

MANAGEMENT COMMENT LETTER

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

In planning and performing our audit of 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 (the County) as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

DISCUSSION ITEMS

Impact of Future Standards of the Governmental Accounting Standards Board (GASB)

- GASB has issued Statement No. 87, "Leases," effective for the year ending December 31, 2022.
- GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period," effective for the year ending December 31, 2022.
- GASB has issued Statement No. 91, "Conduit Debt Obligations," effective for the year ending December 31, 2023.
- GASB has issued Statement No. 92, "Omnibus 2020," effective for the year ending December 31, 2022.

The County should consider the impact this pronouncement may have on its financial statements and implement it as applicable and when material.

We would like to thank you and your staff for the cooperation and support given to us during the course of the audit. We appreciate the opportunity to be of service to you and look forward to our continued involvement.

This communication is intended solely for the information and use of the County Legislature and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
August 25, 2022

COUNTY OF SCHUYLER

Watkins Glen, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2021**



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Certified Public Accountants | Business Advisors

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 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, 2021, 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, 2021, 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 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 August 25, 2022 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
August 25, 2022

COUNTY OF SCHUYLER

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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, 2021. Please read this information in conjunction with the County's financial statements, which begin on page 6.

FINANCIAL HIGHLIGHTS

GOVERNMENT-WIDE

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$3,162,812 net position. Of this amount, \$34,693,325 is an unrestricted net deficit, largely attributable to the recognition of the Governmental Accounting Standards Board (GASB) Statement No. 75 Other Postemployment Benefits (OPEB) obligation of \$33,508,334.
- Revenues exceeded expenditures by \$6,843,274.
- The County's overall net position increased by 185.9% during 2021.
- The County's outstanding debt decreased by 0.7%, primarily as a result of debt repayments.
- Capital assets increased by 6.0%, based on an appraisal of capital assets.

GOVERNMENTAL FUNDS

- Revenues exceeded expenditures in the Governmental Funds by \$4,281,271, bringing fund balances to \$19,370,916 at December 31, 2021.
- The General Fund recorded an increase of \$3,899,401 in 2021 and ended the year with total fund balance of \$16,375,487. Of this fund balance, \$6,560,703 was reserved or allocated for future expenditures, and \$9,814,784 was unassigned.

COUNTY OF SCHUYLER

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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 Major 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 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, 2021

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 910 South Decatur Street, Watkins Glen, New York 14891. Financial statements for STASC and HSDC can be obtained from Schuyler County, 105 9th 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

Governmental Fund Financial Statements

Analysis of the County's Major Funds begins on page 9. The Governmental 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 Governmental 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, 2021

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, 2021 increased from a deficit of \$3,680,462 to a positive net position of \$3,162,812.

A large portion of the County's net position, \$34,868,590, 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, \$2,987,547, 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, 2021

*Figure 1
Net Position*

Governmental Activities	2021	2020	Dollar Change
Current Assets	\$ 27,553,103	\$ 21,529,249	\$ 6,023,854
Capital Assets, Net	40,485,928	38,200,842	2,285,086
Other Noncurrent Assets	12,340	430,019	(417,679)
Total Assets	68,051,371	60,160,110	7,891,261
Total Deferred Outflows of Resources	18,023,654	16,687,919	1,335,735
Current Liabilities	9,080,726	7,644,573	1,436,153
Noncurrent Liabilities	43,647,266	64,101,033	(20,453,767)
Total Liabilities	52,727,992	71,745,606	(19,017,614)
Total Deferred Inflows of Resources	30,184,221	8,782,885	21,401,336
Net Investment in Capital Assets	34,868,590	32,394,118	2,474,472
Restricted	2,987,547	1,702,533	1,285,014
Unrestricted	(34,693,325)	(37,777,113)	3,083,788
Total Net Position	\$ 3,162,812	\$ (3,680,462)	\$ 6,843,274

Total assets increased 13.1%. This change largely stems from an increase in cash and cash equivalents of \$5.6 million, as well as an increase in capital assets, net, due to an appraisal of capital assets.

Deferred outflows of resources increased based on actuarially determined calculations and changes in assumptions for pension and OPEB plans.

Total liabilities decreased 26.5%. This change stems from decreases in both the County's proportionate share of the NYSLRS net pension liability as well as the County's other postemployment benefits (OPEB) plan liability.

Deferred inflows of resources increased based on actuarially determined calculations and changes in assumptions for pension and OPEB plans.

Total net position increased by 185.9% as a result of excess revenues over expenditures.

COUNTY OF SCHUYLER

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

*Figure 2
Changes in Net Position*

Governmental Activities	2021	2020	Dollar Change
REVENUES			
Program Revenues:			
Charges for Services	\$ 7,886,559	\$ 8,002,219	\$ (115,660)
Operating Grants and Contributions	11,314,707	10,294,516	1,020,191
Capital Grants and Contributions	1,233,491	1,871,141	(637,650)
General Revenues:			
Property Taxes and Tax Items	11,794,133	11,939,749	(145,616)
Sales and Other Taxes	15,265,183	12,339,143	2,926,040
Tobacco Settlement Payments	300,477	288,601	11,876
Use of Money and Property	19,449	14,263	5,186
Other	2,821,764	195,386	2,626,378
Total Revenues	\$ 50,635,763	\$ 44,945,018	\$ 5,690,745
PROGRAM EXPENSES			
General Governmental Support	\$ 10,339,072	\$ 11,123,435	\$ (784,363)
Education	1,335,337	1,312,170	23,167
Public Safety	6,463,700	7,267,593	(803,893)
Public Health	5,166,034	5,469,321	(303,287)
Transportation	4,674,367	4,567,600	106,767
Economic Assistance and Opportunity	14,314,871	15,141,575	(826,704)
Culture and Recreation	253,937	269,463	(15,526)
Home and Community Services	780,620	723,315	57,305
Interest on Debt	464,551	582,610	(118,059)
Total Expenses	\$ 43,792,489	\$ 46,457,082	\$ (2,664,593)
CHANGE IN NET POSITION	\$ 6,843,274	\$ (1,512,064)	\$ 8,355,338

Total revenues increased 12.7%. This change largely stems from an increase in sales tax received along with an appraisal of fixed assets affecting other compensation for loss within the other category.

Total expenses decreased 5.7%. This change stems from decreases in both the County's net OPEB obligation, as well as a decrease in the County's proportionate share of the NYSLRS net pension liability.

COUNTY OF SCHUYLER

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

Figures 3 and 4 show the sources of revenue for 2021 and 2020.

Figure 3
Revenues by Source
Governmental Activities
2021

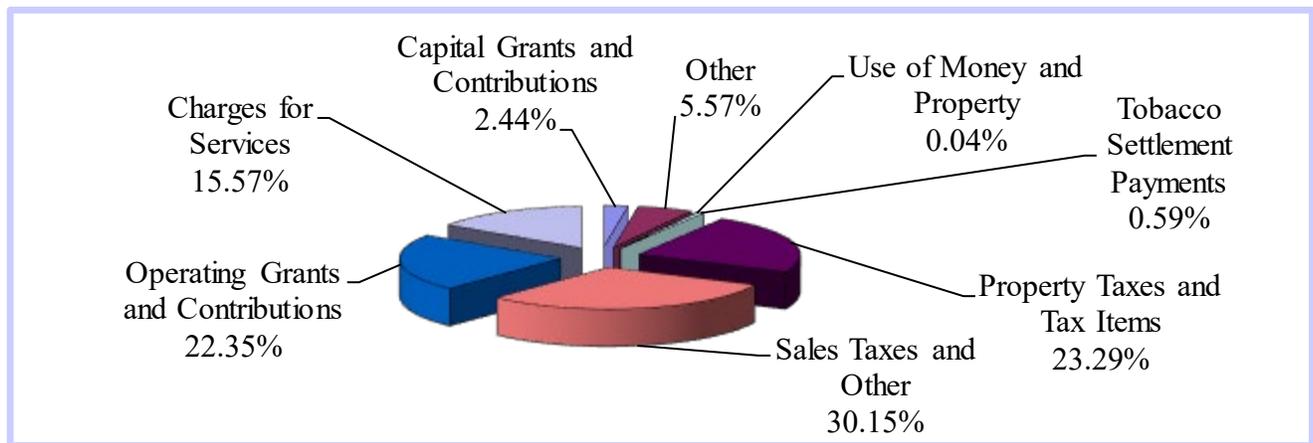
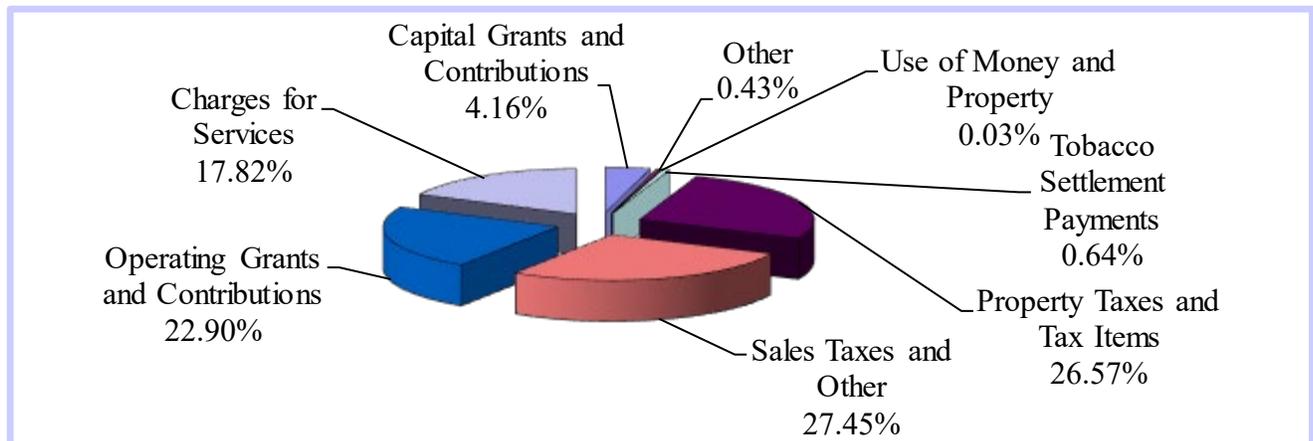


Figure 4
Revenues by Source
Governmental Activities
2020



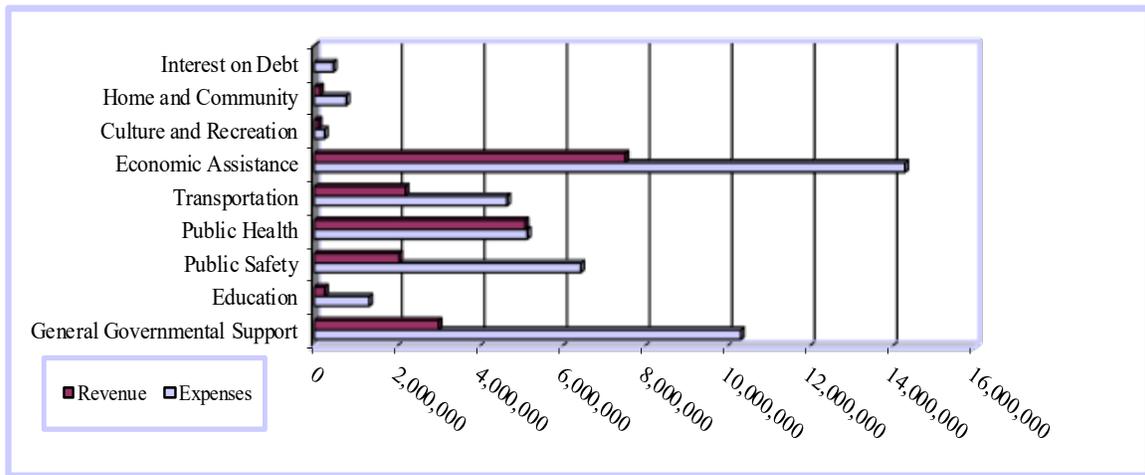
As shown in the Statement of Activities, the amount that our taxpayers ultimately financed through County property and other tax revenues was \$23,357,732, as some of the costs were paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. Overall, the County's governmental program revenues were \$20,434,757.

COUNTY OF SCHUYLER

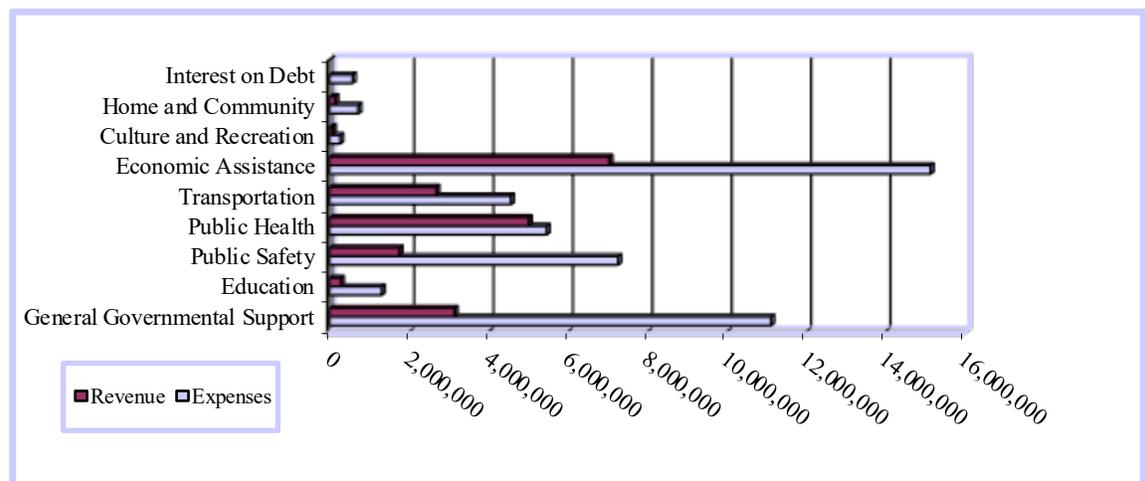
MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

The total cost versus revenue generated by activities for the County's programs is presented below. The difference between the cost and revenue shows the financial burden that was placed on the County's taxpayers by each of these functions.

***Figure 5
Net Program Cost
Governmental Activities - 2021***



***Figure 6
Net Program Cost
Governmental Activities - 2020***



COUNTY OF SCHUYLER

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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, \$557,342 is nonspendable, \$2,662,213 is restricted for future expenditures, \$3,546,974 is committed for future expenditures and \$2,789,603 is assigned, leaving \$9,814,784 in unassigned fund balance. *Figure 7* shows the changes in fund balance for the County's Governmental Funds.

Figure 7
Governmental Funds
Fund Balances

	2021	2020	Dollar Change
Major Funds:			
General Fund	\$ 16,375,487	\$ 12,476,086	\$ 3,899,401
Non-Major Funds:			
Special Revenue Funds:			
Road Machinery Fund	993,350	875,782	117,568
County Road Fund	1,241,045	1,145,138	95,907
Capital Projects Fund	141,745	(16,190)	157,935
STASC Debt Service Fund	619,289	608,829	10,460
Totals	\$ 19,370,916	\$ 15,089,645	\$ 4,281,271

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.

Total revenue and other financing sources were less than budgeted due to significant decreases in State and Federal Sources as a result of COVID-19. Total expenditures and other financing uses were less than budgeted due to significant decreases in programs, in particular Economic Assistance and Opportunity and General Governmental Support.

COUNTY OF SCHUYLER

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

*Figure 8
Budgetary Comparison Schedule - General Fund
December 31, 2021*

	Original Budget	Final Budget	Actual w/ Encumbrances	Variance Fav.(Unfav.)
REVENUES AND OTHER FINANCING SOURCES				
Real Property Taxes and Tax Items	\$ 12,353,246	\$ 12,353,246	\$ 11,810,393	\$ (542,853)
Nonproperty Tax Items	12,704,000	13,379,000	15,337,550	1,958,550
Departmental Income and Intergovernmental Charges	6,394,508	6,467,910	6,010,068	(457,842)
Use of Money and Property	628,006	628,006	603,204	(24,802)
State Sources	7,349,574	12,057,494	7,483,659	(4,573,835)
Federal Sources	4,356,376	5,488,905	4,233,369	(1,255,536)
Other Revenues and Financing Sources	244,464	258,597	324,369	65,772
Total Revenues and Other Financing Sources	\$ 44,030,174	\$ 50,633,158	\$ 45,802,612	\$ (4,830,546)
Appropriated Reserves and Fund Balance	\$ -	\$ 51,577	\$ -	\$ -
EXPENDITURES AND OTHER FINANCING USES				
General Governmental Support	\$ 8,263,174	\$ 10,456,400	\$ 8,308,061	\$ 2,148,339
Education	1,750,000	1,750,000	1,335,337	414,663
Public Safety	3,990,118	6,104,714	4,735,551	1,369,163
Public Health	3,838,266	4,668,700	4,083,073	585,627
Transportation	525,000	775,684	775,684	-
Economic Assistance and Opportunity	14,571,950	15,282,205	12,388,380	2,893,825
Culture and Recreation	172,929	185,014	137,110	47,904
Home and Community Services	645,274	722,520	648,309	74,211
Employee Benefits	7,467,500	7,473,480	6,356,795	1,116,685
Debt Service	106,000	157,887	96,001	61,886
Other Financing Uses	2,699,963	3,108,131	3,101,163	6,968
Total Expenditures and Other Financing Uses	\$ 44,030,174	\$ 50,684,735	\$ 41,965,464	\$ 8,719,271
Excess of Revenues and Other Financing Sources	\$ -	\$ -	\$ 3,837,148	\$ 3,888,725

COUNTY OF SCHUYLER

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2021, the County had capital assets of \$88,749,208, net of accumulated depreciation, of \$48,263,280. This amount represents an investment in a broad range of capital assets, including buildings, machinery and equipment, roads, and bridges.

***Figure 9
Capital Assets, Net of Depreciation***

Governmental Activities	2021	2020	Dollar Change
Land	\$ 430,399	\$ 428,839	\$ 1,560
Construction-in-Progress	514,918	1,223,577	(708,659)
Buildings and Improvements	8,144,145	7,476,744	667,401
Land Improvements	2,015,075	2,025,780	(10,705)
Machinery and Equipment	7,862,009	6,113,235	1,748,774
Infrastructure	21,519,382	20,932,667	586,715
Totals	\$ 40,485,928	\$ 38,200,842	\$ 2,285,086

This year's additions consisted of:

Bradford Site Tower	\$ 289,650
Parking Lots	225,268
County Bridge Projects	1,032
County Road Projects	1,394,750
Machinery and Equipment	435,238
Total Additions	<u>2,345,938</u>
Less: Depreciation	(2,445,597)
HSDC Depreciation	(130,277)
Net Book Value of Disposed Assets	(3,360)
Change in Appraisal	<u>2,518,382</u>
Total Net Change	<u><u>\$ 2,285,086</u></u>

Debt Administration

Of the total outstanding debt, \$1,861,077 was subject to the constitutional debt limit and represented 1.8% of the County's statutory debt limit.

COUNTY OF SCHUYLER

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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 10* shows the changes in outstanding debt.

Figure 10
Outstanding Debt at Years Ended

Governmental Activities	2021	2020	Dollar Change
Bonds	\$ 8,340,232	\$ 8,693,373	\$ (353,141)
Tobacco Settlement Pass-Through Bonds			
Accreted Interest	2,842,823	2,599,982	242,841
Capital Lease	36,077	5,577	30,500
Totals	\$ 11,219,132	\$ 11,298,932	\$ (79,800)

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 2022. Continuing inflation has put a strain on the economy that has already begun to affect 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 federal 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 2022 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 result in tax reductions to our property tax payers.

COUNTY OF SCHUYLER

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the County's citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about the report or need any additional financial information, contact the County Treasurer, Schuyler County, 105 9th Street, Watkins Glen, New York 14891.

COUNTY OF SCHUYLER

STATEMENT OF NET POSITION DECEMBER 31, 2021

	Primary Government	Component Units	
	Governmental Activities	Soil and Water Conservation District	Industrial Development Agency
ASSETS			
Current Assets			
Cash and Cash Equivalents - Unrestricted	\$ 14,953,689	\$ 958,444	\$ 842,519
Cash and Cash Equivalents - Restricted	2,662,213	-	-
Temporary Investments - Unrestricted	51,178	31,605	-
Temporary Investments - Restricted	312,994	-	-
Taxes Receivable, Net	2,377,029	-	-
Other Receivables	854,695	4,348	-
Loans Receivable, Current Portion	-	-	18,595
Due from State and Federal Governments	5,783,963	240,000	-
Due from Other Governments	-	5,491	-
Prepaid Expenses	550,610	-	-
Inventories	6,732	-	-
Total Current Assets	27,553,103	1,239,888	861,114
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	12,340	-	-
Temporary Investments	-	-	353,287
Loans Receivable, Long-Term Portion	-	-	47,235
Land and Construction-in-Progress	945,317	37,000	-
Depreciable Capital Assets, Net	39,540,611	892,409	-
Total Noncurrent Assets	40,498,268	929,409	400,522
Total Assets	68,051,371	2,169,297	1,261,636
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	11,703,513	123,573	-
Other Postemployment Benefits	6,320,141	-	-
Total Deferred Outflows of Resources	18,023,654	123,573	-
LIABILITIES			
Current Liabilities			
Accounts Payable	1,389,334	-	170
Accrued Liabilities	1,178,450	19,165	-
Interest Payable	40,237	-	-
Due to Other Governments	1,441,509	-	-
Unearned Revenue	2,954,439	17,080	-
Long-Term Obligations Due Within One Year:			
Leases Payable	7,595	-	-
Bonds Payable	2,042,888	-	-
Compensated Absences	26,274	-	-
Total Current Liabilities	9,080,726	36,245	170

See Notes to Financial Statements

COUNTY OF SCHUYLER

STATEMENT OF NET POSITION (Continued) DECEMBER 31, 2021

	Primary Government	Component Units	
	Governmental Activities	Soil and Water Conservation District	Industrial Development Agency
Total Current Liabilities Brought Forward	\$ 9,080,726	\$ 36,245	\$ 170
Noncurrent Liabilities			
Long-Term Obligations Due After One Year:			
Accreted Interest Payable	2,842,823	-	-
Leases Payable	28,482	-	-
Bonds Payable	6,297,344	-	-
Other Postemployment Benefits Payable	33,508,334	-	-
Compensated Absences	919,334	12,976	-
Net Pension Liability - Proportionate Share	50,949	540	-
Total Noncurrent Liabilities	43,647,266	13,516	-
Total Liabilities	52,727,992	49,761	170
DEFERRED INFLOWS OF RESOURCES			
Pensions	15,282,692	187,795	-
Other Postemployment Benefits	14,901,529	-	-
Total Deferred Inflows of Resources	30,184,221	187,795	-
NET POSITION			
Net Investment in Capital Assets	34,868,590	929,409	-
Restricted	2,987,547	-	65,830
Unrestricted (Deficit)	(34,693,325)	1,125,905	1,195,636
Total Net (Deficit) Position	\$ 3,162,812	\$ 2,055,314	\$ 1,261,466

See Notes to Financial Statements

COUNTY OF SCHUYLER

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

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 Government	Component Units	
					Governmental Activities	Soil and Water Conservation District	Industrial Development Agency
Primary Government							
Governmental Activities:							
General Governmental Support	\$ 10,339,072	\$ 2,620,335	\$ 392,766	\$ -	\$ (7,325,971)	\$ -	\$ -
Education	1,335,337	-	255,909	-	(1,079,428)	-	-
Public Safety	6,463,700	592,119	1,468,865	-	(4,402,716)	-	-
Public Health	5,166,034	2,847,043	2,265,418	-	(53,573)	-	-
Transportation	4,674,367	510,206	464,874	1,233,491	(2,465,796)	-	-
Economic Assistance and Opportunity	14,314,871	1,202,806	6,336,144	-	(6,775,921)	-	-
Culture and Recreation	253,937	4,259	98,844	-	(150,834)	-	-
Home and Community Services	780,620	109,791	31,887	-	(638,942)	-	-
Interest on Debt	464,551	-	-	-	(464,551)	-	-
Total Governmental Activities	\$ 43,792,489	\$ 7,886,559	\$ 11,314,707	\$ 1,233,491	(23,357,732)	-	-
Component Units							
Soil and Water Conservation District	\$ 944,477	\$ 67,330	\$ 640,070	\$ -	-	(237,077)	-
Industrial Development Agency	90,858	141,026	-	-	-	-	50,168
Total Component Units	\$ 1,035,335	\$ 208,356	\$ 640,070	\$ -	-	(237,077)	50,168
Net (Expense) and Changes in Net Position					(23,357,732)	(237,077)	50,168
GENERAL REVENUES							
Real Property Taxes					11,313,282	-	-
Real Property Tax Items					480,851	-	-
Nonproperty Tax Items					15,265,183	-	-
Tobacco Settlement Payments					300,477	-	-
Use of Money and Property					19,449	851	4,420
Miscellaneous Local Sources					245,015	22,510	1,295
Sale of Property and Compensation for Loss					2,576,749	47,573	-
Total General Revenues					30,201,006	70,934	5,715
Change in Net Position					6,843,274	(166,143)	55,883
Net (Deficit) Position - Beginning					(3,680,462)	2,221,457	1,205,583
Net (Deficit) Position - Ending					\$ 3,162,812	\$ 2,055,314	\$ 1,261,466

See Notes to Financial Statements

COUNTY OF SCHUYLER

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2021

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Non-Major</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS			
Cash and Cash Equivalents - Unrestricted	\$ 12,877,663	\$ 2,037,260	\$ 14,914,923
Cash and Cash Equivalents - Restricted	2,394,134	268,079	2,662,213
Temporary Investments - Unrestricted	-	51,178	51,178
Taxes Receivable, Net	2,377,029	-	2,377,029
Due from Other Funds	212,921	903,530	1,116,451
Due from State and Federal Governments	5,773,379	10,584	5,783,963
Other Receivables	562,524	292,011	854,535
Prepaid Expenses	550,610	-	550,610
Inventories	6,732	-	6,732
Total Assets	<u>\$ 24,754,992</u>	<u>\$ 3,562,642</u>	<u>\$ 28,317,634</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 1,329,875	\$ 59,459	\$ 1,389,334
Accrued Liabilities	1,131,933	46,517	1,178,450
Due to Other Funds	655,214	461,237	1,116,451
Due to Other Governments	1,441,509	-	1,441,509
Unearned Revenue	2,954,439	-	2,954,439
Total Liabilities	<u>7,512,970</u>	<u>567,213</u>	<u>8,080,183</u>
Deferred Inflows of Resources			
Unavailable Tax Revenue	866,535	-	866,535
Fund Balances			
Nonspendable	557,342	-	557,342
Restricted	2,394,134	268,079	2,662,213
Committed	3,546,974	-	3,546,974
Assigned	62,253	2,727,350	2,789,603
Unassigned	9,814,784	-	9,814,784
Total Fund Balances	<u>16,375,487</u>	<u>2,995,429</u>	<u>19,370,916</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,754,992</u>	<u>\$ 3,562,642</u>	<u>\$ 28,317,634</u>

See Notes to Financial Statements

COUNTY OF SCHUYLER

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2021

Total Governmental Fund Balances		\$ 19,370,916
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.		37,313,183
The County's proportionate share of the net pension liability is not reported in the funds.		(50,949)
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	\$ (19,604)	
Accreted Interest Payable	<u>(2,842,823)</u>	(2,862,427)
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	\$ 866,535	
ERS Deferred Inflows of Resources - Pensions	(15,282,692)	
ERS Deferred Outflows of Resources - Pensions	11,703,513	
Deferred Outflows of Resources - OPEB	6,320,141	
Deferred Inflows of Resources - OPEB	<u>(14,901,529)</u>	(11,294,032)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable	\$ (1,825,000)	
Bonds Premium	(149,048)	
Leases Payable	(36,077)	
Tobacco Settlement Pass-Through Bonds	(2,758,971)	
Other Postemployment Benefits Payable	(33,508,334)	
Compensated Absences	<u>(945,608)</u>	(39,223,038)
The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Position.		<u>(90,841)</u>
Net (Deficit) of Governmental Activities		<u><u>\$ 3,162,812</u></u>

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, 2021

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Non-Major</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES			
Real Property Taxes	\$ 11,310,765	\$ -	\$ 11,310,765
Real Property Tax Items	499,628	-	499,628
Nonproperty Tax Items	15,337,550	-	15,337,550
Departmental Income	5,712,904	-	5,712,904
Intergovernmental Charges	297,164	521,126	818,290
Use of Money and Property	603,204	800	604,004
Fines and Forfeitures	8,525	-	8,525
Sale of Property and Compensation for Loss	40,838	20,889	61,727
Miscellaneous Local Sources	243,656	300,477	544,133
State Sources	7,483,659	1,153,336	8,636,995
Federal Sources	4,233,369	80,155	4,313,524
Total Revenues	45,771,262	2,076,783	47,848,045
EXPENDITURES			
General Governmental Support	8,245,808	109,100	8,354,908
Education	1,335,337	-	1,335,337
Public Safety	4,735,551	-	4,735,551
Public Health	4,083,073	-	4,083,073
Transportation	775,684	3,505,811	4,281,495
Economic Assistance and Opportunity	12,388,380	-	12,388,380
Culture and Recreation	137,110	-	137,110
Home and Community Services	648,309	-	648,309
Employee Benefits	6,356,795	623,380	6,980,175
Debt Service - Principal and Interest	96,001	363,788	459,789
Capital Outlay	-	281,254	281,254
Total Expenditures	38,802,048	4,883,333	43,685,381
Excess of Revenues (Expenditures)	6,969,214	(2,806,550)	4,162,664
OTHER FINANCING SOURCES (USES)			
Interfund Transfers In	31,350	3,101,163	3,132,513
Interfund Transfers (Out)	(3,101,163)	(31,350)	(3,132,513)
Proceeds of Obligations	-	982,986	982,986
Premium on Obligations	-	168,758	168,758
Payment to Escrow Agent	-	(1,033,137)	(1,033,137)
Total Other Financing (Uses) Sources	(3,069,813)	3,188,420	118,607
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	3,899,401	381,870	4,281,271
Fund Balances, Beginning	12,476,086	2,613,559	15,089,645
Fund Balances, Ending	\$ 16,375,487	\$ 2,995,429	\$ 19,370,916

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, 2021

Net Change in Fund Balances - Total Governmental Funds **\$ 4,281,271**

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	\$ 2,345,938	
Net Book Value of Disposed Assets	2,515,022	
Depreciation Expense	<u>(2,445,597)</u>	2,415,363

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		112,308
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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.

Proceeds of Long-Term Obligations	\$ (982,986)	
Bond, BAN, and Capital Lease Repayments	304,349	
Payment to Escrow Agent	1,033,137	
Amortization of Bond Premiums	6,573	
Amortization of Bond Discounts	<u>(6,745)</u>	354,328

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

(80,011)

Changes in the County's proportionate share of net pension 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	\$ 1,052,588	
Other Postemployment Benefits	<u>(868,865)</u>	183,723

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	\$ (26,274)	
Premiums on Bonds Payable	(155,621)	
Change in Accrued Interest Payable	1,028	
Change in Accreted Interest Payable	<u>(242,841)</u>	<u>(423,708)</u>

Change in Net Position of Governmental Activities

\$ 6,843,274

See Notes to Financial Statements

COUNTY OF SCHUYLER

STATEMENT OF NET POSITION PROPRIETARY FUND DECEMBER 31, 2021

	Internal Service Fund Component Unit HSDC Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents - Unrestricted	\$ 38,766
Investments - Restricted	312,994
Accounts Receivable	160
Total Current Assets	351,920
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	5,026,298
Depreciable Capital Assets, Net of Accumulated Depreciation	(1,853,553)
Total Capital Assets	3,172,745
Cash and Cash Equivalents - Restricted	12,340
Total Noncurrent Assets	3,185,085
Total Assets	3,537,005
LIABILITIES	
Current Liabilities	
Interest Payable	20,633
Current Portion of Noncurrent Liabilities:	
Bonds Payable	230,000
Unamortized Bond Premium	83,672
Total Current Liabilities	334,305
Noncurrent Liabilities	
Bonds Payable	2,865,000
Unamortized Bond Premium	428,541
Total Noncurrent Liabilities	3,293,541
Total Liabilities	3,627,846
NET POSITION	
Net Investment in Capital Assets (Deficit)	(434,468)
Restricted	325,334
Unrestricted	18,293
Total Net Position (Deficit)	\$ (90,841)

See Notes to Financial Statements

COUNTY OF SCHUYLER

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	Internal Service Fund Component Unit HSDC Fund
Operating Revenues	
Rent	\$ 353,128
In-Kind Contribution	2,971
Total Operating Revenues	<u>356,099</u>
Operating Expenses	
Contractual Expenses	6,855
In-Kind Administrative Expense	2,971
Depreciation Expense	130,277
Total Operating Expenses	<u>140,103</u>
Operating Income	<u>215,996</u>
Nonoperating Income (Expense)	
Interest and Dividends	6
Investment Income	11,441
Bond Issuance Costs	(290,311)
Interest (Expense)	(17,143)
Total Nonoperating Income (Expense)	<u>(296,007)</u>
Total Net Income - Revenues Over (Expenses)	(80,011)
Net (Deficit), January 1,	<u>(10,830)</u>
Net (Deficit), December 31,	<u><u>\$ (90,841)</u></u>

See Notes to Financial Statements

COUNTY OF SCHUYLER

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	Internal Service Fund Component Unit HSDC Fund
Cash Flows From Operating Activities	
Cash Received from Providing Services	\$ 353,128
Cash Payments - Contractual Expenses	(6,855)
Net Cash Provided (Used) by Operating Activities	<u>346,273</u>
Cash Flows From Noncapital Financing Activities	<u>-</u>
Cash Flows From Capital and Related Financing Activities	
Bond Principal	(235,000)
Interest Paid	(89,922)
Payment to Escrow	(3,725,472)
Bond Issuance Costs	(290,311)
Bond Proceeds	3,330,000
Bond Premium Proceeds	569,658
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(441,047)</u>
Cash Flows From Investing Activities	
Purchase of Investments	(312,994)
Investment Earnings	11,447
Net Cash Provided (Used) by Investing Activities	<u>(301,547)</u>
Change in Cash and Cash Equivalents	(396,321)
Cash and Cash Equivalents, January 1,	<u>447,427</u>
Cash and Cash Equivalents, December 31,	<u>\$ 51,106</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	\$ 215,996
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	130,277
Net Cash Provided (Used) by Operating Activities	<u>\$ 346,273</u>
Supplemental Disclosures	
Noncash Operating Activities	
In-Kind Contributions	\$ 2,971
In-Kind Administrative Expenses	2,971

See Notes to Financial Statements

COUNTY OF SCHUYLER

STATEMENT OF NET POSITION FIDUCIARY FUND DECEMBER 31, 2021

	Custodial Funds
ASSETS	
Cash and Cash Equivalents - Unrestricted	\$ 198,949
Due from Other Governments	745
Total Assets	\$ 199,694
LIABILITIES	
Agency Liabilities	\$ 1,475
Due to Other Governments	19,942
Total Liabilities	21,417
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	178,277
Total Liabilities and Net Position	\$ 199,694

See Notes to Financial Statements

COUNTY OF SCHUYLER

STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUND DECEMBER 31, 2021

	Custodial Funds
ADDITIONS	
Social Services	\$ 130,825
Timber	5,532
Other	10,009
Total Additions	146,366
DEDUCTIONS	
Bail Payments	9,500
Timber	23,855
Social Services	127,001
Total Deductions	160,356
Net Change in Net Position	(13,990)
Net Position, Beginning of Year	192,267
Net Position, End of Year	\$ 178,277

See Notes to Financial Statements

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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, 2021

***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 11, 2022 has been issued for the Agency for the year ended December 31, 2021. 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 910 South Decatur 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, 2021

***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 2, 2022 has been issued for the STASC for the year ended December 31, 2021. Complete financial statements for Schuyler Tobacco Asset Securitization Corporation may be obtained from Schuyler County, 105 9th 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 March 1, 2022 has been issued for the HSDC for the year ended December 31, 2021. Complete financial statements for Human Services Development Corporation may be obtained from Schuyler County, 105 9th Street, Watkins Glen, New York 14891.

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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

Blended Component Units - 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 2021, 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, 2021

***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 Fund

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

Non-Major Funds

- Capital Projects Fund - Accounts for financial resources to be used for the acquisition, construction, or renovation of major capital assets.

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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

- **Special Revenue Funds**

- Road Machinery Fund - Accounts for the purchase, repair, maintenance, and storage of highway machinery, tools, and equipment pursuant to §133 of the Highway Law.
- County Road Fund - Accounts for expenditures for highway purposes authorized by §114 of the Highway Law.

- **Debt Service Funds**

- 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.
- Debt Service Fund - Accounts for County's refunding bond transactions.

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, 2021

***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, 2021

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.

The County's constitutional tax limit (per New York State statutes) for the fiscal year ended December 31, 2021 is computed as follows:

Five-Year Average Full Valuation of Taxable Real Estate (2017-2021)	\$ 1,515,308,546
Tax Limit @ 1.5%	22,729,628
Less :	
Tax Levy	11,200,974
Less Exclusions	(288,000)
Tax Levy Subject to Tax Limit	<u>10,912,974</u>
Tax Margin	<u>\$ 11,816,654</u>

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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

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.

Capital Assets

All capital assets 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.

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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

Capital Assets - Continued

Governmental capital assets purchased or acquired with minimum value of \$1,000 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

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, 2021

***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, 2021

***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.

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.

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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

Equity Classifications - Governmental Fund Financial Statements - Continued

- **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, 2021

***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.
- Other Reserves - Accounts for funds restricted for miscellaneous projects, as authorized by County Resolution.
- 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.

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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

Future Changes in Accounting Standards

- GASB Statement No. 87, “Leases,” effective for the year ending December 31, 2022.
- GASB Statement No. 91, “Conduit Debt Obligations,” effective for the year ending December 31, 2022.
- GASB Statement No. 92, “Omnibus 2020,” effective for the year ending December 31, 2022.

The County will evaluate the impact each of these pronouncements may have on its financial statements and will implement them 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.

The County’s aggregate bank balances of \$17,873,634 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, 2021, per the bank, were \$354,289 and \$51,289, respectively, and were fully collateralized.

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

Note 2 Cash and Investments - Continued

Total bank balances of Schuylers County Industrial Development Agency (SCIDA), including long-term certificates of deposit, totaled \$1,282,657 at December 31, 2021, 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 \$1,001,104 at December 31, 2021 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, 2021 consisted of the following.

<u>Purpose</u>	<u>Amount</u>
Public Safety Funds	\$ 566,139
Human Services Funds	263,949
Lamoka-Waneta Lakes District Funds	25,886
Repair Reserve Funds	1,000,000
Contingency and Tax Stabilization Funds	538,160
STASC Debt Service Fund	268,079
HSDC Funds	325,334
Total	<u><u>\$ 2,987,547</u></u>

Note 3 Property Taxes

Property taxes levied for 2021 are recorded as revenue and receivables, net of estimated uncollectible amounts. In the fund financial statements, the net receivables collected during 2021 and expected to be collected within the first 60 days of 2022 are recognized as revenues in 2021.

Net receivables estimated to be collectible subsequent to the first 60 days of 2022 are reflected as deferred revenue. At December 31, 2021, the County recognized \$866,535 of unavailable tax revenue.

Taxes receivable at December 31, 2021 are summarized as follows:

Returned School Taxes Receivable	\$ 1,243,866
Taxes Receivable - Overdue	1,168,752
Allowance for Uncollectible Taxes	<u>(35,589)</u>
Total	<u><u>\$ 2,377,029</u></u>

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 \$1,243,866 is reflected as part of a liability, due to other governments, in the accompanying basic financial statements.

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

Note 4 State and Federal Aid Receivables

State and Federal aid receivables at December 31, 2021 consisted of the following, which are stated at net realizable value. The County has deemed the amounts to be fully collectible.

Description	Amount
Social Services	\$ 2,274,571
Sales Tax	705,946
Highway Reimbursement	10,584
SSHSP	137,338
Public Health	241,569
Other	2,413,955
Total	\$ 5,783,963

Note 5 Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance at 12/31/2020	Additions	Disposals/ Reclassifications	Balance at 12/31/2021
Governmental Activities				
Land	\$ 388,200	\$ -	\$ 1,560	\$ 389,760
Construction in Progress	1,223,577	514,918	(1,223,577)	514,918
Total Non-Depreciable Capital Assets	1,611,777	514,918	(1,222,017)	904,678
Buildings	13,514,673	-	811,966	14,326,639
Machinery and Equipment	15,658,557	435,238	1,023,052	17,116,847
Land Improvements	3,418,083	-	-	3,418,083
Infrastructure	47,205,407	1,395,782	(644,526)	47,956,663
Total Depreciable Capital Assets	79,796,720	1,831,020	1,190,492	82,818,232
Total Historical Cost	81,408,497	2,345,938	(31,525)	83,722,910
Less Accumulated Depreciation:				
Buildings	(9,230,552)	(285,554)	260,561	(9,255,545)
Machinery and Equipment	(9,545,322)	(831,896)	1,122,380	(9,254,838)
Land Improvements	(1,462,063)	(61,915)	61,915	(1,462,063)
Infrastructure	(26,272,740)	(1,266,232)	1,101,691	(26,437,281)
Total Accumulated Depreciation	(46,510,677)	(2,445,597)	2,546,547	(46,409,727)
Governmental Activities Capital Assets, Net	\$ 34,897,820	\$ (99,659)	\$ 2,515,022	\$ 37,313,183

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

Note 5 Capital Assets - Continued

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Governmental Support	\$ 428,434
Public Safety	314,146
Public Health	30,680
Transportation	1,539,765
Economic Assistance and Opportunity	53,358
Culture and Recreation	79,214
	<u>2,445,597</u>
Total	<u>\$ 2,445,597</u>

	Balance at 12/31/2020	Additions	Disposals/ Reclassifications	Balance at 12/31/2021
HSDC Fund				
Land	\$ 40,639	\$ -	\$ -	\$ 40,639
Total Non-Depreciable Capital Assets	40,639	-	-	40,639
Buildings	4,775,596			4,775,596
Land Improvements	210,063	-	-	210,063
Total Depreciable Capital Assets	4,985,659	-	-	4,985,659
Total Historical Cost	5,026,298	-	-	5,026,298
Less Accumulated Depreciation:				
Buildings	(1,582,973)	(119,572)	-	(1,702,545)
Land Improvements	(140,303)	(10,705)	-	(151,008)
Total Accumulated Depreciation	(1,723,276)	(130,277)	-	(1,853,553)
HSDC Fund				
Capital Assets, Net	\$ 3,303,022	\$ (130,277)	\$ -	\$ 3,172,745

Depreciation expense for the year ended December 31, 2021 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, 2021

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 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: 1.53%, Tier 4: 59.63%, Tier 5: 4.31%, and Tier 6: 34.53%.

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, 2021

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:

	2021	2020	2019
ERS	\$ 2,127,943	\$ 1,830,959	\$ 1,769,857

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

At December 31, 2021, the County reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The County's proportionate share of the net pension 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.

	ERS
Actuarial Valuation Date	April 1, 2020
Net Pension Liability	\$ 99,573,957
County's Proportionate Share of the Plan's Total Net Pension Liability	50,949
County's Share of the Net Pension Liability	0.0511669%

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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, 2021, the County recognized pension expense of \$1,001,129 for ERS in the financial statements. At December 31, 2021, the County's reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	ERS
Deferred Outflows of Resources	
Differences Between Expected and Actual Experience	\$ 622,224
Changes of Assumptions	9,367,863
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	117,469
County's Contributions Subsequent to the Measurement Date	1,595,957
Total	\$ 11,703,513
Deferred Inflows of Resources	
Changes of Assumptions	\$ 176,681
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	14,635,530
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	470,481
Total	\$ 15,282,692

County contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	ERS
2022	\$ (1,005,752)
2023	(430,996)
2024	(878,499)
2025	(2,859,889)
2026	-
Thereafter	-

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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:

	ERS
Measurement Date	March 31, 2021
Actuarial Valuation Date	April 1, 2020
Interest Rate of Return	5.9%
Salary Increases	4.4%
Cost of Living Adjustments	1.4%
Inflation Rate	2.7%

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-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - 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:

	ERS
Measurement Date	March 31, 2021
Asset Type:	
Domestic Equities	4.1%
International Equities	6.3%
Real Estate	5.0%
Private Equity/Alternative Investments	6.8%
Opportunistic Portfolio	4.5%
Real Assets	6.0%
Cash	0.5%
Credit	3.6%

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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 liability calculated using the discount rate of 5.9%, as well as what the County's proportionate share of the net pension 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 Liability	\$ 14,141,449	\$ 50,949	\$ (12,943,790)

Pension Plan Fiduciary Net Position

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

	Dollars in Thousands	
	ERS	
Measurement Date	March 31, 2021	
Employers' Total Pension Liability	\$	220,680,157
Plan Net Position		(220,580,583)
Employers' Net Pension Liability	\$	99,574
Ratio of Plan Net Position to the Employers' Total Pension Liability		99.9%

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, 2021 represent the projected employer contribution for the period of April 1, 2021 through December 31, 2021 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2021 amounted to \$-0-.

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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:

	Beginning Balance	Change	Ending Balance
Net Pension Liability	\$ (13,382,817)	\$ 13,331,868	\$ (50,949)
Deferred Outflows of Resources	9,395,332	2,308,181	11,703,513
Deferred Inflows of Resources	(695,231)	(14,587,461)	(15,282,692)
Total	\$ (4,682,716)	\$ 1,052,588	\$ (3,630,128)

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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	120
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	223
Total	343

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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

Total OPEB Liability

The County's total OPEB liability of \$33,508,334 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the December 31, 2021 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	1.84%
Rate of Compensation Increase	2.50%
Rate of Inflation	2.25%

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 v2022_f4 (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, 2021 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, 2021

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2020	\$ 40,425,790
Changes for the Year	
Service Cost	1,870,831
Interest Cost	628,451
Changes of Benefit Terms	159,608
Differences Between Expected and Actual Experience	(7,967,051)
Changes in Assumptions	(998,783)
Benefit Payments	(610,512)
Net Change	(6,917,456)
Balance at December 31, 2021	\$ 33,508,334

Changes of assumptions and other inputs reflect a change in the discount rate from 2.00% percent in 2020 to 1.84% in 2021.

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:

	1% Decrease (0.84%)	Discount Rate (1.84%)	1% Increase (2.84%)
Total OPEB Liability	\$ 40,243,741	\$ 33,508,334	\$ 28,215,303

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

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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 27,647,296	\$ 33,508,334	\$ 41,351,194

For the year ended December 31, 2021, the County recognized OPEB expense of \$1,479,377.

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 11,523,476
Changes in Assumptions or Other Inputs	6,320,141	3,378,053
Total	\$ 6,320,141	\$ 14,901,529

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

Fiscal Year Ending December 31,	Amount
2022	\$ (1,179,513)
2023	(1,179,513)
2024	(1,179,513)
2025	(1,179,513)
2026	(1,179,513)
Thereafter	(2,683,823)

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
OPEB Liability	\$ 40,425,790	\$ (6,917,456)	\$ 33,508,334
Deferred Outflows of Resources	(7,292,587)	972,446	(6,320,141)
Deferred Inflows of Resources	8,087,654	6,813,875	14,901,529
Total	\$ 41,220,857	\$ 868,865	\$ 42,089,722

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

***Note 8* Constitutional Debt Limit**

At December 31, 2021, the total outstanding indebtedness of the County, excluding TASC and HSDC, aggregated \$1,861,077. Of this amount, \$1,861,077 was subject to constitutional limitations on indebtedness and represented 1.8% of the County's statutory debt limit.

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

Bond Anticipation Notes

Bond Anticipation Notes (BAN)s 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, 2021.

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, 2021, 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, 2021

Note 10 Noncurrent Liabilities - Continued

Serial Bonds - 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.
- Capital Leases - 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 capital leases payable:

Description	Original Date of Issue	Original Amount	Interest Rate	Date of Final Maturity	Balance December 31, 2021
Serial Bonds:					
2021 Refunded Shared Services Construction	01/2021	\$ 945,000	2.00-4.00%	01/2034	\$ 945,000
Add: Unamortized Bond Premium					149,048
Carrying Value of 2021 Bonds					<u>1,094,048</u>
Shared Services Construction	05/2016	1,405,000	1.50-2.00%	05/2028	880,000
STASC Pass-Through Bonds:					
Tobacco Settlement Bonds (2000)	12/2000	3,280,000	5.25-6.30%	06/2023	1,300,000
Less: Unamortized Bond Discount					(20,182)
Carrying Value of Series 2000 Bonds					<u>1,279,818</u>
Tobacco Settlement Bonds (2005)	11/2005	1,573,852	6.00-7.85%	06/2060	1,497,013
Less: Unamortized Bond Discount					(17,860)
Add: Interest Accretion					2,842,823
Carrying Value of Series 2005 Bonds					<u>4,321,976</u>
HSDC 2021 Refunding Bonds	03/2021	3,330,000	4.00%	05/2032	3,095,000
Add: Unamortized Bond Premium					512,213
Carrying Value of HSDC Bonds					<u>3,607,213</u>
Capital Lease	05/2021	37,986	10.41%	05/2026	<u>36,077</u>
Total					<u>\$ 11,219,132</u>

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

Note 10 Noncurrent Liabilities - Continued

Change in Indebtedness

The following represents changes in the County's indebtedness during the year ended December 31, 2021:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021	Amount Due Within One Year
Serial Bonds	\$ 2,070,000	\$ 945,000	\$ (1,190,000)	\$ 1,825,000	\$ 175,000
Bond Premium	-	155,621	(6,573)	149,048	20,781
STASC Bonds	2,937,013	-	(140,000)	2,797,013	1,540,180
Add: Accreted Interest Payable	2,599,982	242,841	-	2,842,823	-
Less: Unamortized Bond Discount	(44,787)	6,745	-	(38,042)	(6,745)
HSDC Bonds	3,635,000	3,330,000	(3,870,000)	3,095,000	230,000
Add: Unamortized Bond Premium	96,147	575,333	(159,267)	512,213	83,672
Capital Lease	5,577	37,986	(7,486)	36,077	7,595
Compensated Absences	919,334	26,274	-	945,608	26,274
Totals	<u>\$ 12,218,266</u>	<u>\$ 5,319,800</u>	<u>\$ (5,373,326)</u>	<u>\$ 12,164,740</u>	<u>\$ 2,076,757</u>

Additions and deletions to compensated absences are shown net, as it is impractical to determine these amounts separately. The County paid \$51,978 in interest on bonds and capital leases during the year ended December 31, 2021. STASC paid \$90,325 in interest on bonds during the year. HSDC paid \$89,922 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	\$ 232,225
Less Interest Accrued in Prior Year	(50,924)
Add Interest Accrued in Current Year	40,237
Less Prior Year Accreted Interest	(2,599,982)
Add Current Year Accreted Interest	2,842,823
Less Amortization of Bond Discount/(Premium)	172
Total	<u>\$ 464,551</u>

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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 \$1,020,000 at December 31, 2021.

Debt Service Requirements

The following tables summarize the County's future debt service requirements as of December 31, 2021:

Year	Governmental Funds							
	County Serial Bonds		HSDC Fund		STASC Bonds		Total Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 175,000	\$ 52,450	\$ 230,000	\$ 119,200	\$ 1,540,180	\$ 23,022	\$ 1,945,180	\$ 194,672
2023	175,000	48,400	235,000	109,900	351,521	7,122	761,521	165,422
2024	185,000	43,650	250,000	100,200	124,110	302,051	559,110	445,901
2025	190,000	38,650	260,000	90,000	105,105	253,260	555,105	381,910
2026	195,000	33,500	265,000	79,500	96,557	275,450	556,557	388,450
2027-2031	650,000	96,250	1,515,000	224,100	328,372	1,591,873	2,493,372	1,912,223
2032-2036	255,000	15,700	340,000	6,800	233,120	1,806,258	828,120	1,828,758
2037	-	-	-	-	18,048	570,921	18,048	570,921
Totals	\$ 1,825,000	\$ 328,600	\$ 3,095,000	\$ 729,700	\$ 2,797,013	\$ 4,829,957	\$ 7,717,013	\$ 5,888,257

Year	Capital Leases		
	Principal	Interest	Total
2022	\$ 7,595	\$ 882	\$ 8,477
2023	7,595	882	8,477
2024	7,595	882	8,477
2025	7,595	882	8,477
2026	5,697	661	6,358
Totals	\$ 36,077	\$ 4,189	\$ 40,266

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

Note 10 Noncurrent Liabilities - Continued

Capital Leases - Installment Purchase Debt

The following presents additional information related to the County's installment purchase debt at December 31, 2021.

<u>Installment Purchase Debt</u>	<u>Issued</u>	<u>Interest</u>	<u>Maturity</u>	<u>Amount</u>
2021 Sheriff Vehicles Lease	05/31/2021	10.41%	05/31/2026	\$ 36,077
Total Installment Purchase Debt				<u>\$ 36,077</u>

The cost and net book value of capital assets procured through capital leases amounts the following:

Cost	\$ 64,396
Accumulated Depreciation	<u>(16,400)</u>
Net Book Value	<u>\$ 47,996</u>

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, 2021

Note 11 Interfund Receivables and Payables

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, 2021 were as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 212,921	\$ 655,214
Non-Major Funds	903,530	461,237
Totals	\$ 1,116,451	\$ 1,116,451
	Interfund Revenues	Interfund Expenditures
General Fund	\$ 31,350	\$ 3,101,163
Non-Major Funds	3,101,163	31,350
Totals	\$ 3,132,513	\$ 3,132,513

Note 12 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 13 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, 2021

***Note 14* 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 15* Transactions with Component Units**

Schuyler County Soil and Water Conservation District

The County contributed \$145,000 for operating assistance and \$20,000 for stream stabilization services to the Soil and Water Conservation District during the year ended December 31, 2021.

Schuyler County Human Services Development Corporation

The HSDC leases office space to Schuyler County. During the year ended December 31, 2021, the County paid \$207,158 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 \$2,971 for the year ended December 31, 2021.

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

Note 16 Fund Balance Detail

At December 31, 2021, fund balance in the governmental funds was comprised of the following:

	General Fund	Non-Major Funds
Nonspendable		
Prepaid Expenses	\$ 550,610	\$ -
Inventory	6,732	-
	\$ 557,342	\$ -
Total Nonspendable Fund Balance		
Restricted		
E-911 Reserve	\$ 420,170	\$ -
Sheriff Seized Assets	9,875	-
DA Seized Assets	61,303	-
Stop-DWI Reserve	74,791	-
Lamoka/Waneta Lakes Reserve	25,886	-
Human Services Reserve	263,949	-
Contingency and Tax Stabilization Reserve	538,160	-
Repair Reserve	1,000,000	-
Debt Service	-	268,079
	\$ 2,394,134	\$ 268,079
Total Restricted Fund Balance		
Committed		
Facilities and Grounds Capital Reserve	\$ 1,981,107	\$ -
Voice and Data Reserve	131,423	-
Economic Development Reserve	1,434,444	-
	\$ 3,546,974	\$ -
Total Committed Fund Balance		
Assigned		
Encumbered for:		
General Support	\$ 62,253	\$ -
TASC Debt Service	-	351,210
Capital Projects	-	141,745
Transportation	-	2,234,395
	\$ 62,253	\$ 2,727,350
Total Assigned Fund Balance		
Unassigned	\$ 9,814,784	\$ -
Total Fund Balances		
	\$ 16,375,487	\$ 2,995,429

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

Note 17 Tax Abatements

For the year ended December 31, 2021, the County was subject to tax abatements negotiated by the Schuyler County Industrial Development Agency (SCIDA), a discretely presented component unit, Town of Montour Falls, New York (the Town) and the Village of Montour Falls, New York (the Village).

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, 2021 is as follows:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Economic Development:	
Real Property Tax	\$ 138,774
Total	\$ 138,774

The Town and the Village entered into a property tax abatement agreement with a local business under Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth. Under the Act, localities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Town or Village. Under this program, the Town and Village abated taxes by 95% to an apartment complex.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Economic Development:	
Real Property Tax	\$ 5,081
Total	\$ 5,081

COUNTY OF SCHUYLER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

***Note 18* Stewardship, Compliance and Accountability**

Deficit Net Position

At December 31, 2021, the Statement of Net Position had an unrestricted deficit net position of \$34,693,325 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.

***Note 19* Economic Uncertainty - COVID-19**

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the area in which the County exists. While it is unknown how long these conditions will last and what the complete financial effect will be, the County expects disruptions to businesses and residents, which could negatively impact operating results in future periods.

COUNTY OF SCHUYLER

BUDGETARY COMPARISON SCHEDULE (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable- (Unfavorable)
REVENUES					
Real Property Taxes	\$ 11,323,706	\$ 11,323,706	\$ 11,310,765	\$ -	\$ (12,941)
Real Property Tax Items	1,029,540	1,029,540	499,628	-	(529,912)
Nonproperty Tax Items	12,704,000	13,379,000	15,337,550	-	1,958,550
Departmental Income	6,043,084	6,116,486	5,712,904	-	(403,582)
Intergovernmental Charges	351,424	351,424	297,164	-	(54,260)
Use of Money and Property	628,006	628,006	603,204	-	(24,802)
Fines and Forfeitures	57,079	71,212	8,525	-	(62,687)
Sale of Property and Compensation for Loss	-	-	40,838	-	40,838
Miscellaneous Local Sources	187,385	187,385	243,656	-	56,271
State Sources	7,349,574	12,057,494	7,483,659	-	(4,573,835)
Federal Sources	4,356,376	5,488,905	4,233,369	-	(1,255,536)
Total Revenues	44,030,174	50,633,158	45,771,262	-	(4,861,896)
EXPENDITURES					
General Governmental Support	8,263,174	10,456,400	8,245,808	62,253	2,148,339
Education	1,750,000	1,750,000	1,335,337	-	414,663
Public Safety	3,990,118	6,104,714	4,735,551	-	1,369,163
Public Health	3,838,266	4,668,700	4,083,073	-	585,627
Transportation	525,000	775,684	775,684	-	-
Economic Assistance and Opportunity	14,571,950	15,282,205	12,388,380	-	2,893,825
Culture and Recreation	172,929	185,014	137,110	-	47,904
Home and Community Services	645,274	722,520	648,309	-	74,211
Employee Benefits	7,467,500	7,473,480	6,356,795	-	1,116,685
Debt Service - Principal and Interest	106,000	157,887	96,001	-	61,886
Total Expenditures	41,330,211	47,576,604	38,802,048	62,253	8,712,303
Excess of Revenues (Expenditures)	2,699,963	3,056,554	6,969,214	(62,253)	3,850,407
OTHER FINANCING SOURCES (USES)					
Interfund Transfers In	-	-	31,350	-	31,350
Interfund Transfers (Out)	(2,699,963)	(3,108,131)	(3,101,163)	-	6,968
Total Other Financing Sources (Uses)	(2,699,963)	(3,108,131)	(3,069,813)	-	38,318
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	-	(51,577)	3,899,401	\$ (62,253)	\$ 3,888,725
Appropriated Reserves	-	51,577			
Net Increase (Decrease)	\$ -	\$ -			
Fund Balance, Beginning			12,476,086		
Fund Balance, Ending			\$ 16,375,487		

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Service Cost	\$ 1,870,831	\$ 1,908,064	\$ 1,648,285	\$ 2,215,722	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	628,451	958,827	1,175,363	1,247,038	*	*	*	*	*	*
Changes of Benefit Terms	159,608	-	(314,183)	-	*	*	*	*	*	*
Differences Between										
Expected and Actual Experience	(7,967,051)	-	(6,661,226)	-	*	*	*	*	*	*
Changes in Assumptions or Other Inputs	(998,783)	4,925,568	3,762,182	(4,232,286)	*	*	*	*	*	*
Benefit Payments	(610,512)	(650,111)	(689,070)	(655,050)	*	*	*	*	*	*
	(6,917,456)	7,142,348	(1,078,649)	(1,424,576)	*	*	*	*	*	*
Total OPEB Liability - Beginning	<u>40,425,790</u>	<u>33,283,442</u>	<u>34,362,091</u>	<u>35,786,667</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Total OPEB Liability - Ending	<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>	<u>\$ *</u>				
Covered Employee Payroll	\$ 13,687,791	\$ 12,769,695	\$ 12,801,462	\$ 11,790,856	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Total OPEB Liability										
as a Percentage of Covered Payroll	245%	317%	260%	291%	*	*	*	*	*	*
Discount Rate	1.84%	2.00%	2.75%	3.71%						

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

* 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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	\$ 2,127,943	\$ 1,830,959	\$ 1,769,857	\$ 1,739,864	\$ 1,653,496	\$ 1,920,310	\$ 1,921,917	\$ 1,880,372	\$ 1,918,030	\$ 1,123,331
Contributions in Relation to the Contractually Required Contribution	(2,127,943)	(1,830,959)	(1,769,857)	(1,739,864)	(1,653,496)	(1,920,310)	(1,921,917)	(1,880,372)	(1,918,030)	(1,123,331)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
County's Covered Employee Payroll	12,335,330	11,945,363	11,119,720	10,986,070	10,305,437	9,787,386	9,516,886	9,336,382	9,561,026	8,120,917
Contributions as a Percentage of Covered Employee Payroll	17.3%	15.3%	15.9%	15.8%	16.0%	19.6%	20.2%	20.1%	20.1%	13.8%

See Notes to Required Supplementary Information

COUNTY OF SCHUYLER

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED DECEMBER 31,

	<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 Liability	0.0511669%	0.0505382%	0.0505280%	0.0493251%	0.0660670%	0.0473124%	0.0458941%
County's Proportionate Share of the Net Pension Liability	\$ 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	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 Liability as a Percentage of its Covered Employee Payroll	0.4%	112.9%	31.5%	14.6%	43.3%	78.5%	16.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

See Notes to Required Supplementary Information

COUNTY OF SCHUYLER

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2021

***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 2021, 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, 2021

***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 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* Schedule of Changes in the County's Total OPEB Liability and Related Ratios**

Changes of assumptions and other inputs reflected the effect of changes in the discount rate each period.

***Note 4* Schedule of County's Proportionate Share of the Net Pension Liability**

The Schedule of the County's Proportionate Share of the Net Pension Liability, presented as required supplementary information, presents six years of information. This schedule will present ten years of information as it becomes available from the pension plan.

COUNTY OF SCHUYLER

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2021

***Note 5* Schedules of County Contributions - NYSLRS Pension Plan and Schedule of the County's Proportionate Share of the Net Pension Liability**

NYSLRS

Changes in Benefit Terms

There were no significant legislative changes in benefits.

Changes of Assumptions

In 2021, the demographic assumptions (pensioner mortality and active member decrements) were updated based on the System's experience from April 1, 2015 through March 31, 2020. The mortality improvement assumption was updated to Society of Actuaries Scale MP-2020, inflation was updated to 2.7%, cost of living was updated to 1.4%, salary scale updated to 4.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.

In 2020, there were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2020 actuarial valuation. The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%. The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The April 1, 2020 actuarial valuation determines the employer rates for contributions payable in fiscal year 2021. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	4.2% in ERS, indexed by service.
Investment Rate of Return	6.8% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.

COUNTY OF SCHUYLER

BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2021

	Special Revenue Funds			STASC Debt Service Fund	Debt Service Fund	Total Non-Major Governmental Funds
	Road Machinery Fund	County Road Fund	Capital Projects Fund			
ASSETS						
Cash and Cash Equivalents - Unrestricted	\$ 714,753	\$ 1,134,480	\$ 152,995	\$ 35,032	\$ -	\$ 2,037,260
Cash and Cash Equivalents - Restricted	-	-	-	268,079	-	268,079
Temporary Investments - Unrestricted	-	-	-	51,178	-	51,178
Due from Other Funds	284,967	618,563	-	-	-	903,530
Due from State and Federal Governments	-	10,584	-	-	-	10,584
Other Receivables, Net	22,960	4,051	-	265,000	-	292,011
Total Assets	\$ 1,022,680	\$ 1,767,678	\$ 152,995	\$ 619,289	\$ -	\$ 3,562,642
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 22,770	\$ 36,689	\$ -	\$ -	\$ -	\$ 59,459
Accrued Liabilities	6,560	39,957	-	-	-	46,517
Due to Other Funds	-	449,987	11,250	-	-	461,237
Total Liabilities	29,330	526,633	11,250	-	-	567,213
Fund Balances						
Restricted	-	-	-	268,079	-	268,079
Assigned	993,350	1,241,045	141,745	351,210	-	2,727,350
Unassigned	-	-	-	-	-	-
Total Fund Balances	993,350	1,241,045	141,745	619,289	-	2,995,429
Total Liabilities and Fund Balances	\$ 1,022,680	\$ 1,767,678	\$ 152,995	\$ 619,289	\$ -	\$ 3,562,642

COUNTY OF SCHUYLER

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds		Capital Projects Fund	STASC Debt Service Fund	Debt Service Fund	Total Non-Major Governmental Funds
	Road Machinery Fund	County Road Fund				
REVENUES						
Intergovernmental Charges	\$ 510,206	\$ 10,920	\$ -	\$ -	\$ -	\$ 521,126
Use of Money and Property	292	368	3	137	-	800
Sale of Property and Compensation for Loss	7,100	13,789	-	-	-	20,889
Miscellaneous Local Sources	-	-	-	300,477	-	300,477
State Sources	-	1,153,336	-	-	-	1,153,336
Federal Sources	-	80,155	-	-	-	80,155
Total Revenues	517,598	1,258,568	3	300,614	-	2,076,783
EXPENDITURES						
General Governmental Support	-	-	-	28,479	80,621	109,100
Transportation	841,351	2,664,460	-	-	-	3,505,811
Home and Community Services	-	-	-	-	-	-
Employee Benefits	72,197	551,183	-	-	-	623,380
Capital Outlay	-	-	281,254	-	-	281,254
Debt Service - Principal and Interest	-	133,463	-	230,325	-	363,788
Total Expenditures	913,548	3,349,106	281,254	258,804	80,621	4,883,333
Excess of Revenues (Expenditures)	(395,950)	(2,090,538)	(281,251)	41,810	(80,621)	(2,806,550)
OTHER FINANCING SOURCES (USES)						
Interfund Transfers In	513,518	2,186,445	401,200	-	-	3,101,163
Interfund Transfers (Out)	-	-	-	(31,350)	-	(31,350)
Proceeds of Obligations	-	-	37,986	-	945,000	982,986
Premium on Obligations	-	-	-	-	168,758	168,758
Payment to Escrow Agent	-	-	-	-	(1,033,137)	(1,033,137)
Total Other Financing Sources (Uses)	513,518	2,186,445	439,186	(31,350)	80,621	3,188,420
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	117,568	95,907	157,935	10,460	-	381,870
Fund Balances, Beginning	875,782	1,145,138	(16,190)	608,829	-	2,613,559
Fund Balances (Deficit), Ending	\$ 993,350	\$ 1,241,045	\$ 141,745	\$ 619,289	\$ -	\$ 2,995,429

**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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 25, 2022.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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
August 25, 2022

**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, 2021. 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, 2021.

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
August 25, 2022

COUNTY OF SCHUYLER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/ Pass - Through Grantor/ Program Title	Assistance Listing #	Pass- Grantor #	Passed Through to Subrecipients	Expenditures
Department of Agriculture				
Passed Through NYS Office of Temporary and Disability Assistance:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(1)	\$ -	\$ 162,309
Total SNAP Cluster			-	162,309
Total Department of Agriculture			-	162,309
Department of Justice				
Passed Through NYS Division of Criminal Justice Services:				
Violence Against Women Formula Grants	16.588	C111066	-	55,112
Total Department of Justice			-	55,112
Department of Transportation				
Passed Through NYS Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	D035995	-	16,399
Highway Planning and Construction	20.205	D040150	-	38,162
Total Highway Planning and Construction Cluster			-	54,561
National Highway Safety Administration Discretionary Safety Grants	20.614	(1)	-	2,546
Total Department of Transportation			-	57,107
Department of Treasury				
COVID-19 State and Local Fiscal Recovery Funds	21.027	N/A	-	65,155
Total Department of Treasury			-	65,155
Department of Education				
Passed Through NYS Department of Health:				
Migrant Education High School Equivalency Program	84.181A	C21661GG	-	11,779
Migrant Education High School Equivalency Program	84.181A	C36433GG	-	3,159
Total Department of Education			-	14,938
Department of Health and Human Services				
Passed Through NYS Office for the Aging:				
Aging Cluster:				
Special Programs for the Aging, Title III, Part B -				
Seniors' Health Improvement and Nutrition Education (SHINE)	93.044	(1)	-	49,838
Grants for Supportive Services and Senior Centers	93.044	(1)	10,479	62,682
COVID-19 Special Programs for the Aging, Title III, Part C - Nutrition Services	93.045	(1)	5,631	74,447
COVID-19 Special Programs for the Aging, Title III, Part C - Nutrition Services	93.045	(1)	-	30,112
COVID-19 Nutrition Services Incentive Program	93.053	(1)	-	20,069
Total Aging Cluster			16,110	237,148
COVID-19 Special Programs for the Aging, Title IV and Title II, Discretionary Projects	93.048	(1)	78	5,647
Subtotal			16,188	597,416

(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, 2021

Federal Grantor/ Pass - Through Grantor/ Program Title	Assistance Listing #	Pass-Through Grantor #	Passed Through to Subrecipients	Expenditures
Subtotal Carried Forward			\$ 16,188	\$ 597,416
Department of Health and Human Services (Continued)				
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)	858	3,575
National Family Caregiver Support, Title III, Part E	93.052	(1)	14,463	28,572
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	(1)	-	618
Disability Awareness Grant (DAG)	93.063	(1)	-	5,381
Medicare Enrollment Assistance Program	93.071	(1)	-	8,540
CMS Research, Demonstrations, and Evaluations	93.779	(1)	-	21,147
Passed Through NYS Department of Health:				
COVID-19 Immunization Cooperative Agreements	93.268	T36124GG	-	5,606
COVID-19 Immunization Cooperative Agreements	93.268	C32543GG	-	13,225
COVID-19 Drug Free Communities Support Program	93.276	H79SP020428	-	88,582
COVID-19 Public Health Crisis Response Awards	93.354	6340-01	-	59,182
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	6918-01	-	88,348
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	6419-01	-	52,396
Maternal and Child Health Services Block Grant to the States:				
Maternal and Child Health Services Block Grant to the States	93.994	C030919	-	3,792
Maternal and Child Health Services Block Grant to the States	93.994	T36496GG	-	408
Maternal and Child Health Services Block Grant to the States	93.994	T32683GG	-	24,200
Total Maternal and Child Health Services Block Grant to the States			-	28,400
Medicaid Cluster:				
Medical Assistance Program	93.778	(1)	-	248,036
Total Medicaid Cluster			-	248,036
Passed Through Health Research, Inc.:				
Public Health Emergency Preparedness	93.069	001609-14	-	29,753
Public Health Emergency Preparedness	93.069	001609-15	-	27,162
Public Health Emergency Preparedness Total			-	56,915
Passed Through NYS Office of Temporary and Disability Assistance:				
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	(1)	-	373,542
Total TANF Cluster			-	373,542
Child Support Enforcement	93.563	(1)	-	117,749
Low-Income Home Energy Assistance	93.568	(1)	-	1,381,987
Passed Through NYS Office of Children and Family Services:				
CCDF Cluster:				
Child Care and Development Block Grant	93.575	(1)	-	101,134
Total CCDF Cluster			-	101,134
Foster Care - Title IV-E	93.658	(1)	-	199,684
Adoption Assistance	93.659	(1)	-	68,869
Social Services Block Grant	93.667	(1)	-	456,609
Total Department of Health and Human Services			31,509	3,650,892
Department of Homeland Security				
Passed Through NYS Office of Homeland Security:				
Emergency Management Performance Grants	97.042	T839405	-	11,753
Homeland Security Grant Program:				
Homeland Security Grant Program	97.067	C839479	-	6,649
Homeland Security Grant Program	97.067	C973300	-	43,623
Homeland Security Grant Program	97.067	C839489	-	13,819
Homeland Security Grant Program	97.067	T973390	-	35,331
Homeland Security Grant Program	97.067	T150710	-	1,365
Total Homeland Security Grant Program			-	100,787
Total Department of Homeland Security			-	112,540
Total Expenditures of Federal Awards			\$ 31,509	\$ 4,118,053

(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, 2021

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 \$1,326,098 for the year ended December 31, 2021.

COUNTY OF SCHUYLER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2021

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:

CFDA Numbers

Name of Federal Program or Cluster

93.658 _____

Foster Care - Title IV-E _____

93.568 _____

Low-Income Home Energy Assistance _____

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

Auditee qualified as low-risk auditee? yes no

Section II Financial Statement Findings - None noted.

Section III Federal Award Findings and Questioned Costs - None noted.