedule of the County's Proportionate Share of the Net Pension (Asset)/Liability, required supplementary information, will present ten years of information as it becomes available.

### ***Note 4* Schedules of the County's Contributions – NYSLRS Pension Plans and Schedules of the County's Proportionate Share of the Net Pension (Asset)/Liability**

#### **NYSLRS**

#### **Changes in Benefit Terms**

The New York State Legislature lowered the vesting requirement for Tier 5 and Tier 6 from ten to five years (Chapter 56 of the Laws of 2022), prior to the April 1, 2022 actuarial valuation.

# COUNTY OF SCHUYLER

## BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2023

	Special Revenue Fund			STASC Debt Service Fund	Total Non-Major Governmental Funds
	County Road Fund	Road Machinery Fund	Capital Projects Fund		
<b>ASSETS</b>					
Cash and Cash Equivalents - Unrestricted	\$ 925,033	\$ 615,934	\$ 549,368	\$ 37,021	\$ 2,127,356
Cash and Cash Equivalents - Restricted	-	-	-	271,458	271,458
Temporary Investments - Unrestricted	-	-	-	53,077	53,077
Due From Other Funds	1,689,002	450,620	30	-	2,139,652
Due From State and Federal Governments	40,887	-	-	-	40,887
Other Receivables, Net	755	33,212	-	265,000	298,967
<b>Total Assets</b>	<b><u>\$ 2,655,677</u></b>	<b><u>\$ 1,099,766</u></b>	<b><u>\$ 549,398</u></b>	<b><u>\$ 626,556</u></b>	<b><u>\$ 4,931,397</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 85,472	\$ 68,509	\$ 375,629	\$ -	\$ 529,610
Accrued Liabilities	35,115	6,611	-	-	41,726
Due to Other Funds	759,293	55,608	11,975	-	826,876
<b>Total Liabilities</b>	<u>879,880</u>	<u>130,728</u>	<u>387,604</u>	<u>-</u>	<u>1,398,212</u>
<b>Fund Balances</b>					
Restricted	-	-	-	271,458	271,458
Assigned	1,775,797	969,038	161,794	355,098	3,261,727
<b>Total Fund Balances</b>	<u>1,775,797</u>	<u>969,038</u>	<u>161,794</u>	<u>626,556</u>	<u>3,533,185</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,655,677</u></b>	<b><u>\$ 1,099,766</u></b>	<b><u>\$ 549,398</u></b>	<b><u>\$ 626,556</u></b>	<b><u>\$ 4,931,397</u></b>

# **COUNTY OF SCHUYLER**

## **STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Special Revenue Fund</b>			<b>STASC Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
	<b>County Road Fund</b>	<b>Road Machinery Fund</b>	<b>Capital Projects Fund</b>		
<b>REVENUES</b>					
Departmental Income	\$ 21,338	\$ -	\$ -	\$ -	\$ 21,338
Intergovernmental Charges	-	659,992	-	-	659,992
Use of Money and Property	53,627	19,362	1,569	17,569	92,127
Sale of Property and Compensation for Loss	6,259	43,588	-	-	49,847
Miscellaneous Local Sources	-	-	-	271,523	271,523
State Sources	1,640,049	270,620	-	-	1,910,669
Federal Sources	88,295	-	-	-	88,295
<b>Total Revenues</b>	<b>1,809,568</b>	<b>993,562</b>	<b>1,569</b>	<b>289,092</b>	<b>3,093,791</b>
<b>EXPENDITURES</b>					
General Governmental Support	-	-	-	29,154	29,154
Transportation	3,702,922	1,507,378	-	-	5,210,300
Employee Benefits	511,429	67,586	-	-	579,015
Capital Outlay	-	-	1,596,302	-	1,596,302
Debt Service - Principal and Interest	134,100	-	-	226,300	360,400
<b>Total Expenditures</b>	<b>4,348,451</b>	<b>1,574,964</b>	<b>1,596,302</b>	<b>255,454</b>	<b>7,775,171</b>
Excess of Revenues (Expenditures)	(2,538,883)	(581,402)	(1,594,733)	33,638	(4,681,380)
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund Transfers In	2,803,028	750,428	1,587,448	-	5,140,904
Interfund Transfers (Out)	-	-	-	(33,547)	(33,547)
Proceeds of Obligations	-	-	51,135	-	51,135
<b>Total Other Financing Sources (Uses)</b>	<b>2,803,028</b>	<b>750,428</b>	<b>1,638,583</b>	<b>(33,547)</b>	<b>5,158,492</b>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	264,145	169,026	43,850	91	477,112
Fund Balances, Beginning of Year	1,511,652	800,012	117,944	626,465	3,056,073
<b>Fund Balances, End of Year</b>	<b>\$ 1,775,797</b>	<b>\$ 969,038</b>	<b>\$ 161,794</b>	<b>\$ 626,556</b>	<b>\$ 3,533,185</b>

**INDEPENDENT AUDITORS' 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***

County Legislature  
County of Schuyler  
Watkins Glen, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Schuyler, New York (the County), as of and for the year ended December 31, 2023, 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 22, 2024.

**Report on 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) as a basis for designing 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 County'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 a material weakness or significant deficiency. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on 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 financial statements. 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.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
July 22, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

County Legislature  
County of Schuyler  
Watkins Glen, New York

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the County of Schuyler's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

### **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
July 22, 2024

# COUNTY OF SCHUYLER

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/ Pass - Through Grantor/ Program Title	Assistance Listing #	Pass- Grantor #	Passed Through to Subrecipients	Expenditures
<b>Department of Agriculture</b>				
Passed Through NYS Office of Temporary and Disability Assistance:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(1)	\$ -	\$ 146,299
Total SNAP Cluster			-	146,299
<b>Total Department of Agriculture</b>			-	146,299
<b>Department of Justice</b>				
Passed Through NYS Division of Criminal Justice Services:				
Violence Against Women Formula Grants	16.588	C11369	-	216,612
<b>Total Department of Justice</b>			-	216,612
<b>Department of Transportation</b>				
Passed Through NYS Department of Transportation:				
Highway Planning and Construction:				
Highway Planning and Construction	20.205	D040639	-	53,136
Highway Planning and Construction	20.205	D040150	-	23,273
Total Highway Planning and Construction			-	76,409
Federal Transit Formula Grants for Rural Areas	20.509	(1)	-	51,419
National Highway Safety Administration Discretionary Safety Grants	20.600	(1)	-	3,070
<b>Total Department of Transportation</b>			-	130,898
<b>Department of Treasury</b>				
COVID-19 State and Local Fiscal Recovery Funds	21.027	N/A	138,584	676,226
<b>Total Department of Treasury</b>			138,584	676,226
<b>Department of Education</b>				
Passed Through NYS Department of Health:				
Migrant Education High School Equivalency Program	84.181A	C36433GG	-	22,826
<b>Total Department of Education</b>			-	22,826
<b>Department of Health and Human Services</b>				
Passed Through NYS Office for the Aging:				
COVID-19 Aging and Disability Resource Center (ADRC)	93.048	(1)	-	2,517
Aging Cluster:				
Special Programs for the Aging, Title III, Part B - Seniors' Health Improvement and Nutrition Education (SHINE)	93.044	(1)	-	63,079
SSC6 of the American Rescue Plan	93.044	(1)	-	3,404
Title III-B Supportive Services Program	93.044	(1)	10,507	43,915
COVID-19 VAC5 of the Expanding Access to COVID-19 Vaccines	93.044	(1)	-	1,473
Special Programs for the Aging, Title III, Part C - Nutrition Services	93.045	(1)	8,196	96,086
COVID-19 American Rescue Plan for Congregate Meals Title IIIC1	93.045	(1)	-	4,086
COVID-19 American Rescue Plan for Home Delivered Meals under Title III-C2	93.045	(1)	-	12,471
COVID-19 HDC5 of the Consolidated Appropriations Act	93.045	(1)	-	1,112
COVID-19 Nutrition Services Incentive Program	93.053	(1)	-	13,863
Total Aging Cluster			18,703	239,489
Subtotal			157,287	1,434,867

(1) Denotes - Unable to Obtain from Pass - Through Entity

*See Notes to Schedule of Expenditures of Federal Awards*

# COUNTY OF SCHUYLER

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/ Pass - Through Grantor/ Program Title	Assistance Listing #	Pass-Through Grantor #	Passed Through to Subrecipients	Expenditures
Subtotal Carried Forward			\$ 157,287	\$ 1,434,867
<b>Department of Health and Human Services (Continued)</b>				
Passed Through National Association of County and City Health Officials:				
Special Programs for the Aging, Title III, Part D -				
Disease Prevention and Health Promotion Services	93.043	(1)	-	2,386
COVID-19 American Rescue Plan for Preventive health Title IIID	93.043	(1)	-	3,359
National Family Caregiver Support, Title III, Part E	93.052	(1)	21,284	28,772
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	(1)	-	2,634
Medicare Enrollment Assistance Program	93.071	(1)	-	10,780
CMS Research, Demonstrations, and Evaluations	93.779	(1)	-	10,203
Passed Through NYS Department of Health:				
COVID-19 MRC RISE Grant	93.268	(1)	-	22,421
COVID-19 Immunization Cooperative Agreements	93.268	C32543GG	-	11,172
COVID-19 Drug Free Communities Support Program	93.276	H79SP020428	-	98,460
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	6918-01	-	55,939
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	6914-01	-	4,677
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	7052-01	-	107,584
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	7575-01	-	6,719
Maternal and Child Health Services Block Grant to the States:				
Maternal and Child Health Services Block Grant to the States	93.994	C37014GG	-	8,280
Maternal and Child Health Services Block Grant to the States	93.994	C35743GG	-	50,858
Total Maternal and Child Health Services Block Grant to the States			-	59,138
Medicaid Cluster:				
Medical Assistance Program	93.778	(1)	-	355,088
Total Medicaid Cluster			-	355,088
Passed Through Health Research, Inc.:				
Public Health Emergency Preparedness	93.069	001609-15	-	59,448
Public Health Emergency Preparedness Total			-	59,448
Passed Through NYS Office of Temporary and Disability Assistance:				
Temporary Assistance for Needy Families	93.558	(1)	-	235,187
Child Support Enforcement	93.563	(1)	-	119,737
Low-Income Home Energy Assistance	93.568	(1)	-	1,623,913
Passed Through NYS Office of Children and Family Services:				
CCDF Cluster:				
Child Care and Development Block Grant	93.575	(1)	-	186,024
Total CCDF Cluster			-	186,024
Foster Care - Title IV-E	93.658	(1)	-	199,620
Adoption Assistance	93.659	(1)	-	194,693
Social Services Block Grant	93.667	(1)	-	147,481
<b>Total Department of Health and Human Services</b>			178,571	3,787,441
<b>Department of Homeland Security</b>				
Passed Through NYS Office of Homeland Security:				
Emergency Management Performance Grants	97.042	T185045	-	11,917
Emergency Management Performance Grants	97.042	T185162	-	2,679
Homeland Security Grant Program:				
Homeland Security Grant Program	97.067	C160017	-	29,738
Homeland Security Grant Program	97.067	C839498	-	46,032
Homeland Security Grant Program	97.067	T150710	-	32,844
Homeland Security Grant Program	97.067	T190176	-	19,608
Total Homeland Security Grant Program			-	128,222
<b>Total Department of Homeland Security</b>			-	142,818
<b>Total Expenditures of Federal Awards</b>			<b>\$ 178,571</b>	<b>\$ 5,123,120</b>

(1) Denotes - Unable to Obtain from Pass - Through Entity

*See Notes to Schedule of Expenditures of Federal Awards*

# ***COUNTY OF SCHUYLER***

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023**

***Note 1***     **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the County, an entity as defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

***Note 2***     **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the basic financial statements.

***Note 3***     **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The County has not elected to use the 10% de minimus cost rate.

***Note 4***     **Matching Costs**

Matching costs, i.e., the County's share of certain program costs, are not included in the reported expenditures.

***Note 5***     **Department of Social Services - Administrative Costs**

Differences between the amounts reflected in the Schedule of Expenditures of Federal Awards and the Department of Social Service's federal financial reports (RF-2 claims) are due to the allocation of administrative costs to the individual programs.

***Note 6***     **Low-Income Home Energy Assistance**

Differences between the amounts reflected in the Schedule of Expenditures of Federal Awards and the Department of Social Services' federal financial reports (RF-2 claims) are due to payments distributed by New York State directly to recipients. The difference amounted to \$1,623,913 for the year ended December 31, 2023.

# COUNTY OF SCHUYLER

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2023

### Section I Summary of Auditors' Results

#### Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?  yes  no

Identification of major programs:

<u>ALN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>21.027</u>	<u>(COVID-19) State and Local Fiscal Recovery Funds</u>
<u>93.568</u>	<u>Low-Income Home Energy Assistance</u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

# ***COUNTY OF SCHUYLER***

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2023**

**Section II Financial Statement Findings:** None noted.

**Section III Federal Award Findings and Questioned Costs:** None noted.