

**COUNTY OF COLUMBIA,
NEW YORK**

*Basic Financial Statements, Required Supplementary
Information, Supplementary Information and
Federal Awards Information for the
Year Ended December 31, 2022 and
Independent Auditors' Reports*

COUNTY OF COLUMBIA, NEW YORK
Table of Contents
Year Ended December 31, 2022

	<u>Page</u>
Independent Auditors' Report.....	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet—Governmental Funds	17
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds to the Government-wide Statement of Activities	20
Statement of Net Position—Proprietary Funds.....	21
Statement of Revenues, Expenses, and Changes in Net Position—Proprietary Funds	22
Statement of Cash Flows—Proprietary Funds.....	23
Statement of Fiduciary Net Position—Fiduciary Fund.....	25
Statement of Changes in Fiduciary Net Position—Fiduciary Fund.....	26
Combining Statement of Net Position—Discretely Presented Component Units	27
Combining Statement of Activities—Discretely Presented Component Units.....	28
Notes to the Financial Statements	29

(continued)

COUNTY OF COLUMBIA, NEW YORK
Table of Contents
Year Ended December 31, 2022

(concluded)

Page

Required Supplementary Information:

Schedule of the Local Government’s Proportionate Share of the Net Pension Liability/(Asset)—Employees’ Retirement System	69
Schedule of the Local Government’s Contributions—Employees’ Retirement System.....	70
Schedule of Changes in the County’s Total OPEB Liability and Related Ratios	71
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—General Fund.....	72
Notes to the Required Supplementary Information.....	73

Supplementary Information:

Combining Balance Sheet—Nonmajor Governmental Funds.....	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)— Nonmajor Governmental Funds.....	75

Federal Awards Information:

Schedule of Expenditures of Federal Awards	76
Notes to the Schedule of Expenditures of Federal Awards	78
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 <i>Government Auditing Standards</i>	79
Independent Auditors’ Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance.....	81
Schedule of Findings and Questioned Costs	84
Summary Schedule of Prior Year Audit Findings.....	86

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INDEPENDENT AUDITORS' REPORT

Honorable Board of Supervisors
County of Columbia, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Columbia, New York (the "County"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Unmodified Opinions on the Governmental Activities, Business-type Activities, Major Funds and the Aggregate Remaining Fund Information

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the County, as of December 31, 2022, 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.

We did not audit the financial statements of the Columbia Economic Development Corporation (the "Corporation"), the Columbia County Industrial Development Agency (the "Agency") or the Columbia County Capital Resource Corporation (the "CRC"), which represent 80.0 percent, 1.3 percent and 0.0 percent, respectively, of the assets, and 57.1 percent, 2.3 percent and 0.2 percent, respectively, of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Corporation, Agency, and CRC, is based solely on the reports of such other auditors.

Qualified Opinion on the Aggregate Discretely Presented Component Units

In our opinion, and based on the reports of other auditors, except for the effects of the matter described in the Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units section, the accompanying financial statements present fairly, in all material respects, the financial position of the aggregate discretely presented component units for the County of Columbia, as of December 31, 2022, and the changes in financial position 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. 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.

Basis for Qualified Opinion on the Aggregate District Discretely Presented Component Units

The financial statements of the Columbia County Soil and Water Conservation District (the “District”) have not been audited, and we were not engaged to audit the District’s financial statements as part of our audit of the County’s basic financial statements. The District’s financial activities are included in the County’s basic financial statements as a discretely presented component unit and represent 18.7 percent and 40.4 percent of the assets and revenues, respectively, of the County’s aggregate discretely presented component units.

Responsibilities of Management for the Financial Statements

The County’s management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the County restated its net position of governmental activities and fund balance of the General Fund and Nonmajor Funds as of December 31, 2021. Our opinion is not modified with respect to this matter.

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 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, 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 and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 basic financial statements. The Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, 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* (“Uniform Guidance”), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 29, 2023 on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

Drescher & Malecki LLP

September 29, 2023

COUNTY OF COLUMBIA, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2022

As management of the County of Columbia, New York (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements and notes to the financial statements, which follow this narrative. For comparative purposes, certain items from the prior year have been reclassified to conform with current year presentation.

Financial Highlights

- The liabilities and deferred inflows of resources of the County's primary government exceeded its assets and deferred outflows of resources at December 31, 2022 by \$50,081,393. This consists of \$25,097,732 net investment in capital assets, \$8,926,012 restricted for specific purposes, offset by an unrestricted net position of \$(84,105,137).
- The County's primary government net position increased \$18,052,322 during the year ended December 31, 2022. Governmental activities increased the County's net position by \$18,122,007, while the net position of business-type activities decreased by \$69,685.
- As of December 31, 2022, the County's governmental funds reported combined ending fund balances of \$51,444,737, an increase of \$10,222,791 in comparison with the prior year. This increase was primarily due to favorable sales tax revenues.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$29,287,890, or 21.6 percent of total General Fund expenditures and transfers out. This total amount is available for spending at the County's discretion and constitutes approximately 69.9 percent of the General Fund's total fund balance of \$41,916,787 at December 31, 2022.
- The County's governmental activities' serial bonds, excluding its blended component unit's bonds, decreased by \$3,602,577 during the current year as a result of scheduled principal payments, while the County's business-type activities bonds increased \$3,608,916 due to the issuance of EFC bonds of \$3,666,338, offset by scheduled principal payments of \$57,422.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are primarily supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services. The business-type activities of the County include the Solid Waste, Sewer and Water enterprise funds.

The government-wide financial statements include not only the County and its blended component units (known as the *primary government*), but also the Columbia Community Soil and Water Conservation District, the Columbia Economic Development Corporation, the Columbia County Industrial Development Agency, and the Columbia County Capital Resource Corporation discretely presented component units, for which the County is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 15-16 of this report.

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

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

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

The County maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other six governmental funds, which include the Capital Projects Fund, County Road Fund, Road Machinery Fund, Special Revenue Fund, Special Grant Fund, and Columbia Tobacco Asset Securitization Corporation ("CTASC"), are combined into a single, aggregated presentation.

The basic governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary funds—The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County maintains three enterprise funds to account for its Solid Waste operations, Sewer operations, and its Water operations. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the County’s various functions. The County uses an internal service fund to account for its self-insured workers’ compensation insurance program. Because this insurance service predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 21-24 of this report.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of the funds are not available to support the County’s own programs. The accounting for fiduciary funds is much like that used for proprietary funds. The County maintains one fiduciary fund, the Custodial Fund.

The Custodial Fund reports resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found on pages 25-26 of this report.

Discretely presented component units—The combining statements of discretely presented component units present the component units in separate columns.

The combining statements of major discretely presented component units can be found on pages 27-28 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-68 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County’s net pension liabilities/(assets), changes in the County’s total other postemployment benefits (“OPEB”) obligation, and the County’s budgetary comparison for the General Fund. Required Supplementary Information and the related notes to the Required Supplementary Information can be found on pages 69-73 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented as other supplementary information immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 74-75.

The Federal Awards Information section presents the County’s Schedule of Expenditures of Federal Awards. This section can be found on pages 76-86 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County's primary government, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$(50,081,393) at the close of the most recent fiscal year, as compared to a net position of \$(68,133,715), at the close of the fiscal year ended December 31, 2021, as restated.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2022	2021 (as restated)	2022	2021	2022	2021 (as restated)
Current assets	\$ 96,526,875	\$ 75,663,154	\$ 1,211,266	\$ 1,780,681	\$ 97,738,141	\$ 77,443,835
Noncurrent assets	100,322,725	82,373,596	9,843,353	7,494,326	110,166,078	89,867,922
Total assets	196,849,600	158,036,750	11,054,619	9,275,007	207,904,219	167,311,757
Deferred outflows of resources	42,696,654	54,887,786	1,223,477	1,378,895	43,920,131	56,266,681
Current liabilities	35,330,593	30,372,013	3,092,877	1,755,294	38,423,470	32,127,307
Noncurrent liabilities	204,110,345	191,664,271	6,827,240	6,588,847	210,937,585	198,253,118
Total liabilities	239,440,938	222,036,284	9,920,117	8,344,141	249,361,055	230,380,425
Deferred inflows of resources	50,910,525	59,815,468	1,634,163	1,516,260	52,544,688	61,331,728
Net position:						
Net investment in capital assets	21,239,953	29,568,191	3,857,779	2,380,929	25,097,732	31,949,120
Restricted	8,926,012	7,477,624	-	-	8,926,012	7,477,624
Unrestricted	(80,971,174)	(105,973,031)	(3,133,963)	(1,587,428)	(84,105,137)	(107,560,459)
Total net position	\$ (50,805,209)	\$ (68,927,216)	\$ 723,816	\$ 793,501	\$ (50,081,393)	\$ (68,133,715)

The largest positive portion of the County's primary government net position, \$25,097,732, reflects its net investment in capital assets (such as land, buildings, machinery, equipment, right-to-use leased assets, and infrastructure), net of accumulated depreciation/amortization, less any related outstanding debt that was used to acquire these assets. 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 capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$8,926,012, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining balance of the County's net position, \$(84,105,137), is considered to be an unrestricted deficit. This deficit does not mean that the County does not have resources available to meet its obligations in the ensuing year. Rather, it reflects liabilities not related to the County's capital assets and are not expected to be repaid from current resources. These long-term liabilities including compensated absences, other postemployment benefits ("OPEB") obligations and workers' compensation claims payable are funded annually within the funds.

Table 2, as presented below, shows the changes in net position for the years ended December 31, 2022 and December 31, 2021.

Table 2—Condensed Statement of Changes in Net Position—Primary Government

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues	\$ 49,292,472	\$ 45,162,864	\$ 3,017,180	\$ 5,421,747	\$ 52,309,652	\$ 50,584,611
General revenues	<u>115,357,262</u>	<u>108,357,041</u>	<u>1,297,605</u>	<u>546,570</u>	<u>116,654,867</u>	<u>108,903,611</u>
Total revenues	<u>164,649,734</u>	<u>153,519,905</u>	<u>4,314,785</u>	<u>5,968,317</u>	<u>168,964,519</u>	<u>159,488,222</u>
Total expenses	<u>146,527,727</u>	<u>137,931,726</u>	<u>4,384,470</u>	<u>3,886,724</u>	<u>150,912,197</u>	<u>141,818,450</u>
Change in net position	18,122,007	15,588,179	(69,685)	2,081,593	18,052,322	17,669,772
Net position—beginning	(68,927,216)	(69,385,796)	793,501	(1,288,092)	(68,133,715)	(70,673,888)
Restatement	-	(15,129,599)	-	-	-	(15,129,599)
Net position—ending	<u>\$ (50,805,209)</u>	<u>\$ (68,927,216)</u>	<u>\$ 723,816</u>	<u>\$ 793,501</u>	<u>\$ (50,081,393)</u>	<u>\$ (68,133,715)</u>

Governmental activities—Governmental activities increased the County’s net position by \$18,122,007 for the year ended December 31, 2022, primarily due to increases in nonproperty taxes related to the collection of sales tax as well as operating grants and contributions. A summary of sources of revenues for governmental activities for the years ended December 31, 2022 and 2021 is presented below.

Table 3—Summary of Sources of Revenues—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2022	2021	Dollars	Percent (%)
Charges for services	\$ 10,508,585	\$ 10,014,429	\$ 494,156	4.9
Operating grants and contributions	33,230,693	29,613,031	3,617,662	12.2
Capital grants and contributions	5,553,194	5,535,404	17,790	0.3
Real property taxes and tax items	44,642,404	45,114,894	(472,490)	(1.0)
Nonproperty tax items	65,722,318	60,371,082	5,351,236	8.9
Use of money and property	2,595,886	1,965,277	630,609	32.1
Sale of property and compensation for loss	77,585	211,987	(134,402)	(63.4)
Other	<u>2,319,069</u>	<u>693,801</u>	<u>1,625,268</u>	234.3
Total revenues	<u>\$ 164,649,734</u>	<u>\$ 153,519,905</u>	<u>\$ 11,129,829</u>	7.2

The most significant source of revenues is non-property taxes, which accounts for \$65,722,318, or 39.9 percent of total governmental activities revenues for the year ended December 31, 2022, and \$60,371,082, or 39.3 percent of total governmental activities revenues for the year ended December 31, 2021. The next largest source of revenues is real property taxes and tax items, which comprises \$44,642,404, or 27.1 percent, and \$45,114,894, or 29.4 percent of total governmental activities revenues for the years ended December 31, 2022 and 2021, respectively. The third largest source of revenues operating grants and contributions, which comprises \$33,230,693, or 20.2 percent, and \$29,613,031, or 19.3 percent of total governmental activities revenues for the years ended December 31, 2022 and 2021, respectively.

During the year ended December 31, 2022, total revenues increased by \$11,129,829 or 7.2 percent. Non-property taxes accounted for \$5,351,236 of this increase, due to an increase in sales tax revenue. Operating grants and contributions accounted for a \$3,617,662 increase, resulting primarily from increases in federal aid related to social service programs.

A summary of program expenses of governmental activities for the years ended December 31, 2022 and 2021 is presented below in Table 4.

Table 4—Summary of Program Expenses—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2022	2021	Dollars	Percent (%)
General government support	\$ 39,274,954	\$ 35,524,513	\$ 3,750,441	10.6
Education	5,408,078	5,105,569	302,509	5.9
Public safety	20,846,013	20,744,489	101,524	0.5
Health	16,836,887	16,067,337	769,550	4.8
Transportation	14,853,075	13,692,394	1,160,681	8.5
Economic assistance and opportunity	42,837,948	40,632,068	2,205,880	5.4
Culture and recreation	3,318,390	2,740,184	578,206	21.1
Home and community services	338,324	1,932,464	(1,594,140)	(82.5)
Interest and other fiscal charges	2,814,058	1,492,708	1,321,350	88.5
Total program expenses	<u>\$ 146,527,727</u>	<u>\$ 137,931,726</u>	<u>\$ 8,596,001</u>	6.2

The County’s most significant expense items for governmental activities were economic assistance and opportunity of \$42,837,948, or 29.2 percent of total governmental activities expenses, general government support of \$39,274,954, or 26.8 percent of total governmental activities expenses, and public safety of \$20,846,013, or 14.2 percent of total governmental activities expenses for the year ended December 31, 2022. Similarly, for the year ended December 31, 2021 the most significant expense items were economic assistance and opportunity of \$40,632,068, or 29.5 percent of total governmental activities expenses, general government support of \$35,524,513, or 25.8 percent of total governmental activities expenses, and public safety of \$20,744,489, or 15.0 percent of total governmental activities expenses.

During the year ended December 31, 2022, expenses increased by \$8,596,001 or 6.2 percent mainly due to increased allocable employee benefits expenses attributable to the County’s other postemployment benefits obligation as well as increases in expenditures for general government support for the distribution of sales tax.

Business-type activities—Business-type activities decreased the County’s net position by \$69,685. The County’s Solid Waste, Sewer, and Water impacted the business-type activities net position by (\$240,468), \$171,734, and (\$951), respectively. For the year ended December 31, 2022, operating revenues decreased 2.8 percent and operating expenses increased 10.5 percent.

A summary of operating revenues and operating expenses for the County’s business-type activities for the years ended December 31, 2022 and 2021 is presented on the following page.

Table 5—Summary of Operating Revenues and Expenses—Business-type Activities

	Year Ended December 31,		Increase/(Decrease)	
	2022	2021	Dollar	Percent (%)
Operating revenues:				
Charges for services	\$ 2,998,412	\$ 3,079,588	\$ (81,176)	(2.6)
Grants and revenues	18,768	67,534	(48,766)	(72.2)
Other revenue	41,061	-	41,061	100.0
Total operating revenues	<u>\$ 3,058,241</u>	<u>\$ 3,147,122</u>	<u>\$ (88,881)</u>	(2.8)
Operating expenses:				
Personal services and employee benefits	\$ 1,858,945	\$ 1,693,937	\$ 165,008	9.7
Depreciation	216,533	181,107	35,426	19.6
Contracted services	<u>2,192,575</u>	<u>1,988,084</u>	<u>204,491</u>	10.3
Total operating expenses	<u>\$ 4,268,053</u>	<u>\$ 3,863,128</u>	<u>\$ 404,925</u>	10.5

The County's business-type activities operating revenues for the year ended December 31, 2022 decreased 2.8 percent from the previous year, resulting primarily decreased charges for services related to solid waste.

Additionally, the most significant expense items for the year ended December 31, 2022 were contracted services, which accounted for \$2,192,575, or 51.4 percent of total expenses, and personal services and employee benefits of \$1,858,945, or 43.6 percent of total expenses. For the year ended December 31, 2021 the most significant expense items were contracted services, which accounted for \$1,988,084, or 51.5 percent of total expenses, and personal services and employee benefits of \$1,693,937, or 43.8 percent of total expenses. Operating expenses increased 10.5 percent from the prior year ended December 31, 2021, due primarily to an increase in contracted service as well as in personal services and employee benefits. The changes in contracted services and personal services, employee benefits are due to the cost of providing services as well as in increase in employee benefit expenditures related to the other postemployment benefits obligation.

Financial Analysis of the Governmental Funds

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

Governmental funds—The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* and *fund balance assigned to specific use* in special revenue funds may serve as a useful measure of a government's net resources available for discretionary use, as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the County Board of Supervisors.

At December 31, 2022, the County's governmental funds reported combined ending fund balances of \$51,444,737, an increase of \$10,222,791 in comparison with the prior year, as restated. The County reported *unassigned fund balance* totaling \$29,097,193, which is available for spending at the County's discretion. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that it

is: (1) not in spendable form, \$2,448,986; (2) restricted for particular purposes, \$12,572,934; or (3) assigned for particular purposes, \$7,325,624.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, *unassigned fund balance* of the General Fund was \$29,287,890, while total fund balance increased to \$41,916,787. The General Fund fund balance increased \$10,395,577 from the prior year, primarily as a result of an increase in the collection of sales tax which was partially offset by the distribution of sales tax. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures and transfers out. Unassigned fund balance represents 21.6 percent of General Fund expenditures and transfers out, while total fund balance represents 30.9 percent of that same amount.

Proprietary funds—The County's proprietary funds provide the same type of information found in business-type activities of the governmental-wide financial statements, but in more detail.

Net position of the Solid-Waste Fund at December 31, 2022 was in a deficit position of (\$2,146,042), which included \$1,253,802 net investment in capital assets and an unrestricted net position deficit of \$3,399,844. The Solid Waste Fund net position decreased \$240,468 during the year ended December 31, 2022 primarily as a result of a decrease in charges for services.

Net position of the Sewer Fund at December 31, 2022 totaled \$2,488,631, which included \$2,603,977 net investment in capital assets and unrestricted net position deficit of \$115,346. The Sewer Fund net position increased \$171,734 as a result of an increase in charges for services.

Net position of the Water Fund at December 31, 2022 totaled \$381,227, which was considered to be unrestricted. The Water Fund net position decreased \$951 as a result of the cost of providing services exceeding the charges to provide those services.

General Fund Budgetary Highlights

The County's General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year's encumbrances since the funds were allocated under the previous year's budget, and the County has appropriately assigned an equal amount of fund balance at year-end for this purpose. Furthermore, the budget is allowed to be amended upward (increased) for additional current year appropriations supported by an increase in budgeted revenues. A budgetary comparison schedule within the required supplementary information section of this report has been provided to demonstrate compliance with their budget.

A summary of the General Fund results of operations for the year ended December 31, 2022 is presented in Table 6 below.

Table 6—General Fund Budget

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 132,083,204	\$ 135,305,555	\$ 145,907,485	\$ 10,601,930
Expenditures and other financing uses	<u>132,371,049</u>	<u>135,593,400</u>	<u>135,511,908</u>	<u>81,492</u>
Excess (deficiency) of revenues and other sources over expenditures and other financing uses	<u>\$ (287,845)</u>	<u>\$ (287,845)</u>	<u>\$ 10,395,577</u>	<u>\$ 10,683,422</u>

Final budget compared to actual results—The General Fund had a favorable variance from the final budget of \$10,683,422. Actual revenues and other financing sources exceeded final budget by \$10,601,930 primarily due to more sales tax revenues than originally anticipated. The County experienced favorable variances for expenditures for economic assistance and opportunity and health in the amounts of \$3,711,890 and \$3,502,858, respectively, which were offset by negative variances in transfers out and general government support of \$4,659,433 and \$2,805,950, respectively.

Capital Assets and Debt Administration

Capital assets—The County’s investment in capital assets for its governmental activities and business-type activities as of December 31, 2022 amounted to \$87,910,759 and \$9,412,150, respectively (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, infrastructure, buildings, machinery and equipment, and right-to-use leased assets. All depreciable/amortizable capital assets were depreciated/amortized from acquisition date to the end of the current year as outlined in the County’s capital asset policy.

Capital assets, net of depreciation/amortization, for the governmental activities and business-type activities at the years ended December 31, 2022 and 2021 are presented in Table 7 below:

Table 7—Summary of Capital Assets (Net of Depreciation/Amortization)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 595,698	\$ 595,698	\$ 751,170	\$ 751,170	\$ 1,346,868	\$ 1,346,868
Construction in progress	15,838,523	14,166,190	6,859,754	5,570,570	22,698,277	19,736,760
Buildings	15,419,296	16,427,434	571,851	194,975	15,991,147	16,622,409
Machinery and equipment	5,150,746	4,624,565	1,229,375	977,611	6,380,121	5,602,176
Infrastructure	50,060,701	45,562,259	-	-	50,060,701	45,562,259
Right-to-use leased assets	845,795	-	-	-	845,795	-
Total	<u>\$ 87,910,759</u>	<u>\$ 81,376,146</u>	<u>\$ 9,412,150</u>	<u>\$ 7,494,326</u>	<u>\$ 97,322,909</u>	<u>\$ 88,870,472</u>

The County’s infrastructure assets are recorded at historical cost in the government-wide and proprietary fund financial statements. The County has elected to depreciate its infrastructure assets. Additional information on County’s capital assets can be found in Note 5 to the basic financial statements.

Long-term debt—A summary of the County’s long-term liabilities at December 31, 2022 and December 31, 2021 is presented below in Table 8:

Table 8—Summary of Long-Term Liabilities

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2022	2021 (as restated)	2022	2021	2022	2021 (as restated)
Bonds payable	\$ 69,578,122	\$ 72,869,201	\$ 4,518,082	\$ 911,630	\$ 74,096,204	\$ 73,780,831
EFC Financing	-	-	-	4,201,767	-	4,201,767
Leases	871,107	-	-	-	871,107	-
Compensated absences	3,729,385	3,743,667	99,550	99,600	3,828,935	3,843,267
Workers' compensation	5,810,177	5,308,000	-	-	5,810,177	5,308,000
Other postemployment benefits	124,121,554	116,242,751	2,209,608	2,011,530	126,331,162	118,254,281
Net pension liability	-	159,725	-	4,729	-	164,454
Total	<u>\$ 204,110,345</u>	<u>\$ 198,323,344</u>	<u>\$ 6,827,240</u>	<u>\$ 7,229,256</u>	<u>\$ 210,937,585</u>	<u>\$ 205,552,600</u>

Additional information on the County’s long-term liabilities can be found in Note 11 to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

The County, like most other municipalities in New York State, is normally challenged on a fiscal level by the increases of unpredictable and extraordinary mandated expenses such as retirement costs, fuel and energy costs, Social Services mandates like Medicaid and Welfare programs, snow removal, storm sewer management, and health and liability insurance premium increases. These factors have adversely affected the County, and it is because of these increasing costs and factors that the preparation of the budgets have become increasingly difficult. In addition to the items listed above, in 2011 the New York State Legislature passed legislation limiting the annual growth of local property taxes to 2 percent or the lower of the rate of inflation (Tax Cap).

On March 11, 2021, the federal government signed into law The American Rescue Plan (ARP) that addresses issues related to the ongoing pandemic. The ARP Act also created new programs to address continuing pandemic-related crisis and fund recovery efforts. It provided significant funding to local governments and school districts in NYS. The County has been allocated its total amount of \$11,549,602 through December 31, 2022. The County has formed an ARP Workgroup which meets regularly to allocate how to best spend the funds for the County and its residents. The funds must all be committed by December 31, 2024.

Our overall goal for 2023 continues to be to maintain continuous service to the residents of the County and where possible enhance services while keeping any cost increases to a minimum. The County remains optimistic about its ability to maintain its level of services, minimize property tax increases, and prevent reduction in County personnel.

The unemployment rate, not seasonally adjusted, for the County during December 2022 was 3.3 percent. This compares to the New York State rate of 4.1 percent.

The County considered current year operational expenses and estimated increases based on economic factors when establishing the 2023 budget.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact County Treasurer's Office, 15 North 6th Street, Hudson, New York 12534.

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BASIC FINANCIAL STATEMENTS

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COUNTY OF COLUMBIA, NEW YORK
Statement of Net Position
December 31, 2022

	<u>Primary Government</u>			Total Discretely Presented Component Units
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
ASSETS				
Cash and cash equivalents	\$ 16,642,533	\$ 326,460	\$ 16,968,993	\$ 1,535,416
Restricted cash and cash equivalents	24,359,800	519,804	24,879,604	1,611,394
Investments	12,860,107	-	12,860,107	-
Restricted investments	1,011,408	-	1,011,408	-
Receivables (net of allowances):				
Taxes	11,215,687	-	11,215,687	-
Accounts receivable	2,990,914	183,639	3,174,553	68,402
Loans and notes receivable, net	-	-	-	1,787,811
Intergovernmental receivables	21,437,131	138,701	21,575,832	59,224
Leases receivable	1,848,882	-	1,848,882	-
Internal balances	2,713,502	(2,713,502)	-	-
Prepaid items	1,389,085	42,662	1,431,747	9,733
Inventories	57,826	-	57,826	-
Noncurrent net pension asset	12,411,966	431,203	12,843,169	35,499
Capital assets, not being depreciated/amortized	16,434,221	7,610,924	24,045,145	232,900
Capital assets, net of accumulated depreciation/amortization	71,476,538	1,801,226	73,277,764	258,557
Total assets	<u>196,849,600</u>	<u>8,341,117</u>	<u>205,190,717</u>	<u>5,598,936</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows—relating to pensions	27,356,727	950,396	28,307,123	97,354
Deferred outflows—relating to OPEB	15,339,927	273,081	15,613,008	-
Total deferred outflows of resources	<u>42,696,654</u>	<u>1,223,477</u>	<u>43,920,131</u>	<u>97,354</u>
LIABILITIES				
Accounts payable	6,461,783	300,835	6,762,618	55,201
Accrued liabilities	3,724,344	74,252	3,798,596	22,045
Intergovernmental payables	13,433,350	-	13,433,350	12,059
Due to Custodial Fund	-	4,288	4,288	-
Unearned revenue	11,711,116	-	11,711,116	205,601
Noncurrent liabilities:				
Due within one year	5,553,449	215,016	5,768,465	199,674
Due in more than one year	198,556,896	6,612,224	205,169,120	1,179,191
Total liabilities	<u>239,440,938</u>	<u>7,206,615</u>	<u>246,647,553</u>	<u>1,673,771</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to pensions	44,856,856	1,558,365	46,415,221	129,527
Deferred inflows—relating to OPEB	4,257,816	75,798	4,333,614	-
Deferred inflows—relating to leases	1,795,853	-	1,795,853	-
Deferred inflows—relating to CEDC	-	-	-	102,249
Total deferred inflows of resources	<u>50,910,525</u>	<u>1,634,163</u>	<u>52,544,688</u>	<u>231,776</u>
NET POSITION				
Net investment in capital assets	21,239,953	3,857,779	25,097,732	6,458
Restricted for:				
Tax stabilization	4,915,260	-	4,915,260	-
Debt service	1,946,173	-	1,946,173	-
Capital projects	1,398,370	-	1,398,370	-
Other	666,209	-	666,209	1,593,858
Unrestricted	(80,971,174)	(3,133,963)	(84,105,137)	2,190,427
Total net position	<u>\$ (50,805,209)</u>	<u>\$ 723,816</u>	<u>\$ (50,081,393)</u>	<u>\$ 3,790,743</u>

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

COUNTY OF COLUMBIA, NEW YORK
Statement of Activities
Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Total Discretely Presented Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government support	\$ 39,273,672	\$ 2,022,268	\$ 1,850,984	\$ -	\$ (35,400,420)	\$ -	\$ (35,400,420)	\$ -
Education	5,408,078	-	-	-	(5,408,078)	-	(5,408,078)	-
Public safety	20,846,013	1,480,435	3,004,224	89,250	(16,272,104)	-	(16,272,104)	-
Health	16,836,887	4,377,512	8,151,200	-	(4,308,175)	-	(4,308,175)	-
Transportation	14,853,075	1,069,160	257,764	5,463,944	(8,062,207)	-	(8,062,207)	-
Economic assistance and opportunity	42,837,948	1,559,210	19,886,915	-	(21,391,823)	-	(21,391,823)	-
Culture and recreation	3,318,390	-	66,318	-	(3,252,072)	-	(3,252,072)	-
Home and community services	338,324	-	13,288	-	(325,036)	-	(325,036)	-
Interest and other fiscal charges	2,815,340	-	-	-	(2,815,340)	-	(2,815,340)	-
Total governmental activities	<u>146,527,727</u>	<u>10,508,585</u>	<u>33,230,693</u>	<u>5,553,194</u>	<u>(97,235,255)</u>	<u>-</u>	<u>(97,235,255)</u>	<u>-</u>
Business-type activities:								
Solid Waste	4,123,040	2,566,812	18,768	-	-	(1,537,460)	(1,537,460)	-
Sewer	133,949	305,187	-	-	-	171,238	171,238	-
Water	127,481	126,413	-	-	-	(1,068)	(1,068)	-
Total business-type activities	<u>4,384,470</u>	<u>2,998,412</u>	<u>18,768</u>	<u>-</u>	<u>-</u>	<u>(1,367,290)</u>	<u>(1,367,290)</u>	<u>-</u>
Total primary government	<u>\$ 150,912,197</u>	<u>\$ 13,506,997</u>	<u>\$ 33,249,461</u>	<u>\$ 5,553,194</u>	<u>(97,235,255)</u>	<u>(1,367,290)</u>	<u>(98,602,545)</u>	<u>-</u>
Component units:								
Total discretely presented component units	<u>\$ 1,837,784</u>	<u>\$ 178,651</u>	<u>\$ 1,756,475</u>	<u>\$ -</u>				<u>97,342</u>
General revenues:								
					44,642,404	1,255,728	45,898,132	-
					65,722,318	-	65,722,318	-
					2,595,886	816	2,596,702	7,071
					77,585	-	77,585	-
					1,044,849	-	1,044,849	-
					1,274,220	41,061	1,315,281	39,127
					<u>115,357,262</u>	<u>1,297,605</u>	<u>116,654,867</u>	<u>46,198</u>
					18,122,007	(69,685)	18,052,322	143,540
					(68,927,216)	793,501	(68,133,715)	3,647,203
					<u>\$ (50,805,209)</u>	<u>\$ 723,816</u>	<u>\$ (50,081,393)</u>	<u>\$ 3,790,743</u>

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

COUNTY OF COLUMBIA, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2022

	<u>General</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 8,462,135	\$ 3,404,509	\$ 11,866,644
Restricted cash and cash equivalents	17,161,084	5,992,979	23,154,063
Investments	12,860,107	-	12,860,107
Restricted investments	-	1,011,408	1,011,408
Receivables (net of allowances):			
Taxes	11,215,687	-	11,215,687
Accounts receivable	1,715,783	1,275,131	2,990,914
Due from other funds	4,110,172	122,763	4,232,935
Intergovernmental receivables	19,663,667	1,726,588	21,390,255
Leases receivable	1,848,882	-	1,848,882
Prepaid items	1,235,452	153,633	1,389,085
Inventories	57,826	-	57,826
Total assets	<u>\$ 78,330,795</u>	<u>\$ 13,687,011</u>	<u>\$ 92,017,806</u>
LIABILITIES			
Accounts payable	\$ 3,646,152	\$ 2,684,492	\$ 6,330,644
Accrued liabilities	3,106,534	250,018	3,356,552
Due to other funds	339,564	1,224,551	1,564,115
Intergovernmental payables	13,433,350	-	13,433,350
Unearned revenue	11,711,116	-	11,711,116
Total liabilities	<u>32,236,716</u>	<u>4,159,061</u>	<u>36,395,777</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows—relating to leases	1,795,853	-	1,795,853
Unavailable revenue—property taxes	2,381,439	-	2,381,439
Total deferred inflows of resources	<u>4,177,292</u>	<u>-</u>	<u>4,177,292</u>
FUND BALANCES (DEFICIT)			
Nonspendable	2,295,353	153,633	2,448,986
Restricted	5,449,968	7,122,966	12,572,934
Assigned	4,883,576	2,442,048	7,325,624
Unassigned	29,287,890	(190,697)	29,097,193
Total fund balances (deficit)	<u>41,916,787</u>	<u>9,527,950</u>	<u>51,444,737</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 78,330,795</u>	<u>\$ 13,687,011</u>	<u>\$ 92,017,806</u>

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

COUNTY OF COLUMBIA, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2022

Amounts reported for governmental activities in the statement of net position (page 15) are different because:

Total fund balances (deficit)—governmental funds (page 17)		\$ 51,444,737
Net pension assets are not current financial resources and, therefore, are not reported in the funds.		12,411,966
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$144,372,754 and the accumulated depreciation is \$56,461,995.		87,910,759
Uncollected property taxes are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the fund statements.		2,381,439
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	\$ 4,912,020	
Deferred outflows related to experience, changes in assumptions, and investment earnings	22,444,707	
Deferred inflows related to pension plans	<u>(44,856,856)</u>	(17,500,129)
Deferred outflows and inflows of resources related to other postemployment benefits ("OPEB") obligation are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows relating to experience and changes in assumptions	\$ 15,339,927	
Deferred inflows relating to OPEB	<u>(4,257,816)</u>	11,082,111
The workers' compensation fund reports receivables from other participating governments, cash, prepaid expenses and current liabilities in its internal service fund which represents the non-County portion of the liability.		5,941,678
Net accrued interest expense for general obligation bonds of \$333,889 and CTASC bonds of \$33,536 is not reported in the funds.		(367,425)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Serial bonds—County	\$ (46,400,963)	
Unamortized bond premiums—County	(1,641,205)	
CTASC bonds	(21,585,706)	
Unamortized bond discount—CTASC	49,752	
Lease liability	(871,107)	
Compensated absences	(3,729,385)	
Workers' compensation and general claims	(5,810,177)	
OPEB obligation	<u>(124,121,554)</u>	<u>(204,110,345)</u>
Net position of governmental activities		<u>\$ (50,805,209)</u>

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

COUNTY OF COLUMBIA, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds
Year Ended December 31, 2022

	<u>General</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Real property taxes	\$ 32,296,111	\$ 10,506,807	\$ 42,802,918
Other property tax items	1,884,114	-	1,884,114
Non-property tax items	65,722,318	-	65,722,318
Departmental income	9,419,241	12,980	9,432,221
Intergovernmental charges	178,426	-	178,426
Use of money and property	917,434	1,678,452	2,595,886
Licenses and permits	11,195	-	11,195
Fines and forfeitures	85,027	-	85,027
Sale of property and compensation for loss	55,680	21,905	77,585
Miscellaneous	1,214,804	59,416	1,274,220
Interfund revenues	-	1,000,309	1,000,309
Tobacco settlement revenue	-	1,044,849	1,044,849
State aid	19,076,324	4,068,389	23,144,713
Federal aid	<u>13,989,569</u>	<u>1,649,605</u>	<u>15,639,174</u>
Total revenues	<u>144,850,243</u>	<u>20,042,712</u>	<u>164,892,955</u>
EXPENDITURES			
Current:			
General government support	32,943,321	24,256	32,967,577
Education	4,447,445	-	4,447,445
Public safety	16,858,834	368	16,859,202
Health	13,894,796	2,285	13,897,081
Transportation	596,735	12,784,924	13,381,659
Economic assistance and opportunity	35,414,151	-	35,414,151
Culture and recreation	2,739,638	5,758	2,745,396
Home and community services	1,794,587	164,800	1,959,387
Employee benefits	18,972,877	2,863,387	21,836,264
Debt service:			
Principal	2,355,668	2,058,044	4,413,712
Interest and other fiscal charges	796,923	1,096,301	1,893,224
Capital outlay	-	5,912,308	5,912,308
Total expenditures	<u>130,814,975</u>	<u>24,912,431</u>	<u>155,727,406</u>
Excess (deficiency) of revenues over expenditures	<u>14,035,268</u>	<u>(4,869,719)</u>	<u>9,165,549</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	4,696,933	4,696,933
Transfers out	(4,696,933)	-	(4,696,933)
Leases issued	<u>1,057,242</u>	-	<u>1,057,242</u>
Total other financing sources (uses)	<u>(3,639,691)</u>	<u>4,696,933</u>	<u>1,057,242</u>
Net change in fund balances	10,395,577	(172,786)	10,222,791
Fund balances—beginning, as restated	<u>31,521,210</u>	<u>9,700,736</u>	<u>41,221,946</u>
Fund balances—ending	<u>\$ 41,916,787</u>	<u>\$ 9,527,950</u>	<u>\$ 51,444,737</u>

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

COUNTY OF COLUMBIA, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances—Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2022

Amounts reported for governmental activities in the statement of activities (page 16) are different because:

Net change in fund balances—total governmental funds (page 19)		\$ 10,222,791
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.</p>		
Capital asset additions, net	\$ 11,057,979	
Depreciation/amortization expense	<u>(4,523,366)</u>	6,534,613
<p>Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.</p>		
		(243,221)
<p>Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:</p>		
Direct pension contributions	\$ 4,930,188	
Cost of benefits earned net of employee contributions	<u>281,679</u>	5,211,867
<p>Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in experience and changes in assumptions and other inputs. These amounts are shown net of current year amortization.</p>		
		(402,566)
<p>The County's portion of the self-insured workers' compensation liability is recognized on the statement of activities.</p>		
		1,167,906
<p>In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.</p>		
		483,494
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:</p>		
Repayment of serial bonds—County	\$ 3,602,577	
Amortization of bond premiums—County	163,210	
Repayment of serial bonds—CTASC	625,000	
Amortization of bond discounts—CTASC	(5,859)	
Leases issued	(1,057,242)	
Payment of lease liability	186,135	
Change in compensated absences	14,282	
Change in workers' compensation	(502,177)	
Change in OPEB obligation	<u>(7,878,803)</u>	<u>(4,852,877)</u>
Change in net position of governmental activities		<u>\$ 18,122,007</u>

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

COUNTY OF COLUMBIA, NEW YORK
Statement of Net Position—Proprietary Funds
December 31, 2022

	<u>Business-type Activities</u>				<u>Governmental</u>
	<u>Solid Waste</u>	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Enterprise</u>	<u>Service</u>
				<u>Funds</u>	<u>Fund</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 48,492	\$ 136,231	\$ 141,737	\$ 326,460	\$ 4,775,889
Restricted cash and cash equivalents	-	519,804	-	519,804	1,205,737
Receivables	62,678	84,014	36,947	183,639	-
Intergovernmental receivables	18,768	119,933	-	138,701	46,876
Due from other funds	35,017	3,027	214,492	252,536	50,009
Prepaid items	42,662	-	-	42,662	-
Total current assets	<u>207,617</u>	<u>863,009</u>	<u>393,176</u>	<u>1,463,802</u>	<u>6,078,511</u>
Noncurrent assets:					
Net pension asset	431,203	-	-	431,203	-
Capital assets, not being depreciated	1,860,413	5,750,511	-	7,610,924	-
Capital assets, net of accumulated depreciation	1,801,226	-	-	1,801,226	-
Total noncurrent assets	<u>4,092,842</u>	<u>5,750,511</u>	<u>-</u>	<u>9,843,353</u>	<u>-</u>
Total assets	<u>4,300,459</u>	<u>6,613,520</u>	<u>393,176</u>	<u>11,307,155</u>	<u>6,078,511</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows—relating to pensions	950,396	-	-	950,396	-
Deferred outflows—relating to OPEB	273,081	-	-	273,081	-
Total deferred outflows of resources	<u>1,223,477</u>	<u>-</u>	<u>-</u>	<u>1,223,477</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable	256,499	32,387	11,949	300,835	131,139
Accrued liabilities	60,246	14,006	-	74,252	367
Due to other funds	1,556,093	412,158	-	1,968,251	5,327
Current portion of long-term debt	100,016	115,000	-	215,016	581,018
Total current liabilities	<u>1,972,854</u>	<u>573,551</u>	<u>11,949</u>	<u>2,558,354</u>	<u>717,851</u>
Noncurrent liabilities:					
Serial bonds	756,411	3,551,338	-	4,307,749	-
Premium on serial bonds	25,182	-	-	25,182	-
Compensated absences	69,685	-	-	69,685	-
OPEB obligation	2,209,608	-	-	2,209,608	-
Due to other funds	1,002,075	-	-	1,002,075	-
Workers' compensation	-	-	-	-	5,229,159
Total noncurrent liabilities	<u>4,062,961</u>	<u>3,551,338</u>	<u>-</u>	<u>7,614,299</u>	<u>5,229,159</u>
Total liabilities	<u>6,035,815</u>	<u>4,124,889</u>	<u>11,949</u>	<u>10,172,653</u>	<u>5,947,010</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows—relating to pensions	1,558,365	-	-	1,558,365	-
Deferred inflows—relating to OPEB	75,798	-	-	75,798	-
Total deferred inflows of resources	<u>1,634,163</u>	<u>-</u>	<u>-</u>	<u>1,634,163</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	1,253,802	2,603,977	-	3,857,779	-
Restricted	-	-	-	-	131,501
Unrestricted	(3,399,844)	(115,346)	381,227	(3,133,963)	-
Total net position	<u>\$ (2,146,042)</u>	<u>\$ 2,488,631</u>	<u>\$ 381,227</u>	<u>\$ 723,816</u>	<u>\$ 131,501</u>

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

COUNTY OF COLUMBIA, NEW YORK
Statement of Revenues, Expenses, and Changes in Net Position—Proprietary Funds
Year Ended December 31, 2022

	Business-type Activities			Governmental Activities	
	Solid Waste Fund	Sewer Fund	Water Fund	Total Enterprise Funds	Internal Service Fund
Operating revenues:					
Charges for services	\$ 2,566,812	\$ 305,187	\$ 126,413	\$ 2,998,412	\$ 2,281,617
Operating grants and revenues	18,768	-	-	18,768	-
Other	41,061	-	-	41,061	800,911
Total operating revenues	<u>2,626,641</u>	<u>305,187</u>	<u>126,413</u>	<u>3,058,241</u>	<u>3,082,528</u>
Operating expenses:					
Personal services	1,254,830	8,400	-	1,263,230	7,440
Employee benefits	595,072	643	-	595,715	2,097
Depreciation	216,533	-	-	216,533	-
Contracted services	2,037,205	27,889	127,481	2,192,575	3,011,631
Total operating expenses	<u>4,103,640</u>	<u>36,932</u>	<u>127,481</u>	<u>4,268,053</u>	<u>3,021,168</u>
Operating income (loss)	<u>(1,476,999)</u>	<u>268,255</u>	<u>(1,068)</u>	<u>(1,209,812)</u>	<u>61,360</u>
Nonoperating revenues (expenses):					
Real property tax	1,255,728	-	-	1,255,728	-
Other nonoperating expenses	-	(52,965)	-	(52,965)	-
Interest income	203	496	117	816	70,141
Interest expense and other fiscal charges	(19,400)	(44,052)	-	(63,452)	-
Total nonoperating revenues (expenses)	<u>1,236,531</u>	<u>(96,521)</u>	<u>117</u>	<u>1,140,127</u>	<u>70,141</u>
Change in net position	(240,468)	171,734	(951)	(69,685)	131,501
Net position—beginning	<u>(1,905,574)</u>	<u>2,316,897</u>	<u>382,178</u>	<u>793,501</u>	<u>-</u>
Net position—ending	<u>\$ (2,146,042)</u>	<u>\$ 2,488,631</u>	<u>\$ 381,227</u>	<u>\$ 723,816</u>	<u>\$ 131,501</u>

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

COUNTY OF COLUMBIA, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2022

	Business-type Activities				Governmental
	Solid Waste Fund	Sewer Fund	Water Fund	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from services provided	\$ 2,578,628	\$ 266,557	\$ 113,682	\$ 2,958,867	\$ 1,890,573
Receipts from operating grants	17,012	-	-	17,012	-
Receipts from other operating revenue	41,061	-	-	41,061	754,035
Payments to employees	(1,743,461)	(7,224)	-	(1,750,685)	(9,170)
Payments to suppliers of contracted services	(2,100,629)	(129,793)	(131,421)	(2,361,843)	(1,178,024)
Net cash provided by (used for) operating activities	<u>(1,207,389)</u>	<u>129,540</u>	<u>(17,739)</u>	<u>(1,095,588)</u>	<u>1,457,414</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Receipts from taxes	1,255,728	1,219,722	-	2,475,450	-
Advances from other funds	1,631,710	400,069	(24)	2,031,755	(18,655)
Net cash provided by (used for) noncapital financing activities	<u>2,887,438</u>	<u>1,619,791</u>	<u>(24)</u>	<u>4,507,205</u>	<u>(18,655)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(1,606,884)	(527,473)	-	(2,134,357)	-
Proceeds from the issuance of EFC bonds	-	3,666,338	-	3,666,338	-
Amortization of bond premiums	(2,464)	-	-	(2,464)	-
Principal payments on bonds and EFC loans	(57,422)	(4,201,767)	-	(4,259,189)	-
Other nonoperating expenses	-	(52,965)	-	(52,965)	-
Interest payments	(19,400)	(44,052)	-	(63,452)	-
Net cash (used for) capital and related financing activities	<u>(1,686,170)</u>	<u>(1,159,919)</u>	<u>-</u>	<u>(2,846,089)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	203	496	117	816	70,141
Net cash provided by investing activities	<u>203</u>	<u>496</u>	<u>117</u>	<u>816</u>	<u>70,141</u>
Increase (decrease) in cash and cash equivalents	(5,918)	589,908	(17,646)	566,344	1,508,900
Cash and cash equivalents—beginning	54,410	66,127	159,383	279,920	4,472,726
Cash and cash equivalents—ending	<u>\$ 48,492</u>	<u>\$ 656,035</u>	<u>\$ 141,737</u>	<u>\$ 846,264</u>	<u>\$ 5,981,626</u>

(continued)

COUNTY OF COLUMBIA, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2022

(concluded)

	Business-type Activities					Governmental
	Business-type Activities				Internal	
	Solid Waste Fund	Sewer Fund	Water Fund	Total Enterprise Funds	Service Fund	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (1,476,999)	\$ 268,255	\$ (1,068)	\$ (1,209,812)	\$ 61,360	
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	216,533	-	-	216,533	-	
Decrease (increase) in receivables	10,060	(38,630)	(12,731)	(41,301)	767,817	
(Increase) in prepaid items	(42,662)	-	-	(42,662)	-	
Decrease in deferred outflows of resources	115,883	39,535	-	155,418	-	
(Decrease) increase in accounts payable	(20,762)	(101,904)	(3,940)	(126,606)	125,693	
Increase in accrued liabilities	60,246	12,597	-	72,843	367	
(Decrease) in compensated absences	(50)	-	-	(50)	-	
(Decrease) in net pension liability/(asset)	(435,765)	(167)	-	(435,932)	-	
Increase in OPEB obligation	198,078	-	-	198,078	-	
Increase in workers' compensation	-	-	-	-	502,177	
Increase (decrease) in deferred inflows of resources	168,049	(50,146)	-	117,903	-	
Total adjustments	<u>269,610</u>	<u>(138,715)</u>	<u>(16,671)</u>	<u>114,224</u>	<u>1,396,054</u>	
Net cash used for operating activities	<u>\$ (1,207,389)</u>	<u>\$ 129,540</u>	<u>\$ (17,739)</u>	<u>\$ (1,095,588)</u>	<u>\$ 1,457,414</u>	

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

COUNTY OF COLUMBIA, NEW YORK
Statement of Fiduciary Net Position—Fiduciary Fund
December 31, 2022

	Custodial Fund
ASSETS	
Restricted cash and cash equivalents	\$ 1,214,513
Receivables	10,613
Due from other funds	<u>9,808</u>
Total assets	<u>1,234,934</u>
LIABILITIES	
Accounts payable and other liabilities	\$ 335
Due to other funds	<u>5,520</u>
Total liabilities	<u>5,855</u>
NET POSITION	
Restricted for organizations and other governments	<u>\$ 1,229,079</u>

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

COUNTY OF COLUMBIA, NEW YORK
Statement of Changes in Fiduciary Net Position—Fiduciary Fund
Year Ended December 31, 2022

	<u>Custodial Fund</u>
ADDITIONS	
Funds received on behalf of others	\$ <u>1,859,574</u>
Total additions	<u>1,859,574</u>
DEDUCTIONS	
Funds distributed on behalf of others	<u>1,552,609</u>
Total deductions	<u>1,552,609</u>
Change in fiduciary net position	306,965
Net position—beginning	<u>922,114</u>
Net position—ending	<u>\$ 1,229,079</u>

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

COUNTY OF COLUMBIA, NEW YORK
Combining Statement of Net Position—Discretely Presented Component Units
December 31, 2022

	Columbia County Soil & Water Conservation District	Columbia County Economic Development Corporation	Columbia County Industrial Development Agency	Columbia County Capital Resource Corporation	Total Discretely Presented Component Units
ASSETS					
Cash and cash equivalents	\$ 69,538	\$ 1,413,338	\$ 52,055	\$ 485	\$ 1,535,416
Restricted cash and cash equivalents	933,149	656,590	21,655	-	1,611,394
Accounts receivable	-	68,402	-	-	68,402
Loans and notes receivable, net	-	1,787,811	-	-	1,787,811
Intergovernmental receivables	-	59,224	-	-	59,224
Prepaid items	9,511	-	116	106	9,733
Noncurrent pension asset	35,499	-	-	-	35,499
Capital assets, not being depreciated/amortized	-	232,900	-	-	232,900
Capital assets, net of accumulated depreciation/amortization	-	258,557	-	-	258,557
Total assets	<u>1,047,697</u>	<u>4,476,822</u>	<u>73,826</u>	<u>591</u>	<u>5,598,936</u>
DEFERRED OUTFLOWS					
Deferred outflows—related to pensions	97,354	-	-	-	97,354
Total deferred outflows	<u>97,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,354</u>
LIABILITIES					
Accounts payable	-	33,546	21,655	-	55,201
Accrued liabilities	-	22,045	-	-	22,045
Intergovernmental payables	-	-	12,059	-	12,059
Unearned revenue	-	205,601	-	-	205,601
Noncurrent liabilities:					
Due within one year	-	199,674	-	-	199,674
Due in more than one year	-	1,179,191	-	-	1,179,191
Total liabilities	<u>-</u>	<u>1,640,057</u>	<u>33,714</u>	<u>-</u>	<u>1,673,771</u>
DEFERRED INFLOWS					
Deferred inflows—related to pensions	129,527	-	-	-	129,527
Deferred inflows—related to CEDC	-	102,249	-	-	102,249
Total deferred inflows	<u>129,527</u>	<u>102,249</u>	<u>-</u>	<u>-</u>	<u>231,776</u>
NET POSITION					
Net investment in capital assets	-	6,458	-	-	6,458
Restricted for:					
Other	933,149	660,709	-	-	1,593,858
Unrestricted	82,375	2,067,349	40,112	591	2,190,427
Total net position	<u>\$ 1,015,524</u>	<u>\$ 2,734,516</u>	<u>\$ 40,112</u>	<u>\$ 591</u>	<u>\$ 3,790,743</u>

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

COUNTY OF COLUMBIA, NEW YORK
Combining Statement of Activities—Discretely Presented Component Units
Year Ended December 31, 2022

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position						Total Discretely Presented Component Units
		Program Revenues		Soil and Water Conservation District	Economic Development Corporation	Industrial Development Agency	Capital Resource Corporation	
		Charges for Services	Operating Grants and Contributions					
Discretely presented component units:								
Soil & Water Conservation District	\$ 644,928	\$ 26,991	\$ 764,204	\$ 146,267	\$ -	\$ -	\$ -	\$ 146,267
Economic Development Corporation	1,149,572	106,160	988,700	-	(54,712)	-	-	(54,712)
Industrial Development Agency	38,578	45,500	-	-	-	6,922	-	6,922
Capital Resource Corporation	4,706	-	3,571	-	-	-	(1,135)	(1,135)
Total discretely presented component units	<u>\$ 1,837,784</u>	<u>\$ 178,651</u>	<u>\$ 1,756,475</u>	<u>146,267</u>	<u>(54,712)</u>	<u>6,922</u>	<u>(1,135)</u>	<u>97,342</u>
General revenues:								
				1,265	5,795	11	-	7,071
				7,942	31,185	-	-	39,127
				<u>9,207</u>	<u>36,980</u>	<u>11</u>	<u>-</u>	<u>46,198</u>
				155,474	(17,732)	6,933	(1,135)	143,540
				<u>860,050</u>	<u>2,752,248</u>	<u>33,179</u>	<u>1,726</u>	<u>3,647,203</u>
				<u>\$ 1,015,524</u>	<u>\$ 2,734,516</u>	<u>\$ 40,112</u>	<u>\$ 591</u>	<u>\$ 3,790,743</u>

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

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COUNTY OF COLUMBIA, NEW YORK
Notes to the Financial Statements
Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the County of Columbia, New York (the “County”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting principles are described below.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e. statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

The County was established in 1786 and is governed by County law and other general laws of the State of New York. The Board of Supervisors, which is the governing body responsible for the overall operation of the County, consists of twenty-three supervisors representing the twenty-three towns within the County. Each Town elects one supervisor. The Chairman of the Board of Supervisors, elected by the Board each year, is the Chief Executive Officer of the County. The County Treasurer, elected for a four-year term, is the Chief Fiscal Officer of the County. The County Clerk, Sheriff, District Attorney and three coroners are constitutional officials and are elected in accordance with Constitutional provisions. The scope of activities included within the accompanying financial statements are those transactions which comprise County operations, and are governed by, or significantly influenced by, the Board of Supervisors. These services include general government support, educational assistance, public safety and law enforcement, public health, highway construction and maintenance, economic assistance and opportunity, cultural and recreational programs, and home and community services.

The County’s financial statements include those entities for which the County has clear oversight responsibility. This responsibility is determined through a review of such factors as the selecting of governing boards, financial interdependency and the ability to influence management and operations on a continuing basis. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Discretely Presented Component Units—The component unit column in the government-wide financial statements includes the financial data of the County’s discretely presented component units. The combining statements of discretely presented component units present the component units in separate

columns. These statements are presented separately from the financial data of the primary government to emphasize that they are legally separate from the County.

Columbia County Soil and Water Conservation District—The Columbia County Soil and Water Conservation District (“the District”) is a political subdivision established by the County Board of Supervisors for the purpose of improving and advancing the conservation, wise use and orderly development of the soil, water and related natural resources of the County of Columbia, New York.

Columbia Economic Development Corporation—The Columbia Economic Development Corporation (“CEDC”) is a public benefit corporation created by State legislation to promote and develop industry and employment within the County. CEDC is fiscally dependent and financially accountable to the County. The County is represented by one ex-officio (nonvoting) member of the CEDC Board of Directors.

Columbia County Industrial Development Agency—The Columbia County Industrial Development Agency (“IDA”) is a public benefit corporation created by State legislation to promote the economic welfare, recreational opportunities and prosperity of the County and its inhabitants. The IDA’s seven member board is appointed by the County’s Board of Supervisors.

Columbia County Capital Resource Corporation—The Columbia County Capital Resource Corporation (“CRC”) was established in October 2009 by the Columbia County Board of Supervisors under the laws of the State of New York to promote economic growth in the County of Columbia, New York. This is done primarily through the administration of tax exempt bonds. The CRC’s seven member board is appointed by the County’s Board of Supervisors.

Blended Component Unit—The following blended component unit is legally separate entity from the County, but is, in substance, part of the County’s operations and therefore data from this unit is combined with data of the primary government.

Columbia Tobacco Asset Securitization Corporation—The Columbia Tobacco Asset Securitization Corporation (“CTASC”) entity was incorporated October 28, 2000 as a local development corporation by the County under the provisions of Section 1411 of the New York State Not-for-Profit Corporation Law. Its purpose is to issue bonds securitized solely from County Tobacco Settlement Revenues under the Master Settlement agreement dated November 23, 1998, purchased from the County under the Purchase and Sale Agreement dated October 15, 2000 and November 15, 2005, and to forward to the County the net proceeds from the bond issuances. In accordance with GASB, CTASC is treated as a blended component unit of the County and reported as a part of the primary government.

Separately issued financial statements for all component units may be obtained from Columbia County Treasurer at 15 North 6th Street, Hudson, New York, 12534.

A joint venture entered into between the County and another local governmental entity is excluded from the reporting entity. See Note 14 for further information.

Basis of Presentation—Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements.

As discussed earlier, the County has four discretely presented component units: the Columbia County Soil and Water Conservation District, the Columbia Economic Development Corporation, the Columbia County Industrial Development Agency, and the Columbia County Capital Resource Corporation. They are aggregately presented within a single column in the government-wide Statement of Net Position and the Statement of Activities. Combining financial statements are presented following the fiduciary fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and various other functions of the County. Elimination of these changes would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental fund:

- *General Fund*—The General Fund is the primary operating fund of the County and accounts for all financial resources of the general government, except those required to be accounted for in other funds. The principal sources of revenue for the General Fund are sales and use taxes, real property taxes, and state and federal aid.

Nonmajor Governmental Funds—These nonmajor governmental funds are used to account for capital projects and the proceeds of specific revenue sources that are dedicated to expenditures for specified purposes. The following nonmajor governmental funds are utilized:

- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment other than those financed by enterprise funds. The principal source of revenue for the Capital Projects Fund include serial bonds, grants and aid.
- *County Road Fund*—The County Road Fund is used to account for expenditures for highway purposes authorized by Section 114 of the Highway Law. The principal source of revenue for the County Road Fund is property taxes.
- *Road Machinery Fund*—The Road Machinery Fund is used to account for the purchase, repair, maintenance and storage of highway machinery, tools and equipment pursuant to Section 133 of the Highway Law. The principal source of revenue for the Road Machinery Fund is property taxes.
- *Special Revenue Fund*—The Special Revenue Fund is used to account for those revenues that are legally restricted to expenditures for specific purposes. The fund is also used to account for trusts that benefit the local government where principal and interest may be expended.

- *Special Grant Fund*—The Special Grant Fund is used to account for the expenditures related to the promotion of economic development and the prosperity of the County and its inhabitants through the use of Community Development Block Grants.
- *Columbia Tobacco Asset Securitization Corporation (“CTASC”)*—The CTASC Fund is used to account for the receipt and disbursement of resources related to tobacco assets and related obligations.

The County reports the following major proprietary funds:

- *Solid Waste Fund*—The Solid Waste Fund accounts for revenue and expenditures associated with recycling and waste management programs.
- *Sewer Fund*—The Sewer Fund accounts for revenue and expenditures related to operation of the industrial park sewer district..
- *Water Fund*—The Water Fund accounts for water operations for the industrial park water district.

These entities are financed and operated in a manner similar to a private business enterprise. The intent of the County is that the operating expenses (including depreciation and amortization expense) of providing goods or services to the general public on a continuous basis are to be financed or recovered primarily through user charges. The County may provide administrative, legal and operational assistance to the proprietary funds, which are not charged. Additionally, the General Fund periodically provides advances to the proprietary funds for operational needs.

Additionally, the County reports the following fund types:

Internal Service Fund—The Internal Service Fund is used to account for special activities or services provided by one department to other departments or to other governments on a cost reimbursement basis. The Internal Service Fund is used to account for the County’s self-insured workers’ compensation plan and is included within the proprietary fund statements.

Fiduciary Funds—These funds are used to account for assets held by the County in a trustee or custodial capacity, and therefore are not available to support the County’s programs. The County’s fiduciary funds include the *Custodial Fund*. Activities reported in the fiduciary funds include assets held by the County as an agent for individuals, private organizations, other governmental units, or other funds.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/due to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are recorded at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period; all other revenues are deemed to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period of availability. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and the amount is received during the period of availability. All other revenue items are considered to be measurable and available only when cash is received by the County.

CTASC considers revenues to be available if they are collected within one year after the end of the current fiscal period. The Corporation applies GASB Technical Bulletin No. 2004-1 “Tobacco Settlement Recognition and Financial Report Entity Issues” and recognizes tobacco settlement revenue when the event giving rise to recognition (i.e., the domestic shipment of cigarettes) occurs.

The proprietary and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—Cash and cash equivalents include cash on hand, demand deposits, time deposits, and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. The County’s short-term investments consist of certificates of deposit, obligations of New York State, the United States Government and its agents. State statutes and various resolutions of the County Board of Supervisors govern the County’s investment policies. County monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Investments are recorded at fair values in accordance with GASB.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent amounts to support fund balance restrictions, unearned revenues, debt proceeds, funds set aside for specific purposes and cash held on behalf of others.

Restricted Investments—The County’s restricted investments consist of CTASC Liquidity Reserve, Trapping, Collection and Debt Service accounts.

Intergovernmental Receivables—Receivables are stated net of estimated allowances for uncollectible amounts. 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.

Prepaid Items—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

Inventories—Inventories are recorded at cost using the first-in, first-out method.

Net Pension Asset—The County reported an asset for its proportionate share of the net pension asset for the Employees’ Retirement System. Refer to Note 7 for additional information related to the County’s net pension assets.

Capital Assets—Capital assets, which include property, buildings, machinery and equipment, infrastructure assets (e.g. roads and bridges) and right-to-use leased assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements, as well as within the individual proprietary funds. Capital assets are defined by the County as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Right-to-use lease assets include vehicles and buildings, and are amortized on a straight line basis over their useful lives. Right-to-use lease assets were initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs and are amortized on a straight-line basis over their useful lives.

Land and construction in progress are not depreciated. The other capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Capital Assets	Years
Buildings	15-40
Machinery and equipment	5-25
Infrastructure	20-100
Right-to-use lease assets	5-40

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new highway vehicle included as part of *expenditures—transportation*). The amount reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2022, the County’s primary government has two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide financial statements and proprietary fund financial statements. This item represents the effect of the net change in the County’s proportion of the collective net pension liability/(asset), the difference during the measurement period between the County’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date. The second item is related to OPEB reported in the government-wide and proprietary fund financial statements and represents the effects of the change in the County’s proportion of the collective OPEB obligation and difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB obligation.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, 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. At December 31, 2022, the primary government of the County has four items that qualify for reporting in this category. One of the items arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported as deferred inflows of resources only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes that will not be realized within the period of availability. These amounts are deferred and recognized in the period that the amounts become available. The second item is related to leases receivable and reported on the government-wide statements and on the balance sheet of governmental funds, is recognized at the commencement of the County’s lease receivable and amortized over the life of the lease. The third item represents the effect of the net change in the County’s proportion of the collective net pension liability/(asset) and the difference during the measurement periods between the County’s contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide financial statements as well as within the individual proprietary funds. The fourth item represents the effects of the change in the County’s proportion of the collective OPEB obligation and difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB obligation.

Net Position Flow Assumption—Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

Fund Balance Flow Assumptions—Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned

fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The County's Board of Supervisors is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. It is at the discretion of the County's Board of Supervisors to make assignments as it sees fit. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenses/Expenditures

Program Revenues—Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary Funds Operating and Nonoperating Revenues and Expenses—Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues of enterprise funds consist of charges for services and operating grants. Operating expenses of enterprise funds consists of salaries, wages and benefits, contractual services and depreciation. Collection of property taxes and transactions related to capital and financing activities, non-capital financing activities, investing activities and interfund transfers from other funds and State appropriations are components of non-operating income. Subsidies and grants to proprietary funds which finance capital activities are reported as non-operating revenue.

Property Taxes—County real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to December 31. On March 1 interest is accrued on all unpaid taxes in accordance with real property law. Taxes for County purposes apportioned to the area of the County outside the City of Hudson are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the towns. The collection of County taxes levied on properties within

the City of Hudson is enforced by the City; the County receives the full amount of such taxes within the year of levy. Unpaid City school district taxes are turned over to the County for enforcement. Any such taxes remaining unpaid at year end are re-levied as County taxes in the subsequent year. The portion of the receivable (\$6,143,687) that represents taxes re-levied for the city, the village, and school districts and taxes levied for the special assessment district is included in due to other governments.

Another portion of the receivable \$2,381,439 is not considered available under the modified accrual basis of accounting and is included in deferred inflows of resources.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or financial statement purposes. At December 31, 2022, the County reported \$11,711,116 of unearned revenue within the General Fund. Of this amount, the County received cash in advance related to the American Rescue Plan Act (“ARPA”) in the amount of \$9,660,670, but has not performed the services and therefore recognizes a liability.

Compensated Absences— Under the terms of various union contracts and pursuant to resolutions authorized by the Board of Supervisors, employees are allowed to accrue sick leave at the rate of one day per month (12 days per year). Sick leave credits may be accumulated to a maximum of 220 days or more if approved by the department head. Upon retirement and with 10 years of service, an employee is entitled to convert the cash value of sick days toward future contributions to the group health insurance plan at a rate of \$120-130 per day for the United Public Service Employees Union (“UPSEU”) and management exempt entitled to benefits, \$115 per day for Sheriff Benevolent Association employees, the 911 Dispatchers Benevolent Association, and for the Correction Officer’s Benevolent Association employees.

Based upon the number of years of service, employees are entitled to carryover vacation which vests on January 1 of each year for the following year’s employment. A maximum of one year’s earned vacation plus 20 days of vacation can be carried over for UPSEU and management exempt employees entitled to benefits, 10 days for Sheriff Benevolent Association employees, and 240 hours for Correction Officer’s Benevolent Association and E911 employees for use in the following year. Upon termination of employment, UPSEU, 911 Dispatchers Benevolent Association, and Correction Officer’s Benevolent Association are paid for all accrued vacation. Management exempt entitled to benefits is paid to a maximum of 240 hours. Sheriff Benevolent Association employees are entitled to a cash payout of all unused vacation time accrued up to a one-year entitlement.

In addition to accrued vacation and sick time, certain employees are entitled to accumulated comp time. This time can be paid out at any time during the employee’s employment or at termination.

The compensated absences liability for the County’s governmental and business-type activities at December 31, 2022 totaled \$3,729,385 and \$99,550, respectively, and are reported in the government-wide financial statements and proprietary fund financial statements.

Payment of sick leave and compensatory time recorded in the government-wide financial statements is dependent on many factors; therefore, the timing of future payments is not readily determinable. However, management believes that sufficient resources will be available for the payment of compensated absences when such payments become due.

Pension Plans—The County is mandated by New York State law to participate in the New York State Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions)

are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 7.

Other Postemployment Benefits—In addition to providing pension benefits, the County provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement, as discussed in Note 8.

Interfund Revenues—The County allocates Road Machinery Fund costs incurred to other funds based on their proportionate benefit of the total costs allocated. In 2022, the County has reported interfund revenues in the Road Machinery Fund of \$1,000,309 representing an allocation of costs to various funds. The amounts are reported as transportation expenditures in the Road Machinery Fund as well as in the benefitting funds.

Insurance—The County sponsors and participates in a self-insurance plan for workers' compensation under Local Law No. 1 and 2 of 1956, pursuant to Article 5 of the Workers' Compensation Law. The plan is open to any eligible municipality, school district, or public entity within the County. At December 31, 2022, there were 23 participating municipalities, including the County. Effective August 1, 2021, the County contracts with the Public Employer Management Association Workers' Compensation & Association ("PERMA"). PERMA collects an annual contribution and is then responsible for all claims of the self-insurance plan. The County is only liable for additional costs in the event PERMA becomes insolvent.

The County is responsible for administration of the plan and its reserves for the tail coverage period through July 31, 2021. Participant contributions, which are financed on a pay-as-you-go basis, are assessed on an estimated claim basis with excess contributions transferred to the reserve at the end of the fiscal year. Liabilities are recorded when it is probable that a loss has been incurred and the amount of loss can be reasonably estimated. The total liability is recorded at its present value of \$5,810,177 in the Government-wide statement of net position which represents the portion to be liquidated with expendable and available financial resources of the County and other plan participants as of December 31, 2022. This liability is offset by available cash reserves in the fund. The annual contribution to PERMA for the year ended December 31, 2022 was \$2,098,582.

The County has established an administrative only self-insurance medical plan as of January 1, 2015. The County is also a Pharmaceutical Benefit Manager (PBM) for prescribed medications.

Other

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

Adoption of New Accounting Pronouncements—During the year ended December 31, 2022, the County implemented GASB Statement No. 87, *Leases*. GASB Statement No. 87 better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The implementation of GASB Statement No. 87 did not have a material impact on the County's financial position or results from operations; however, the County recorded right-to-use leased assets and lease liabilities at December 31, 2022.

Future Impacts of Accounting Pronouncements—The County has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and remaining portion No. 99, *Omnibus 2022*, effective for the year ending December 31, 2023, and No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 94, 96, 99, 100 and 101 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets—Budgets are adopted annually on a basis of accounting consistent with GAAP for the General, County Road, Road Machinery, Solid Waste, Sewer, and Water Funds. Appropriations authorized for the current year are increased by the amount of any encumbrances carried forward from the prior year. Encumbrances are not considered as disbursements in the financial plan or as expenditures in the GAAP-based financial statements, but reserve a portion of the applicable appropriation, thereby ensuring that the appropriations are not exceeded. The County’s annual procedures in establishing the budgetary data reflected in the basic financial statements are described below.

- No later than November 15th, the budget officer submits a tentative budget to the Clerk of the Board of Supervisors for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds, except Special Grant and Special Revenue Funds.
- After public hearings are conducted to obtain taxpayer comments, no later than December 20th, the County Board of Supervisors adopts the budget.
- Budget modifications to the budgets so adopted are authorized by resolution of the County Board of Supervisors.
- Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects and remain in effect for the lives of the projects. Budgetary controls for the Self-Insurance Fund are established through separate annual resolutions.

Additional information regarding the County’s budgets can be found in the Required Supplementary Information section of this report.

Deficit Net Position/Fund Balance—At December 31, 2022, the County’s Road Machinery Fund reported a deficit fund balance of \$165,223. The deficit will be remedied in future years through real property taxes or transfers from other funds. Additionally, the Solid Waste Fund reported a net position of \$(2,146,042) at December 31, 2022. The County anticipates that increased rates and transfers from other funds will remedy the deficit.

2. RESTATEMENT OF FUND BALANCE AND NET POSITION

During the year ended December 31, 2022, the County included the Columbia County Tobacco Asset Securitization Corporation (“CTASC”) as a blended component unit in accordance with GASB Statement No. 80.

Further, during the year ended December 31, 2022, the County determined that accounts payable were overstated at December 31, 2021. As a result, fund balance of the General Fund has been restated by \$4,065,054.

The effect of the aforementioned restatements to the County's primary government follows:

	Governmental Activities	General Fund	CTASC	Discretely Presented Component Units
Net position/fund balance—December 31, 2021, as previously stated	\$ (53,797,617)	\$ 27,456,156	\$ -	\$ (15,547,450)
CTASC blending component unit	(19,194,653)	-	1,898,847	19,194,653
Prior period correction: accounts payable	4,065,054	4,065,054	-	-
Net position/fund balance—December 31, 2021, as restated	<u>\$ (68,927,216)</u>	<u>\$ 31,521,210</u>	<u>\$ 1,898,847</u>	<u>\$ 3,647,203</u>

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The County's investment policies are governed by State statutes. In addition, the County has its own written investment policy. County monies must be deposited in Federal Deposit Insurance Corporation ("FDIC") insured commercial banks or trust companies located within the State. The County 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 is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The County has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash, cash equivalents and investments (including restricted amounts) at December 31, 2022 are as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Petty cash (uncollateralized)	\$ 8,225	\$ -	\$ -	\$ 8,225
Deposits	40,994,108	846,264	1,214,513	43,054,885
Investments	13,871,515	-	-	13,871,515
Total	<u>\$ 54,873,848</u>	<u>\$ 846,264</u>	<u>\$ 1,214,513</u>	<u>\$ 56,934,625</u>

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at December 31, 2022 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 914,450	\$ 914,450
Uninsured:		
Collateral held by pledging bank's agent in the County's name	<u>43,993,090</u>	<u>42,140,435</u>
Total	<u>\$ 44,907,540</u>	<u>\$ 43,054,885</u>

Restricted Cash and Cash Equivalents—The County's restricted cash represents amounts restricted to support restricted fund balance, unearned revenue, debt service, amounts held on behalf of others, and through enabling legislation. The use of this cash is limited to the specific purposes. At December 31, 2022, the County reports restricted cash of \$24,359,800, \$519,804 and \$1,214,513 within its governmental activities, business-type activities and fiduciary activities, respectively.

Custodial Credit Risk—Deposits and Cash Equivalents—Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits and cash equivalents may not be returned to it. As noted above, by State Statute all deposits and cash equivalents in excess of FDIC insurance coverage must be collateralized. As of December 31, 2022, the County’s deposits and cash equivalents were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the County’s name.

Investments and Fair Value Measurements—At December 31, 2022, the County’s General Fund has investments in securities of \$12,860,107, which consist of certificates of deposit and treasury bills with original maturities greater than three months.

Additionally, CTASC records restricted investments of \$1,011,408 consisting of treasury notes and money market funds for liquidity reserve, trapping, collection and debt service accounts. The Liquidity Reserve Account, administered by a trustee, was established and initially funded from bond proceeds. This account serves as security for the Corporation’s bonds and may be used to pay interest and required amortization payments. The Trapping Account, administered by a trustee, was established and serves to receive proceeds when a Trapping Event occurs. A Downgrade Trapping Event as defined in the Master Settlement Agreement (MSA) report is when as of any deposit date an Original Participating Manufacture (OPM) with a Market Share of 7% or more is rated below “Baa3” by Moody’s or “BBB” by S&P. The Collection Account, administered by a trustee, serves to receive proceeds from tobacco companies under the Master Settlement Agreement. Funds are transferred to the Debt Service account. The Debt Service Account, administered by a trustee, serves to remit payments to bond holders.

Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described on the following page.

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">• quoted prices for similar assets or liabilities in active markets;• quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability;• inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The investments of the County (General Fund and CTASC) at December 31, 2022 are considered level 1 inputs.

Custodial Credit Risk—Investments—For investments, this is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Underlying securities must have a market value of at least the cost of the repurchase agreement

Credit Risk—In compliance with the State law, County investments are limited to obligations of the Federal government, obligations guaranteed by the Federal government where the payment of principal and interest are guaranteed by the Federal government, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and certain joint or cooperative investment programs.

Concentration of Credit Risk—To promote competition in rates and service cost, and to limit the risk of institutional failure, County deposits and investments are placed with multiple institutions.

Interest Rate Risk—The County investment policy limits investment maturities to two years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Discretely Presented Component Units

i.) Columbia County Soil and Water Conservation District (“District”)

As of December 31, 2022, the District’s deposits, totaling \$1,002,687 were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the District’s name.

ii.) Columbia County Economic Development Corporation (the “Corporation”)

As of December 31, 2022, the Corporation’s deposits, totaling \$2,069,928 were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the Corporation’s name.

iii.) Columbia County Industrial Development Agency (the “IDA”)

As of December 31, 2022, the IDA’s deposits, totaling \$73,710 were FDIC insured.

iv.) Columbia County Capital Resource Corporation (the “CRC”)

As of December 31, 2022, the CRC’s deposits, totaling \$485 were FDIC insured.

4. RECEIVABLES

Major revenues accrued by the County at December 31, 2022 consisted of the following:

Taxes Receivable—Represents amounts due from County taxpayers that remain unpaid. At December 31, 2022, the County recorded \$11,215,687 related to taxes receivable. These amounts are reported net of an allowance for uncollectible taxes provision of \$3,254,628.

Accounts Receivable—Represents amounts due from various sources. The County’s accounts receivable at December 31, 2022 are presented on the following page.

Governmental funds:		
General Fund	\$ 1,717,397	
Less: allowance for doubtful accounts	<u>(1,614)</u>	\$ 1,715,783
Nonmajor governmental funds		<u>1,275,131</u>
Total governmental funds		<u>\$ 2,990,914</u>
Proprietary funds:		
Solid Waste Fund		\$ 62,678
Sewer Fund		84,014
Water Fund		<u>36,947</u>
Total proprietary funds		<u>\$ 183,639</u>
Fiduciary funds:		
Custodial Fund		<u>\$ 10,613</u>

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State or other local governments. Amounts are net of related advances from New York State. Intergovernmental receivables at December 31, 2022 are presented below:

Governmental funds:		
General Fund:		
Due from state and federal	\$ 19,663,667	
Nonmajor governmental funds:		
Due from state and federal	<u>1,726,588</u>	
Total governmental funds		<u>\$ 21,390,255</u>
Proprietary funds:		
Solid Waste Fund:		
Due from state and federal	\$ 18,768	
Sewer Fund:		
Due from state and federal	119,933	
Internal Service Fund		
Due from local governments	<u>46,876</u>	
Total proprietary funds		<u>\$ 185,577</u>

Leases Receivable—During the year ended December 31, 2022, the County began recognizing the lease of buildings to third parties. As of December 31, 2022, the County’s receivable for lease payments was \$1,848,882. Also, the County has a corresponding deferred inflow of resources associated with these leases of \$1,795,853 that will be recognized as revenue over the lease term.

Discretely Presented Component Units

i.) Columbia Economic Development Corporation (the “Corporation”)

At December 31, 2022, the Corporation records accounts receivable of \$68,402, SBA technical assistance grant receivable of \$59,224 and loans receivable of \$1,787,811 of which \$419,932 is expected to be collected within one year.

5. CAPITAL ASSETS

Governmental activities—Capital asset activity for the primary government’s governmental activities for the year ended December 31, 2022 was as follows:

	Balance 1/1/2022	Increases and Reclassifications	Decreases	Balance 12/31/2022
Capital assets, not being depreciated/amortized:				
Land	\$ 595,698	\$ -	\$ -	\$ 595,698
Construction in progress	<u>14,166,190</u>	<u>1,672,333</u>	<u>-</u>	<u>15,838,523</u>
Total capital assets, not being depreciated/amortized	<u>14,761,888</u>	<u>1,672,333</u>	<u>-</u>	<u>16,434,221</u>
Capital assets, being depreciated/amortized:				
Buildings	32,281,868	-	-	32,281,868
Machinery and equipment	22,758,135	1,848,213	489,097	24,117,251
Infrastructure	64,001,981	6,480,190	-	70,482,171
Right-to-use leased assets	<u>-</u>	<u>1,057,243</u>	<u>-</u>	<u>1,057,243</u>
Total capital assets being depreciated/amortized	<u>119,041,984</u>	<u>9,385,646</u>	<u>489,097</u>	<u>127,938,533</u>
Less accumulated depreciation/amortization for:				
Buildings	15,854,434	1,008,138	-	16,862,572
Machinery and equipment	18,133,570	1,322,032	489,097	18,966,505
Infrastructure	18,439,722	1,981,748	-	20,421,470
Right-to-use leased assets	<u>-</u>	<u>211,448</u>	<u>-</u>	<u>211,448</u>
Total accumulated depreciation/amortization	<u>52,427,726</u>	<u>4,523,366</u>	<u>489,097</u>	<u>56,461,995</u>
Total capital assets, being depreciated/amortized, net	<u>66,614,258</u>	<u>4,862,280</u>	<u>-</u>	<u>71,476,538</u>
Governmental activities capital assets, net	<u>\$ 81,376,146</u>	<u>\$ 6,534,613</u>	<u>\$ -</u>	<u>\$ 87,910,759</u>

Depreciation/amortization expense for governmental activities was charged to functions and programs of the primary government as follows:

General government support	\$ 868,142
Education	25,000
Public safety	687,401
Health	66,985
Transportation	2,565,956
Economic assistance and opportunity	189,472
Culture and recreation	73,139
Home and community services	<u>47,271</u>
Total governmental activities	<u>\$ 4,523,366</u>

Business-type activities—Capital asset activity for the primary government’s business-type activities (enterprise funds) for the year ended December 31, 2022 was as follows:

	Balance 1/1/2022	Increases	Decreases	Balance 12/31/2022
Capital assets, not being depreciated:				
Land	\$ 751,170	\$ -	\$ -	\$ 751,170
Construction in progress	5,570,570	1,289,184	-	6,859,754
Total capital assets, not being depreciated	<u>6,321,740</u>	<u>1,289,184</u>	<u>-</u>	<u>7,610,924</u>
Capital assets, being depreciated:				
Buildings	1,208,623	405,236	-	1,613,859
Machinery and equipment	1,887,467	439,937	-	2,327,404
Total capital assets, being depreciated	<u>3,096,090</u>	<u>845,173</u>	<u>-</u>	<u>3,941,263</u>
Less accumulated depreciation for:				
Buildings	1,013,648	28,360	-	1,042,008
Machinery and equipment	909,856	188,173	-	1,098,029
Total accumulated depreciation	<u>1,923,504</u>	<u>216,533</u>	<u>-</u>	<u>2,140,037</u>
Total capital assets, being depreciated, net	<u>1,172,586</u>	<u>628,640</u>	<u>-</u>	<u>1,801,226</u>
Business-type activities capital assets, net	<u>\$ 7,494,326</u>	<u>\$ 1,917,824</u>	<u>\$ -</u>	<u>\$ 9,412,150</u>

Depreciation expense for business-type activities was charged to functions and programs of the primary government as follows:

Solid Waste Fund	\$ 216,533
Total business-type activities	<u>\$ 216,533</u>

Discretely Presented Component Units

i.) Columbia Economic Development Corporation (the “Corporation”)

Capital asset activity for the Corporation for the year ended December 31, 2022 is presented below:

	Balance 1/1/2022	Increases	Decreases	Balance 12/31/2022
Capital assets, not being depreciated/amortized:				
Land	\$ -	\$ 232,900	\$ -	\$ 232,900
Capital assets, being depreciated/amortized:				
Furniture and equipment	44,060	6,363	-	50,423
Right-to-use leased asset	280,587	-	-	280,587
Total capital assets, being depreciated/amortized	<u>324,647</u>	<u>6,363</u>	<u>-</u>	<u>331,010</u>
Less: Accumulated depreciation/amortization	<u>(31,320)</u>	<u>(41,133)</u>	<u>-</u>	<u>(72,453)</u>
Total capital assets, net	<u>\$ 293,327</u>	<u>\$ 198,130</u>	<u>\$ -</u>	<u>\$ 491,457</u>

Depreciation/amortization expense for the year ended December 31, 2022 was \$41,133.

6. ACCRUED LIABILITIES

Accrued liabilities reported by governmental and proprietary funds at December 31, 2022, were as follows:

	Governmental Funds		
	General Fund	Nonmajor Governmental Funds	
		Total	
Salaries and employee benefits	\$ 3,106,534	\$ 250,018	\$ 3,356,552
Total accrued liabilities	\$ 3,106,534	\$ 250,018	\$ 3,356,552

	Proprietary Funds			Total
	Solid Waste Fund	Sewer Fund	Internal Service	
			Fund	
Salaries and employee benefits	\$ 60,246	\$ 14,006	\$ 367	\$ 74,619
Total accrued liabilities	\$ 60,246	\$ 14,006	\$ 367	\$ 74,619

7. PENSION PLANS

Plan Descriptions and Benefits Provided

New York State and Local Employees' Retirement System ("ERS")—The County participates in the ERS, a cost-sharing multiple-employer retirement system (the "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 assets and record changes in fiduciary 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 NYSRSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report, including information with regards 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, NY 12244.

The system is noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute three percent (3%) to three and one half percent (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. 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.

Pension Liability/(Asset), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions—At December 31, 2022, the County reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for ERS. The net pension liability was measured as of March 31, 2022. The total pension liabilities used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total net pension liability/(asset) to the measurement date. The County's proportion of the net pension liability/(asset) was based on projections 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 provided by the System in reports provided to the County.

	ERS	
	Governmental Activities	Business-type Activities
Measurement date	March 31, 2022	
Net pension (asset)	\$ (12,411,966)	\$ (431,203)
County's portion of the Plan's total net pension (asset)	0.1518360%	0.0052749%

For the year ended December 31, 2022, the County recognized net (income) relating to pensions of (\$370,816) and (\$12,882) for governmental activities and business-type activities, respectively. At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below:

	ERS			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experiences	\$ 939,975	\$ 32,656	\$ 1,219,202	\$ 42,356
Changes of assumptions	20,714,178	719,628	349,530	12,143
Net difference between projected and actual earnings on pension plan investments	-	-	40,643,986	1,412,006
Changes in proportion and differences between the County's contributions and proportionate share of contributions	790,554	27,464	2,644,138	91,860
County contributions subsequent to the measurement date	4,912,020	170,648	-	-
Total	<u>\$ 27,356,727</u>	<u>\$ 950,396</u>	<u>\$ 44,856,856</u>	<u>\$ 1,558,365</u>

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown in the following table:

Year Ending December 31,	ERS	
	Governmental Activities	Business-type Activities
2023	\$ (3,758,967)	\$ (130,590)
2024	(5,126,253)	(178,090)
2025	(11,020,296)	(382,854)
2026	(2,506,633)	(87,083)

Actuarial Assumptions—The total pension liabilities as of the measurement date were determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liabilities to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>
Measurement date	March 31, 2022
Actuarial valuation date	April 1, 2021
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015 - March 31, 2020
Inflation date	2.7%
Cost-of-living adjustment	1.4%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2020. The actuarial assumptions used in the April 1, 2021 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:

	<u>ERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Measurement date	<u>March 31, 2022</u>	
Asset class:		
Domestic equities	32.0 %	3.3 %
International equities	15.0	5.9
Private equity	10.0	6.5
Real estate	9.0	5.0
Opportunistic portfolio/Absolute return strategies	3.0	4.1
Credit	4.0	3.8
Real assets	3.0	5.6
Fixed income	23.0	0.0
Cash	<u>1.0</u>	(1.0)
Total	<u><u>100 %</u></u>	

Discount Rate—The discount rate used to calculate the total pension liabilities 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 that contributions from employers will be made at statutorily required rates, actuarially. Based upon 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.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below presents the County’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 5.9%, as well as what the County’s proportionate share of the net pension liability/(asset) would be if they were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Governmental activities:			
Employer's proportionate share of the net pension liability/(asset)	\$ 31,948,263	\$ (12,411,966)	\$ (49,517,156)
Business-type activities:			
Employer's proportionate share of the net pension liability/(asset)	\$ 1,109,910	\$ (431,203)	\$ (1,720,268)

Pension Plan Fiduciary Net Position—The components of the current-year net pension asset of the employer as of the valuation date, were as follows:

	(Dollars in Thousands)
	ERS
Valuation date	April 1, 2021
Employers' total pension liability	\$ 223,874,888
Plan fiduciary net position	232,049,476
Employers' net pension (asset)	<u>\$ (8,174,588)</u>
System fiduciary net position as a percentage of total pension liability	103.7%

Discretely Presented Component Units

i.) Columbia County Soil and Water Conservation District (“District”)

Plan Description and Benefits Provided

Employees’ Retirement System—The District also participates in the ERS. The plan description is the same as disclosed within the County’s primary government section of this footnote.

Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2022, the District reported an asset of \$35,499 for its proportionate share of the net pension asset. At March 31, 2022, the District’s proportion was 0.0004343 percent of the ERS asset.

For the year ended December 31, 2022, the District recognized pension expense of \$9,644. At December 31, 2022, the District reported deferred outflows of resources and inflows of resources related to pensions as shown on the following page.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	
Differences between expected and actual experiences	\$ 2,688	\$ 3,487
Changes in assumptions	59,243	1,000
Net difference between projected and actual earnings on pension plan investments	-	116,243
Changes in proportion and differences between the District's contributions and proportionate share of contributions	35,423	8,797
Total	<u>\$ 97,354</u>	<u>\$ 129,527</u>

Deferred outflows of resources and deferred inflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. 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 Ending December 31,	ERS
2023	\$ (1,266)
2024	(5,414)
2025	(24,076)
2026	(1,417)

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The following chart represents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 5.9%, as well as what the District's proportionate share of the net pension liability/(asset) would be if they were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage point higher (6.9%) than the current assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 91,373	\$ (35,499)	\$ (141,620)

The actuarial assumptions, asset allocations and pension plan fiduciary net position are the same as those disclosed for the System within the County's portion of the footnote.

8. OTHER POSTEMPLOYMENT BENEFITS ("OPEB") OBLIGATION

Plan Description—In addition to providing pension benefits, the County provides certain health care benefits for retired employees of the County. The County administers the retirement benefits plan as a single-employer defined benefit other postemployment benefit plan.

In general, the County pays a percent of the premium for medical coverage for the retiree and spouse for the lifetime of the retiree based on the retiree's years of service at retirement. Substantially all of the County's employees may become eligible for this benefit if they retire with 10 years of credited service to the County.

The retirement plan can be amended by action of the County, subject to applicable collective bargaining and employment agreements. Benefit payments are recognized when due and payable in accordance with the benefit terms. The cost of retiree health care benefits is recognized as an expenditure as premiums are paid within the governmental funds.

Employees Covered by Benefit Terms—As of the January 1, 2021 valuation date, the following employees were covered by the benefit terms:

Active employees	697
Inactive employees or beneficiaries currently receiving benefit payments	<u>486</u>
Total	<u>1,183</u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“UAAL”) under GASB Statement No. 45.

Total OPEB Liability

The County’s total OPEB liability for governmental and business-type activities of \$124,121,554 and \$2,209,608, respectively, was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2021.

Actuarial Methods and Assumptions—Calculations are based on the types of benefits provided under the terms of the substantive plan, the plan as understood by the employer and the plan members, at the time of the valuation and on the pattern of cost sharing between the employer and plan members. The projection of benefits does not incorporate the potential effect of a change in the pattern of cost sharing between the employer and plan members in the future. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2021 actuarial valuation, the entry age normal actuarial cost method, over a level percent of pay was used. The single discount rate changed from 2.12% effective January 1, 2021 to 2.06% effective December 31, 2021. The salary scale assumed to increase at 3.0% per year. The mortality projection scale MP-2021 is on a fully generational basis, was used for mortality rates. The 2020 New York State Employees’ Retirement System rates were used for retirement rates. In order to estimate the change in the cost of healthcare, the actuaries healthcare cost trend rate used is 5.0%, while the ultimate healthcare cost trend rate is 3.0%.

Changes in the Total OPEB Liability—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	<u>Total OPEB Liability</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Balances at December 31, 2021	<u>\$ 116,242,751</u>	<u>\$ 2,011,530</u>
Changes for the year:		
Service cost	6,025,760	112,296
Interest	2,564,891	45,016
Changes in assumptions and other inputs	1,823,628	85,902
Benefit payments	<u>(2,535,476)</u>	<u>(45,136)</u>
Net changes	<u>7,878,803</u>	<u>198,078</u>
Balances at December 31, 2022	<u>\$ 124,121,554</u>	<u>\$ 2,209,608</u>

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the total OPEB liability. The following table presents the effect a 1% change in the discount rate assumption would have on the total OPEB liability:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Governmental activities:			
Total OPEB liability	\$ 147,072,139	\$ 124,121,554	\$ 105,983,093
Business-type activities:			
Total OPEB liability	\$ 2,618,174	\$ 2,209,608	\$ 1,886,708

Additionally, healthcare costs can be subject to considerable volatility over time. The table below presents the effect on the total OPEB liability of a 1% change in initial (5.0%) and ultimate (3.0%) healthcare cost trend rates.

	1% Decrease (4.0% / 2.0%)	Healthcare Cost Trend Rates (5.0% / 3.0%)	1% Increase (6.0% / 4.0%)
Governmental activities:			
Total OPEB liability	\$ 102,339,470	\$ 124,121,554	\$ 152,869,591
Business-type activities:			
Total OPEB liability	\$ 1,821,844	\$ 2,209,608	\$ 2,721,380

Funding Policy—Contributions by the primary government may vary according to length of service. The cost of providing postemployment health care benefits is shared between the County and the retired employee. Substantially all employees may become eligible for those benefits if they reach normal retirement age and length of service requirement while working for these entities. The cost of retiree health care benefits is recognized as an expense/expenditure as premiums are paid within the governmental and enterprise funds. For the year ended December 31, 2022, the County’s governmental and business-type activities recognized OPEB expense of \$10,929,746 and \$155,388, respectively.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The County reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability. The table below presents the County’s deferred outflows of resources and deferred inflows of resources at December 31, 2022.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experience	\$ 777,992	\$ 13,850	\$ -	\$ -
Changes in assumptions and other inputs	12,468,807	221,969	4,257,816	75,798
Benefit payments subsequent to the measurement date	2,093,128	37,262	-	-
Total	<u>\$ 15,339,927</u>	<u>\$ 273,081</u>	<u>\$ 4,257,816</u>	<u>\$ 75,798</u>

The County's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Governmental Activities	Business-type Activities
2023	\$ 2,296,292	\$ 40,879
2024	1,931,185	34,379
2025	1,566,080	27,879
2026	1,900,268	33,829
2027 and thereafter	1,295,158	23,055

9. RISK MANAGEMENT

The County is exposed to various risks of loss related to property damage and destruction of assets, vehicle liability, injuries to employees, and unemployment insurance. The County purchases commercial insurance to cover such potential risks. The County purchases insurance for general liability, cyber liability, automobile, property, public officials, law enforcement, excess catastrophe liability, and inland marine. The general liability insurance is limited to \$1 million per occurrence and an aggregate \$3 million limit. All other policies have limits ranging from \$1 million to \$20 million. The County has not incurred claims over the respective coverage limits in any of the last three fiscal years.

The County sponsors and participates in a self-insurance plan for workers' compensation under Local Law No. 1 and 2 of 1956, pursuant to Article 5 of the Workers' Compensation Law. The plan is open to any eligible municipality, school district, or public entity within the County. At December 31, 2022, there were 23 participating municipalities, including the County. Effective August 1, 2021, the County contracts with the Public Employer Management Association Workers' Compensation & Association ("PERMA"). PERMA collects an annual contribution and is then responsible for all claims of the insurance plan. The County is only liable for additional costs in the event PERMA becomes insolvent.

The County is responsible for administration of the plan and its reserves for the tail coverage period through July 31, 2021. Participant contributions, which are financed on a pay-as-you-go basis, are assessed on an estimated claim basis with excess contributions transferred to the reserve at the end of the fiscal year. Liabilities are recorded when it is probable that a loss has been incurred and the amount of loss can be reasonably estimated. The total liability is recorded at its present value of \$5,810,177 in the government-wide statement of net position. This represents the portion to be liquidated with expendable and available financial resources of the County and other plan participants as of December 31, 2022. This liability is offset by cash reserves accumulated in the fund. The annual contribution to PERMA for the year ended December 31, 2022 was \$2,098,582. The activity of the Plan is recorded in the County's Internal Service Fund.

The County has established an administrative only self-insurance medical plan as of January 1, 2015. The County is also a Pharmaceutical Benefit Manager (PBM) for prescribed medications.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following information supplied by the Plan Administrator represents changes in those aggregate liabilities for the Plan during the past two years:

Year Ended December 31,	Liability, Beginning of Year	Claims and Adjustments	Claim Payments and Adjustments	Liability, End of Year
2022	\$ 5,308,000	\$ 2,600,759	\$ 2,098,582	\$ 5,810,177
2021	11,529,144	1,181,587	7,402,731	5,308,000

10. LEASES

Lease Payable—The County is a lessee for various leases of buildings and equipment. The County recognizes a lease liabilities and intangible right-to-use lease assets (“lease assets”) in the financial statements. The County recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rates charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

During the year ended December 31, 2022, the County entered into long-term, lease agreements as the lessee for the acquisition and use of buildings and equipment. As a result of the implementation of the GASB Statement No. 87, *Leases*, the County now reports those as lease liabilities. As of December 31, 2022, the value of the lease liabilities was \$871,107 in governmental activities. The County is required to make annual principal and interest payments ranging from \$3,118 to \$44,883. The leases have interest rates ranging from 3.00% to 7.47%. The value of the right-to-use lease assets as of the end of the current fiscal year was \$1,057,243, net of accumulated amortization of \$211,448 for governmental activities.

The future principal and interest payments for governmental activities as of December 31, 2022, were as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 258,090	\$ 42,232	\$ 300,322
2024	234,411	30,169	264,580
2025	163,704	19,737	183,441
2026	124,068	10,954	135,022
2027	<u>90,834</u>	<u>3,103</u>	<u>93,937</u>
Total	<u>\$ 871,107</u>	<u>\$ 106,195</u>	<u>\$ 977,302</u>

Discretely Presented Component Units:

i) Columbia Economic Development Corporation (the “Corporation”)

The Corporation is the lessee of office space. The lease commenced on September 1, 2019 and has 2 years until maturity. The lease has a 5 year renewal option which has been included in the liability. The interest rate on the lease is 5.0%. As of December 31, 2022, the value of the lease liability was \$252,099.

11. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriations and expenditure of governmental fund financial resources.

The County’s outstanding long-term liabilities include bonds payable, lease liabilities, compensated absences, workers’ compensation, and other postemployment benefits (“OPEB”) obligation. A summary of changes in the County’s long-term liabilities for the year ended December 31, 2022 is presented below:

	Balance 1/1/2022 (as restated)	Increases/ Reclassifications	Decreases	Balance 12/31/2022	Due Within One Year
Governmental activities:					
Bonds payable:					
Serial bonds	\$ 50,003,540	\$ -	\$ 3,602,577	\$ 46,400,963	\$ 3,432,312
Premiums on serial bonds	1,804,415	-	163,210	1,641,205	163,213
CTASC tobacco settlement bonds	21,116,857	1,093,849	625,000	21,585,706	-
Discount on CTASC bonds	(55,611)	-	(5,859)	(49,752)	-
Total bonds payable	72,869,201	1,093,849	4,384,928	69,578,122	3,595,525
Lease liability	-	1,057,242	186,135	871,107	258,090
Compensated absences*	3,743,667	-	14,282	3,729,385	1,118,816
Workers' compensation	5,308,000	2,600,759	2,098,582	5,810,177	581,018
OPEB obligation	116,242,751	10,414,279	2,535,476	124,121,554	-
Net pension liability*	159,725	-	159,725	-	-
Total governmental activities	\$ 198,323,344	\$ 15,166,129	\$ 9,379,128	\$ 204,110,345	\$ 5,553,449
Business-type activities:					
Bonds payable:					
Serial bonds	\$ 881,460	\$ 3,666,338	\$ 57,422	\$ 4,490,376	\$ 182,688
Premiums on serial bonds	30,170	-	2,464	27,706	2,463
Total bonds payable	911,630	3,666,338	59,886	4,518,082	185,151
EFC financing	4,201,767	-	4,201,767	-	-
Compensated absences*	99,600	-	50	99,550	29,865
OPEB obligation	2,011,530	243,214	45,136	2,209,608	-
Net pension liability*	4,729	-	4,729	-	-
Total business-type activities	\$ 7,229,256	\$ 3,909,552	\$ 4,311,568	\$ 6,827,240	\$ 215,016

*(Reductions to compensated absences and the net pension liability are shown net of additions.)

Serial Bonds—General obligation bonds of the County (not including the CTASC debt) are issued principally as serial bonds, which are due at various times through 2041. The bonds are issued primarily to finance acquisition or construction of capital facilities. General obligation bonds have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. Principal and interest payments are included in the expenditures of the General Fund, County Road Fund, and Road Machinery Fund, while such payments are recorded as a reduction of the liability within for the Solid Waste and Sewer Enterprise Funds.

Under current law, provision is made for contract creditors, including bondholders and noteholders of the County to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment.

On December 6, 2022, the County issued \$3,666,338 in Environmental Facilities Corporations (“EFC”) bonds with interest rates ranging from 3.04 to 4.88 percent. This converted \$4,201,767 of EFC notes payable to long-term financing. Principal payments begin on March 1, 2023, and the bonds mature on March 1, 2052.

A summary of additions and payments for the year ended December 31, 2022 is shown below:

Description	Maturity Date	Interest Rate (%)	Balance 1/1/2022	Increases	Decreases	Balance 12/31/2022
Governmental activities:						
2013A Public Improvement Refunding Bonds	2025	2.00%	\$ 1,375,000	\$ -	\$ 345,000	\$ 1,030,000
2014A Public Improvement Bonds	2037	2.00-3.75%	7,590,000	-	360,000	7,230,000
2016 Public Improvement Refunding Bonds	2032	1.50-4.00%	1,255,000	-	385,000	870,000
2016A Public Improvement Bonds	2031	2.00-3.00%	9,915,000	-	880,000	9,035,000
2016B Public Improvement Bonds	2033	3.13-3.63%	6,862,000	-	488,732	6,373,268
2017 Public Improvement Bonds	2024	2.00%	515,000	-	170,000	345,000
2019A Public Improvement Bonds	2030	2.00-3.00%	1,346,005	-	140,350	1,205,655
2019B Public Improvement Bonds	2041	2.25-5.00%	7,890,000	-	260,000	7,630,000
2019C Public Improvement Bonds	2039	2.13-5.00%	4,750,535	-	183,495	4,567,040
2021 Public Improvement Bonds	2037	2.00-5.00%	8,505,000	-	390,000	8,115,000
Total governmental activities			<u>\$ 50,003,540</u>	<u>\$ -</u>	<u>\$ 3,602,577</u>	<u>\$ 46,400,963</u>
Business-type activities:						
2016B Public Improvement Bonds	2033	3.13-3.63%	\$ 158,000	\$ -	\$ 11,267	\$ 146,733
2019A Public Improvement Bonds	2030	2.00-3.00%	423,995	-	34,650	389,345
2019C Public Improvement Bonds	2039	2.13-5.00%	299,465	-	11,505	287,960
2022 EFC Bonds	2052	3.04-4.88%	-	3,666,338	-	3,666,338
Total business-type activities			<u>\$ 881,460</u>	<u>\$ 3,666,338</u>	<u>\$ 57,422</u>	<u>\$ 4,490,376</u>

CTASC Debt— On December 7, 2000, CTASC issued \$12,510,000 variable rate bonds. These bonds were part of the \$227,130,000 New York Counties Tobacco Trust I, Tobacco Settlement Pass-Through Bonds, Series 2000. The Corporation’s bonds consist of serial bonds maturing in the years 2005 through and including 2015, fixed term bonds maturing in the years 2016 through and including 2019, and flexible term bonds maturing in the years 2020 through and including 2042.

The Corporation’s bonds are secured by the Tobacco Settlement Revenues acquired from the County and by investment earnings on the Liquidity Reserve Account and on other accounts established under the bond agreement. The original issue discount of \$180,390 is being amortized under the interest method over the life of the bonds. Amortization expense for the year ended December 31, 2022 was \$5,859.

On November 29, 2005 the Corporation issued a \$5,644,277 variable rate bonds. This bond issue was part of the \$199,375,348 New York Counties Tobacco Trust V, Tobacco Settlement Pass Through Bonds, Series 2005 N-184. The bonds and interest are not payable until the original TASC Senior Bonds - Series 2000 have been paid off, with maturity dates ranging from 2038 to 2060. As the result of a trapping event that occurred in 2005 and ended in 2009, a one-time payment of \$495,210 was made in 2009, with \$390,781 applied to the principal and \$104,429 applied to the interest. As of December 31, 2022, the outstanding balance of the 2005 bonds without accreted interest was \$5,253,496. As of December 31, 2022, the \$5,253,496 accreted accumulated interest of \$11,387,210. The excess principal paid on the Series 2000 bonds in 2022 above the required scheduled amount was \$625,000. The required schedule shown below assumes that principal payments originally scheduled to be paid in years 2023 to 2030 will be reduced by the \$5,885,000 paid in excess of the required amount through December 31, 2022.

Changes in CTASC bonds payable for the year ended December 31, 2022 are presented as follows:

Description	Year		Balance			Balance 12/31/2022
	Maturity	Yield	1/1/2022	Additions	Deletions	
Series 2000 Tobacco Settlement Bonds	2042	various	\$ 5,570,000	\$ -	\$ 625,000	\$ 4,945,000
Series 2005 Tobacco Settlement Bonds	2060	various	15,546,857	1,093,849	-	16,640,706
Less:						
Bond discount			(55,611)	-	(5,859)	(49,752)
Net Tobacco Settlement Bonds			<u>\$ 21,061,246</u>	<u>\$ 1,093,849</u>	<u>\$ 619,141</u>	<u>\$ 21,535,954</u>

Amortization of Bond Premiums/Discounts—During previous years, the County issued serial bonds and advanced refunding serial bonds which included bond premiums. The premiums are being amortized on a straight-line basis over the life of the bonds. The total unamortized premium of the County as of December 31, 2022 was \$1,641,205 and \$27,706 for governmental and business-type activities, respectively. Additionally, CTASC issued Tobacco Settlement Asset Backed Refunding Bonds during the year ended December 31, 2005 which included a bond discount. The total unamortized discount as of December 31, 2022 was \$49,752.

Lease Liability—The County entered into long-term leases for various buildings and equipment within their governmental activities. The outstanding balance at December 31, 2022 was \$871,107. Refer to Note 10 for additional information related to the County’s leases.

Compensated Absences—As explained in Note 1, compensated absences are recorded in the government-wide and proprietary fund financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees which are included in wages and benefits. The payment of compensated absences is dependent on many factors and, therefore, cannot be reasonably estimated as to future timing of payment. The annual budgets of operating funds provide for such as amounts become payable. The values recorded at December 31, 2022 for governmental and business-type activities are \$3,729,385 and \$99,550, respectively, of which \$1,118,816 and \$29,865 is expected to become due within one year, respectively.

Workers’ Compensation—As explained in Note 9, the County is self-insured for workers’ compensation claims. Liabilities are established for workers’ compensation in accordance with GASB requirements. At December 31, 2022, the County reported \$5,810,177 of workers’ compensation liability related to remaining tail claims incurred prior to August 1, 2021.

OPEB Obligation—As explained in Note 8, the County provides healthcare benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The County’s annual OPEB cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position. The County’s long-term OPEB obligation is estimated to be \$124,121,554 and \$2,209,608 at December 31, 2022 for governmental and business-type activities, respectively.

The following is a maturity schedule of the County’s indebtedness:

Year Ending December 31,	Governmental Activities			
	Serial Bonds	Premiums on Serial Bonds	CTASC Tobacco Settlement Bonds	Discount on CTASC Bonds
2023	\$ 3,432,312	\$ 163,213	\$ -	\$ -
2024	3,535,274	172,579	-	-
2025	3,463,122	110,194	-	-
2026	3,215,971	110,194	-	-
2027	3,323,820	110,194	-	-
2028-2032	16,408,596	535,109	-	-
2033-2037	10,353,386	384,403	2,005,000	-
2038-2042	2,668,482	55,319	2,940,000	-
Thereafter	-	-	16,640,706	(49,752)
Total	<u>\$ 46,400,963</u>	<u>\$ 1,641,205</u>	<u>\$ 21,585,706</u>	<u>\$ (49,752)</u>

(continued)

Year Ending December 31,	Governmental Activities				
	Lease Liability	Compensated Absences	Workers' Compensation	OPEB Obligation	Total
2023	\$ 258,090	\$ 1,118,816	\$ 581,018	\$ -	\$ 5,553,449
2024	234,411	-	-	-	3,942,264
2025	163,704	-	-	-	3,737,020
2026	124,068	-	-	-	3,450,233
2027	90,834	-	-	-	3,524,848
2028-2032	-	-	-	-	16,943,705
2033-2037	-	-	-	-	12,742,789
2038-2042	-	-	-	-	5,663,801
Thereafter	-	2,610,569	5,229,159	124,121,554	148,552,236
Total	<u>\$ 871,107</u>	<u>\$ 3,729,385</u>	<u>\$ 5,810,177</u>	<u>\$ 124,121,554</u>	<u>\$ 204,110,345</u>

(concluded)

Year Ending December 31,	Business-type Activities				
	Serial Bonds	Premiums on Serial Bonds	Compensated Absences	OPEB Obligation	Total
2023	\$ 182,688	\$ 2,463	\$ 29,865	\$ -	\$ 215,016
2024	156,064	2,463	-	-	158,527
2025	161,878	2,463	-	-	164,341
2026	169,029	2,463	-	-	171,492
2027	171,180	2,463	-	-	173,643
2028-2032	811,404	8,093	-	-	819,497
2033-2037	666,614	5,275	-	-	671,889
2038-2042	2,171,519	2,023	-	-	2,173,542
Thereafter	-	-	69,685	2,209,608	2,279,293
Total	<u>\$ 4,490,376</u>	<u>\$ 27,706</u>	<u>\$ 99,550</u>	<u>\$ 2,209,608</u>	<u>\$ 6,827,240</u>

Interest requirements relating to bonds payable and leases are as follows:

Year Ending December 31,	Bonds Payable			Lease Liability	
	Governmental Activities		Business-type	Governmental	
	County	CTASC	Activities	Activities	Total
2023	\$ 1,414,207	\$ 326,381	\$ 140,970	\$ 42,232	\$ 1,555,177
2024	1,299,904	326,381	170,858	30,169	1,470,762
2025	1,181,051	326,381	166,004	19,737	1,347,055
2026	1,068,072	326,381	160,811	10,954	1,228,883
2027	958,886	326,381	155,437	3,103	1,114,323
2028-2032	3,101,128	1,631,906	694,603	-	3,795,731
2033-2037	1,144,201	1,371,353	571,669	-	1,715,870
2038-2042	148,504	506,813	815,586	-	964,090
Total	<u>\$ 10,315,953</u>	<u>\$ 5,141,977</u>	<u>\$ 2,875,938</u>	<u>\$ 106,195</u>	<u>\$ 13,191,891</u>

Discretely Presented Component Units

i) Columbia Economic Development Corporation (the “Corporation”)

The following table summarizes changes in the Corporation’s long-term liabilities for the year ended December 31, 2022:

	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022	Due Within One Year
Loan Payable EIDL	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -
SBA Microloan Program	764,513	400,000	137,747	1,026,766	169,913
Leases	280,587	-	28,488	252,099	29,761
Total long-term liabilities	<u>\$ 1,145,100</u>	<u>\$ 400,000</u>	<u>\$ 166,235</u>	<u>\$ 1,378,865</u>	<u>\$ 199,674</u>

Loan Payable EIDL—In July 2020, the Corporation applied for and received a loan in the amount of \$100,000 from the SBA’s Emergency Injury Disaster Loan (“EIDL”) Program. Interest accrues on the EIDL loan at a fixed rate of 2.75% per annum. The loan has a deferral period of 30 months. Beginning January 2023, the loan agreement requires the Corporation to make 330 monthly payments of \$463, with the first payments received by the SBA going first towards the accrued interest to date until the accrued interest is paid off in full. Once the accrued interest is

paid in full, these monthly payments will then go towards principal and interest. As of December 31, 2022, the Corporation has accrued \$6,690 of interest payable included in accrued expenses on the statement of net position. The Corporation’s board of directors have approved a plan expedite full repayment of the loan over five years beginning January 2023. The EIDL loan matures on July 24, 2050 and is collateralized by all tangible and intangible property of the Corporation, including equipment, accounts receivable, and deposit accounts.

SBA Microloan Program—Since 2003, the Corporation has taken steps toward acquiring the Hudson Development Corporation’s SBA loan portfolio by establishing a small business loan program. The Corporation acquired the SBA loan program in 2008. The loans outstanding, net of an allowance under this program of \$102,182, totaled \$709,726 at December 31, 2022.

Once draws have been made from the SBA, the Corporation pays the SBA back based on an amortization schedule for each specific drawdown. The following shows the combined expected payout of the SBA drawdowns:

<u>December 31,</u>	<u>Balance</u>
2023	\$ 169,913
2024	144,797
2025	144,797
2026	132,574
2027	108,130
Thereafter	<u>326,555</u>
Total	<u>\$ 1,026,766</u>

Lease Liability—As explained in Note 10, the Corporation entered into long-term leases for office space. At December 31, 2022, the outstanding balance is \$252,099.

12. NET POSITION AND FUND BALANCE

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net Investment in Capital Assets**—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation/amortization and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. A reconciliation of the County’s governmental activities and business-type activities net investment in capital assets is presented below.

Governmental Activities:

Capital assets, net of accumulated depreciation/amortization	\$ 87,910,759
Less related debt:	
Serial bonds—County	\$ (46,400,963)
Unamortized bond premium—County	(1,641,205)
Serial bonds—CTASC	(21,585,706)
Unamortized bond discount—CTASC	49,752
Lease liability	(871,107)
Capital Projects Fund accounts payable	<u>(2,214,556)</u>
Unspent debt proceeds	5,992,979
Net investment in capital assets	<u>\$21,239,953</u>

Business-type Activities:

Capital assets, net of accumulated depreciation		\$ 9,412,150
Less related debt:		
Serial bonds	\$ (4,490,376)	
Unamortized bond premium	(27,706)	
Due to other funds to be financed with debt	<u>(1,556,093)</u>	(6,074,175)
Unspent proceeds of debt		<u>519,804</u>
Net investment in capital assets		<u>\$ 3,857,779</u>

- **Restricted Net Position**—This category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The total restricted component of net position is \$8,926,012, of which \$4,915,260 is restricted for tax stabilization; \$1,946,173 for debt service; \$1,398,370 for capital projects and \$666,209 for other restrictions.
- **Unrestricted Net Position**—This category represents net position of the County not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the County at December 31, 2022 is presented below.

- **Prepaid Items**—Represents amounts prepaid to the retirement system that are applicable to future accounting periods. The General Fund and nonmajor funds reported amounts of \$1,235,452 and \$153,633, respectively, at December 31, 2022.
- **Inventories**—Represents the portion of fund balance, \$57,826, comprised of inventory and is nonspendable in the General Fund because inventory is not an available spendable resource.
- **Long-term Interfund Loan**—Represents the portion of fund balance composed of interfund receivables in the General Fund, due from the Solid Waste Fund, in the amount of \$1,002,075 are not expected to be realized within the subsequent year.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grants, contributors, or laws and regulations of other governments) through constitutional provisions or enabling legislation. The following table presents restricted fund balances of the County as of December 31, 2022.

	General Fund	Nonmajor Governmental Funds	Total
Restricted for:			
Tax stabilization	\$ 4,915,260	\$ -	\$ 4,915,260
Capital projects	-	5,176,793	5,176,793
Debt service	-	1,946,173	1,946,173
Other	<u>534,708</u>	<u>-</u>	<u>534,708</u>
Total restricted fund balance	<u>\$ 5,449,968</u>	<u>\$ 7,122,966</u>	<u>\$ 12,572,934</u>

- **Restricted for Tax Stabilization**—According to General Municipal Law Section 6-e, this restriction must be used to finance certain unanticipated revenue losses or unanticipated expenditures chargeable to the “eligible portion of the annual budget,” and to lessen or prevent projected increases in excess of 2.5 percent of the amount of the real property tax levy needed to finance the eligible portion of the annual budget.
- **Restricted for Capital Projects**—Represents reserves established within the Capital Projects Fund which will be used to pay for the costs of future capital expenditures.
- **Restricted for Debt Service**—Represents reserves which will be used for the reduction of future debt service requirements.
- **Restricted for Other**—Represents fund balance in the General Fund which has been restricted for opioid funding and other purposes.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the County’s highest level of decision-making authority. As of December 31, 2022, the County reported no committed fund balance.

In the fund financial statements, assignments are not legally required segregations, but are subject to a purpose constraint that represents an intended use established by the County’s Board of Supervisors, or by its designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

As of December 31, 2022, the County reported the following fund balances assignments:

	General Fund	Nonmajor Governmental Funds	Total
Assigned for:			
Encumbrances	\$ 281,667	\$ 776,851	\$ 1,058,518
Subsequent year's expenditures	2,700,000	1,000,000	3,700,000
Capital projects	1,553,067	-	1,553,067
Federal salary share	348,842	-	348,842
Specific use	-	665,197	665,197
Total assigned fund balance	<u>\$ 4,883,576</u>	<u>\$ 2,442,048</u>	<u>\$ 7,325,624</u>

- **Assigned to Encumbrances**—Represents commitments related to unperformed contracts or purchase orders for goods or services.
- **Assigned to Subsequent Year’s Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2023 fiscal year.
- **Assigned to Capital Projects**—Represents available fund balance within the General Fund to be used for upcoming projects.
- **Assigned to Federal Salary Share**—Represents monies to be used to pay the County’s federal salary share.
- **Assigned to Specific Use**—Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignments’ purpose relates to each fund’s operations and represent the remaining amounts within funds that are not restricted or committed.

It is the County’s policy to expend fund balances in the following order: nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

13. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. With the exception of an interfund loan between the General and Solid Waste Fund, all interfund balances are expected to be collected/paid within the subsequent year. Interfund transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification. The composition of interfund balances as of December 31, 2022 is shown in the table below:

Fund	Interfund	
	Receivable	Payable
Governmental funds:		
General Fund	\$ 4,110,172	\$ 339,564
Nonmajor governmental funds	122,763	1,224,551
Proprietary funds:		
Solid Waste Fund	35,017	2,558,168
Sewer Fund	3,027	412,158
Water Fund	214,492	-
Internal Service Fund	50,009	5,327
Fiduciary funds:		
Custodial Fund	9,808	5,520
Total	<u>\$ 4,545,288</u>	<u>\$ 4,545,288</u>

The long-term interfund loan balance between the General Fund and the Solid Waste Fund of \$1,002,075 has grown consistently without repayment over the past few years. This loan is not expected to be repaid in the short-term and is reported within nonspendable fund balance in the General Fund.

Transfers are used primarily to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute of budget required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the fund making payments when due, and (3) move cash to fund capital projects spending.

The County made the following transfers during the year ended December 31, 2022:

Transfers out:	Capital Projects Fund	Road Machinery Fund	Total
Governmental funds:			
General Fund	<u>\$ 4,446,933</u>	<u>\$ 250,000</u>	<u>\$ 4,696,933</u>

14. RELATED PARTY TRANSACTIONS

The following schedule presents significant transactions between the primary government and its component units during the year ended December 31, 2022:

Component Unit	Amount	Nature of Transaction
Columbia Soil and Water	\$ 474,000	Operating support
Columbia Economic Development Corporation	460,000	Operating support
Total	<u>\$ 934,000</u>	

During the year ended December 31, 2021, The County entered into an agreement with the Columbia Economic Development Corporation (the “Corporation”) related to broadband access. During the year ended December 31, 2022, the County paid \$38,000 to the Corporation in the form of a grant. As of December 31, 2022, \$18,000 is included in accounts payable on the statement of net position.

During the year ended December 31, 2022, the County entered into an agreement with the Corporation to administer an initiative referred to as “Columbia Forward”. The purpose of this initiative is to assist small businesses throughout the County and was funded by American Rescue Plan Act grant money which was received by the County. The contract calls for the Corporation to receive \$200,000 in year one and \$150,000 in years two and three, subject to annual review and approval. \$50,000 of the year one payment is to be used to provide grants to the Corporation’s loan clients during the three-year period. The program is being administered through partnership with the Columbia County Chamber of Commerce (the “Chamber”). The Corporation will share with the Chamber \$65,000 per year for the three-year contract. During the year ended December 31, 2022, the Corporation paid \$65,000 per year for the three year contract. During the year ended December 31, 2022, the Corporation paid \$65,000 to the Chamber.

During the year ended December 31, 2022, the Columbia County Industrial Development Agency (the “Agency”) acted as the administrator for the County to sell a piece of land in Commerce Park to an individual for \$90,000. The purchaser paid the Agency net proceeds of \$88,490, after legal fees incurred. The County directed the Agency to remit the proceeds from the sale of land to the Columbia County Economic Development Corporation.

Discretely Presented Component Units

i) Columbia Economic Development Corporation (the “Corporation”)

During the year ended December 31, 2022, the Corporation received \$24,000 in administrative fees from Columbia County Industrial Development Agency. During 2022, the Corporation paid \$3,571 to Columbia County Capital Resource Corporation in the form of a grant. As of December 31, 2022, \$6,000 was due from the Columbia County Industrial Development Agency.

ii) Columbia County Industrial Development Agency (the “IDA”)

The Columbia County Industrial Development Agency (the “Agency”) has participated in Commerce Center Land Sales with the Columbia Economic Development Corporation (the “Corporation”). The Agency performed an administrative role in the transfer of the land and in accordance with agreements with the Corporation, received a stipend, called fees from sale of land.

15. JOINT VENTURE

Columbia County has entered into a joint venture with Greene County in the operation of Columbia-Greene Community College (the “College”) in accordance with the provisions of Article 126 of the Education Law. Columbia-Greene is not a component unit, and therefore is not included in the financial statements.

Columbia County’s share of operating costs for this joint venture totaled \$3,339,641 for the year ended December 31, 2022.

In May 2018, a resolution was passed by the County Board to commit up to \$5,000,000 to Columbia Greene Community College for capital improvements. In June 2018 the County issued bond anticipation notes (“BANs”) for \$5,350,000 of which \$1,600,000 was for the college to cover this commitment. As of December 31, 2019, these BANs were redeemed by proceeds of serial bonds in the amount of \$8,375,000 of which \$4,955,141 is for the college to cover the above commitment. As of December 31, 2022, the College has spent \$3,908,766 of that amount.

16. LABOR CONTRACTS

The County’s employees operate under four collective bargaining units, with the balance governed by County rules and regulations. The Columbia County Corrections Officer’s Benevolent Association and the Columbia County Deputy Sheriff’s Benevolent Association have contracts that are negotiated through December 31, 2023. The United Public Service Employees Union and the Columbia County 911 Dispatchers Benevolent Association have contracts that are negotiated through December 31, 2025.

17. TAX ABATEMENTS

The County is subject to tax abatements granted by the Columbia County Industrial Development Agency (“CCIDA”), the Hudson IDA, and other local governments. These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the IDAs and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the County, the abatements have resulted in reductions of property taxes, which the County 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 percent. Under the agreements entered into by CCIDA, the County collected \$33,520 during 2022 in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$49,067 in property taxes.

18. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Open encumbrances are reported as an assignment of fund balance since such commitments will be honored through budget appropriations in the subsequent year.

The County considers encumbrances significant if they are in excess of \$50,000. As of December 31, 2022, the significant encumbrances of the County are shown below:

Fund	Purpose	Amount Encumbered
Governmental Funds:		
General Fund	Bus Purchase	\$ 177,200
General Fund	Truck Purchase	77,971
County Road Fund	Dump Trucks (2)	306,658
County Road Fund	Dump Trucks (2)	233,073
County Road Fund	Boom Mower	181,243
Road Machinery Fund	Truck Purchase	55,877

19. CONTINGENCIES

Grants—The County receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions, specified in the grant agreements and is subject to audit. Any disallowed expenditure resulting from such audits could become a liability of the governmental funds. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Litigation—The County is a defendant in a number of lawsuits. In the opinion of the County Attorney, after considering all relevant facts, such litigation in the aggregate will not have a material adverse effect on the financial position or results of operations of the County.

Workers' Compensation Program—Effective August 1, 2021, the County has contracted with a third party responsible to administer all workers' compensation claims of the County's Workers' Compensation Pool Plan (the "Pool"). The annual contribution to the third party for the year ended December 31, 2022 to oversee all claims of the Pool was \$2,098,582. Prior to August 1, 2021, the County was the administrator of the self-insurance plan against obligations with respect to workers' compensation law as a member of the Pool. Twenty-three member entities comprise the Pool which is funded through annual assessments to each member made on a loss experience basis. The entities participate in this program based on estimates of the amounts needed to pay prior and current year claims and to establish appropriate reserves. The County is the predominant participant in the Pool. As of August 1, 2021, a significant number of claims remained outstanding (referred to as "Tail Claims"). Management estimates calculated as of December 31, 2022 indicate a discounted liability of \$5,810,177 on those tail claims. The liability was discounted at a rate of 2.0% based on the historical settlement rate for the workers' compensation liability. This liability is offset by cash reserves accumulated in the fund, which will benefit all participants in future years.

Discretely Presented Component Units

i) Columbia Economic Development Corporation (the "Corporation")

Commerce Park Land—Beginning in 2005, Columbia County initiated a program to sell undeveloped land it owns in Commerce Park through a component unit, the Columbia County IDA. CEDC works directly with the buyer on the County's behalf. CEDC receives a deposit from the buyer and in turn uses this money to pay for surveying and legal fees associated with the transfer of the land.

CEDC recognizes a receivable for the sales price due from the buyer and a liability to the County for the same amount. The CCIDA plays an administrative role in the transfer of the land. CEDC retains the interest portion earned on land sale receivables as payment for servicing the loans and the remaining principal portion is forwarded to the County.

In 2008 and only for 2008, the CEDC retained the principal and interest payments, as agreed upon with the County, to assist the County with the possible future construction of a water tower in Commerce Park. The principal forgiven during 2008 was recognized as revenue.

In June 2016, the Corporation sold land in the Commerce Park to a local individual for \$50,000, with \$4,500 being paid to the Corporation as a deposit in 2015. The Corporation received a \$45,500 five-year note at 4.5% per annum with payments commencing on June 8, 2017. The note provided for an annual payment of \$10,365 of principal and interest, with a final payment due to the Corporation on June 8, 2021. During the year ended December 31, 2020, the Corporation approved a deferral of loan payments extending the maturity date to June 8, 2022. During the year ended December 31, 2022, the loan was repaid in full. The principal portion, \$48,889, of the note, net of legal fees of \$1,111, normally remitted to the County was recognized as revenue during the year ended December 31, 2016. The County asked CEDC to retain the principal portion as restricted net position to be used as directed by the County in the future.

During the year ended December 31, 2022, Lot 8 in Commerce Park was sold by CCIDA. The sale resulted in net proceeds of \$88,400 which the County then granted to CEDC. In December 2022, the County requested CEDC purchase property located on Route 9H in the Town of Ghent. The County approved the use of the “county directed” and “commerce part water tower” restricted funds which totaled \$120,706 plus the net proceeds of \$88,400 from the sale of Lot 8 by IDA be used to finance the property purchase. The property was purchased by CEDC for \$232,990.

CEDC at the County’s direction plans to hold the land for future County facility development. If the County decides not to build on the land, CEDC would market the property to a third-party. The County has directed the land be restricted until it determines what it will be used for in the future.

Employee Retention Credit—During the year ended December 31, 2022, the Corporation recorded \$40,236 in grant revenue from the employee retention credit which is recorded in accounts receivable as of December 31, 2022. The grant payment was subsequently received in March 2023.

ii) Columbia County Industrial Development Agency (the “Agency”)

Concentrations—During the year ended December 31, 2022, total revenue was comprised 92% of application fees from one source. During the year ended December 31, 2021, total revenue was comprised of 65% and 17%, respectively, of administration fees and application fees, each from one source.

20. SUBSEQUENT EVENTS

On August 9, 2023, the Board of Supervisors voted to purchase the building located at 11 Warren Street, Hudson, for \$3,350,000. The purchase is being financed with \$1,000,000 of ARPA funds and \$2,350,000 from available fund balance.

Management has evaluated subsequent events through September 29, 2023, which is the date the financial statements are available for issuance, and have determined, except as disclosed above, there are no subsequent events that require disclosure under generally accepted accounting principles.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF COLUMBIA, NEW YORK
Schedule of the Local Government's Proportionate Share of the
Net Pension Liability/(Asset)—Employees' Retirement System
Last Nine Fiscal Years*

	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Plan fiduciary net position as a percentage of the total pension liability	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%
Governmental Activities:									
County's proportion of the net pension liability/(asset)	0.1518360%	0.1604907%	0.1604814%	0.1590900%	0.1543298%	0.1760672%	0.1827787%	0.1096274%	0.1096274%
County's proportionate share of the net pension liability/(asset)	\$ (12,411,966)	\$ 159,725	\$ 42,496,397	\$ 11,272,009	\$ 4,980,907	\$ 16,543,670	\$ 28,915,417	\$ 5,071,485	\$ 6,783,798
County's covered-employee payroll	\$ 42,417,285	\$ 41,372,364	\$ 39,595,138	\$ 40,820,006	\$ 39,719,104	\$ 38,298,377	\$ 39,668,380	\$ 31,862,704	\$ 31,225,450
County's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	(29.3%)	0.4%	107.3%	27.6%	12.5%	43.2%	72.9%	15.9%	21.7%
Business-type Activities:									
County's proportion of the net pension liability/(asset)	0.0052750%	0.0047523%	0.4276900%	0.0035517%	0.0027050%	0.0030355%	0.0031512%	0.0018900%	0.0018900%
County's proportionate share of the net pension liability/(asset)	\$ (431,202)	\$ 4,729	\$ 1,132,555	\$ 251,648	\$ 87,303	\$ 285,219	\$ 422,360	\$ 1,115,959	\$ 1,492,746
County's covered-employee payroll	\$ 1,231,632	\$ 1,207,482	\$ 1,133,455	\$ 1,046,447	\$ 983,616	\$ 967,903	\$ 4,664,636	\$ 7,011,252	\$ 6,871,027
County's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	(35.0%)	0.4%	99.9%	24.0%	8.9%	29.5%	9.1%	15.9%	21.7%

*Information prior to the year ended December 31, 2014 is not available.

COUNTY OF COLUMBIA, NEW YORK
Schedule of the Local Government's Contributions—
Employees' Retirement System
Last Nine Fiscal Years*

	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<i>Governmental Activities:</i>									
Contractually required contributions	\$ 4,930,188	\$ 6,267,267	\$ 5,845,828	\$ 5,641,264	\$ 5,481,311	\$ 5,571,029	\$ 6,126,264	\$ 6,745,002	\$ 7,623,025
Contributions in relation to the contractually required contribution	<u>(4,930,188)</u>	<u>(6,267,267)</u>	<u>(5,845,828)</u>	<u>(5,641,264)</u>	<u>(5,481,311)</u>	<u>(5,571,029)</u>	<u>(6,126,264)</u>	<u>(6,745,002)</u>	<u>(7,623,025)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 42,841,458	\$ 41,786,088	\$ 39,991,089	\$ 41,228,206	\$ 40,116,295	\$ 38,681,361	\$ 40,065,064	\$ 32,181,331	\$ 31,537,704
Contributions as a percentage of covered-employee payroll	11.5%	15.0%	14.6%	13.7%	13.7%	14.4%	15.3%	21.0%	24.2%
<i>Business-type Activities:</i>									
Contractually required contributions	\$ 152,480	\$ 193,833	\$ 180,799	\$ 174,472	\$ 169,525	\$ 172,300	\$ 189,472	\$ 208,608	\$ 235,764
Contributions in relation to the contractually required contribution	<u>(152,480)</u>	<u>(193,833)</u>	<u>(180,799)</u>	<u>(174,472)</u>	<u>(169,525)</u>	<u>(172,300)</u>	<u>(189,472)</u>	<u>(208,608)</u>	<u>(235,764)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 1,243,948	\$ 1,219,557	\$ 1,144,790	\$ 1,056,911	\$ 993,452	\$ 977,582	\$ 4,711,282	\$ 7,081,365	\$ 6,939,737
Contributions as a percentage of covered-employee payroll	12.3%	15.9%	15.8%	16.5%	17.1%	17.6%	4.0%	2.9%	3.4%

*Information prior to the year ended December 31, 2014 is not available.

COUNTY OF COLUMBIA, NEW YORK
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
Last Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental Activities					
Total OPEB liability					
Service cost	\$ 6,025,760	\$ 5,290,055	\$ 4,090,234	\$ 4,557,652	\$ 3,754,022
Interest	2,564,891	2,948,944	3,735,155	3,212,443	3,137,961
Differences between expected and actual experience	-	-	-	1,563,817	-
Changes of assumptions or other inputs	1,823,628	6,960,023	9,992,727	(9,278,612)	4,737,705
Benefit payments	<u>(2,535,476)</u>	<u>(2,609,842)</u>	<u>(2,367,359)</u>	<u>(1,761,046)</u>	<u>(1,945,807)</u>
Net changes in total OPEB liability	7,878,803	12,589,180	15,450,757	(1,705,746)	9,683,881
Total OPEB liability—beginning	<u>116,242,751</u>	<u>103,653,571</u>	<u>88,202,814</u>	<u>89,908,560</u>	<u>80,224,679</u>
Total OPEB liability—ending	<u>\$ 124,121,554</u>	<u>\$ 116,242,751</u>	<u>\$ 103,653,571</u>	<u>\$ 88,202,814</u>	<u>\$ 89,908,560</u>
Plan fiduciary net position					
Contributions—employer	\$ 2,535,476	\$ 2,609,842	\$ 2,367,359	\$ 1,761,046	\$ 1,945,807
Benefit payments	<u>(2,535,476)</u>	<u>(2,609,842)</u>	<u>(2,367,359)</u>	<u>(1,761,046)</u>	<u>(1,945,807)</u>
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's net OPEB liability—ending	<u>\$ 124,121,554</u>	<u>\$ 116,242,751</u>	<u>\$ 103,653,571</u>	<u>\$ 88,202,814</u>	<u>\$ 89,908,560</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
County's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Business-type Activities					
Total OPEB liability					
Service cost	\$ 112,296	\$ 97,940	\$ 79,250	\$ 90,962	\$ 73,827
Interest	45,016	53,605	65,042	63,787	61,711
Changes of assumptions or other inputs	85,902	46,203	248,866	(373,808)	93,172
Benefit payments	<u>(45,136)</u>	<u>(45,158)</u>	<u>(42,457)</u>	<u>(40,848)</u>	<u>(38,266)</u>
Net changes in total OPEB liability	198,078	152,590	350,701	(259,907)	190,444
Total OPEB liability—beginning	<u>2,011,530</u>	<u>1,858,940</u>	<u>1,508,239</u>	<u>1,768,146</u>	<u>1,577,702</u>
Total OPEB liability—ending	<u>\$ 2,209,608</u>	<u>\$ 2,011,530</u>	<u>\$ 1,858,940</u>	<u>\$ 1,508,239</u>	<u>\$ 1,768,146</u>
Plan fiduciary net position					
Contributions—employer	\$ 45,136	\$ 45,158	\$ 42,457	\$ 40,848	\$ 38,266
Benefit payments	<u>(45,136)</u>	<u>(45,158)</u>	<u>(42,457)</u>	<u>(40,848)</u>	<u>(38,266)</u>
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's net OPEB liability—ending	<u>\$ 2,209,608</u>	<u>\$ 2,011,530</u>	<u>\$ 1,858,940</u>	<u>\$ 1,508,239</u>	<u>\$ 1,768,146</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
County's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

*Information prior to the year ended December 31, 2018 is not available.

COUNTY OF COLUMBIA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Real property taxes	\$ 32,149,031	\$ 32,149,031	\$ 32,296,111	\$ 147,080
Other property tax items	2,169,000	2,169,000	1,884,114	(284,886)
Non-property tax items	51,715,000	52,003,910	65,722,318	13,718,408
Departmental income	10,619,941	10,619,941	9,419,241	(1,200,700)
Intergovernmental charges	220,250	220,250	178,426	(41,824)
Use of money and property	322,854	322,854	917,434	594,580
Licenses and permits	10,000	10,000	11,195	1,195
Fines and forfeitures	77,000	77,000	85,027	8,027
Sale of property and compensation for loss	85,000	153,933	55,680	(98,253)
Miscellaneous	503,750	504,250	1,214,804	710,554
State aid	19,763,410	20,628,173	19,076,324	(1,551,849)
Federal aid	14,447,968	16,447,213	13,989,569	(2,457,644)
Total revenues	<u>132,083,204</u>	<u>135,305,555</u>	<u>144,850,243</u>	<u>9,544,688</u>
EXPENDITURES				
Current:				
General government support	30,117,464	30,137,371	32,943,321	(2,805,950)
Education	4,474,641	4,474,641	4,447,445	27,196
Public safety	17,024,707	18,053,983	16,858,834	1,195,149
Health	16,170,883	17,397,654	13,894,796	3,502,858
Transportation	671,165	706,498	596,735	109,763
Economic assistance and opportunity	38,623,024	39,126,041	35,414,151	3,711,890
Culture and recreation	2,714,171	2,897,218	2,739,638	157,580
Home and community services	1,597,543	1,822,543	1,794,587	27,956
Employee benefits	18,066,602	18,066,602	18,972,877	(906,275)
Debt service:				
Principal	2,091,036	2,091,036	2,355,669	(264,633)
Interest and other fiscal charges	782,313	782,313	796,922	(14,609)
Total expenditures	<u>132,333,549</u>	<u>135,555,900</u>	<u>130,814,975</u>	<u>4,740,925</u>
Excess (deficiency) of revenues over expenditures	<u>(250,345)</u>	<u>(250,345)</u>	<u>14,035,268</u>	<u>14,285,613</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(37,500)	(37,500)	(4,696,933)	(4,659,433)
Leases issued	-	-	1,057,242	1,057,242
Total other financing sources (uses)	<u>(37,500)</u>	<u>(37,500)</u>	<u>(3,639,691)</u>	<u>(3,602,191)</u>
Net change in fund balances*	(287,845)	(287,845)	10,395,577	10,683,422
Fund balances—beginning, as restated	<u>31,521,210</u>	<u>31,521,210</u>	<u>31,521,210</u>	<u>-</u>
Fund balances—ending	<u>\$ 31,233,365</u>	<u>\$ 31,233,365</u>	<u>\$ 41,916,787</u>	<u>\$ 10,683,422</u>

* The net change in fund balances was included in the budget as a re-appropriation of prior year encumbrances.

The notes to the required supplementary information are an integral part of this schedule.

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COUNTY OF COLUMBIA, NEW YORK
Notes to the Required Supplementary Information
Year Ended December 31, 2022

1. OPEB LIABILITY

Changes of Assumptions—The rate used to discount future plan cash flows decreased from 2.12% to 2.06% based on a review of a 20-year high-quality tax-exempt municipal bond index as of the December 31, 2021 measurement date. The mortality projection scale MP-2021 is on a fully generational basis, was used for mortality rates. The 2020 New York State Employees' Retirement System rates were used for retirement rates. In order to estimate the change in the cost of healthcare, the actuaries healthcare cost trend rate used is 5.0%, while the ultimate healthcare cost trend rate is 3.0%.

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except the Capital Projects Fund, the Special Revenue Fund and the Special Grant Fund. The Capital Projects Fund, Special Revenue Fund and Special Grant Fund appropriations are not included in the County's annual budget. Instead appropriations are approved through a County Board of Supervisors resolution at the grant/funding/project's inception and lapse upon completion/termination of the grant/funding/project.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations between separate funds and departments require the approval of the County Board of Supervisors. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the functional classification.

Actual results of operations presented in accordance with GAAP and the County's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements.

During the year ended December 31, 2022, total General Fund expenditures exceeded the adjusted budget, including the items shown below:

- General Fund general government support expenditures exceed the final budget by \$2,805,950. This difference was a result of the distribution of sales tax exceeding the final budget.
- General Fund employee benefit expenditures were higher than the final budget by \$906,275 due to contributions to the New York State Employee Retirement System exceeding the final budget.
- General Fund principal and interest charges were higher than the final budget by \$264,633 and \$14,609, respectively, as a result of payments on debt not included in the budget.
- General Fund transfers out were higher than the final budget by \$4,659,433 due to a transfer to the Capital Projects Fund which was not included in the final budget.

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SUPPLEMENTARY INFORMATION

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COUNTY OF COLUMBIA, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2022

	Capital Projects Fund	County Road Fund	Road Machinery Fund	Special Revenue Fund	Special Grant Fund	Columbia Tobacco Asset Securitization Corporation	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	\$ -	\$ 3,213,086	\$ 22,584	\$ 141,845	\$ 100	\$ 26,894	\$ 3,404,509
Restricted cash and cash equivalents	5,992,979	-	-	-	-	-	5,992,979
Restricted investments	-	-	-	-	-	1,011,408	1,011,408
Accounts receivable	-	3,180	324,739	-	-	947,212	1,275,131
Due from other funds	13,611	103,043	6,109	-	-	-	122,763
Intergovernmental receivables	1,384,759	341,829	-	-	-	-	1,726,588
Prepaid items	-	128,159	25,474	-	-	-	153,633
Total assets	<u>\$ 7,391,349</u>	<u>\$ 3,789,297</u>	<u>\$ 378,906</u>	<u>\$ 141,845</u>	<u>\$ 100</u>	<u>\$ 1,985,514</u>	<u>\$ 13,687,011</u>
LIABILITIES							
Accounts payable	\$ 2,214,556	\$ 334,250	\$ 121,735	\$ 1,504	\$ -	\$ 12,447	\$ 2,684,492
Accrued liabilities	-	216,702	33,316	-	-	-	250,018
Due to other funds	-	834,396	389,078	1,077	-	-	1,224,551
Total liabilities	<u>2,214,556</u>	<u>1,385,348</u>	<u>544,129</u>	<u>2,581</u>	<u>-</u>	<u>12,447</u>	<u>4,159,061</u>
FUND BALANCES (DEFICIT)							
Nonspendable	-	128,159	25,474	-	-	-	153,633
Restricted	5,176,793	-	-	-	-	1,946,173	7,122,966
Assigned	-	2,275,790	-	139,264	100	26,894	2,442,048
Unassigned	-	-	(190,697)	-	-	-	(190,697)
Total fund balances (deficit)	<u>5,176,793</u>	<u>2,403,949</u>	<u>(165,223)</u>	<u>139,264</u>	<u>100</u>	<u>1,973,067</u>	<u>9,527,950</u>
Total liabilities and fund balances (deficit)	<u>\$ 7,391,349</u>	<u>\$ 3,789,297</u>	<u>\$ 378,906</u>	<u>\$ 141,845</u>	<u>\$ 100</u>	<u>\$ 1,985,514</u>	<u>\$ 13,687,011</u>

COUNTY OF COLUMBIA, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—
Nonmajor Governmental Funds
Year Ended December 31, 2022

	Capital Projects Fund	County Road Fund	Road Machinery Fund	Special Revenue Fund	Special Grant Fund	Columbia Tobacco Asset Securitization Corporation	Total Nonmajor Governmental Funds
REVENUES							
Real property taxes	\$ -	\$ 10,164,662	\$ 342,145	\$ -	\$ -	\$ -	\$ 10,506,807
Departmental income	-	-	-	-	-	12,980	12,980
Use of money and property	3,229	3,473	1,660,848	86	-	10,816	1,678,452
Sale of property and compensation for loss	-	5,357	16,548	-	-	-	21,905
Miscellaneous	-	10,574	-	48,742	100	-	59,416
Interfund revenues	-	-	1,000,309	-	-	-	1,000,309
Tobacco settlement revenue	-	-	-	-	-	1,044,849	1,044,849
State aid	667,877	3,400,512	-	-	-	-	4,068,389
Federal aid	1,484,805	-	-	-	164,800	-	1,649,605
Total revenues	<u>2,155,911</u>	<u>13,584,578</u>	<u>3,019,850</u>	<u>48,828</u>	<u>164,900</u>	<u>1,068,645</u>	<u>20,042,712</u>
EXPENDITURES							
Current:							
General government support	-	-	-	1,525	-	22,731	24,256
Public safety	-	-	-	368	-	-	368
Health	-	-	-	2,285	-	-	2,285
Transportation	-	9,708,741	3,076,183	-	-	-	12,784,924
Culture and recreation	-	-	-	5,758	-	-	5,758
Home and community services	-	-	-	-	164,800	-	164,800
Employee benefits	-	2,465,196	398,191	-	-	-	2,863,387
Debt service:							
Principal	-	1,399,241	33,803	-	-	625,000	2,058,044
Interest and other fiscal charges	-	742,282	7,325	-	-	346,694	1,096,301
Capital outlay	5,912,308	-	-	-	-	-	5,912,308
Total expenditures	<u>5,912,308</u>	<u>14,315,460</u>	<u>3,515,502</u>	<u>9,936</u>	<u>164,800</u>	<u>994,425</u>	<u>24,912,799</u>
Excess (deficiency) of revenues over expenditures	<u>(3,756,397)</u>	<u>(730,882)</u>	<u>(495,652)</u>	<u>38,892</u>	<u>100</u>	<u>74,220</u>	<u>(4,869,719)</u>
OTHER FINANCING SOURCES							
Transfers in	4,446,933	-	250,000	-	-	-	4,696,933
Total other financing sources	<u>4,446,933</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,696,933</u>
Net change in fund balances	690,536	(730,882)	(245,652)	38,892	100	74,220	(172,786)
Fund balances—beginning, as restated	4,486,257	3,134,831	80,429	100,372	-	1,898,847	9,700,736
Fund balances (deficit)—ending	<u>\$ 5,176,793</u>	<u>\$ 2,403,949</u>	<u>\$ (165,223)</u>	<u>\$ 139,264</u>	<u>\$ 100</u>	<u>\$ 1,973,067</u>	<u>\$ 9,527,950</u>

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FEDERAL AWARDS
INFORMATION

COUNTY OF COLUMBIA, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor Program/Cluster Title (1a)	Assistance Listing Number (1b)	Pass-Through Identifying Number (1c)	Passed- Through to Subrecipients	Total Federal Expenditures (1d)
U.S. Department of Agriculture:				
Passed through NYS Office of Temporary and Disability Assistance:				
<i>SNAP Cluster:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	\$ -	\$ 1,329,493
<i>Total SNAP Cluster</i>			-	1,329,493
Total U.S. Department of Agriculture			-	1,329,493
U.S. Department of Housing and Urban Development:				
Passed through NYS Office of Homes and Community Renewal:				
Community Development Block Grants/State's Program	14.228	267ED934-19	164,800	164,800
Total U.S. Department of Housing and Urban Development			164,800	164,800
U.S. Department of Justice:				
Direct Programs:				
Law Enforcement Assistance Narcotics and Dangerous Drugs Training	16.004	N/A	-	16,470
Children of Incarcerated Parents	16.831	N/A	-	70,000
Total U.S. Department of Justice			-	86,470
U.S. Department of Transportation:				
Direct Programs:				
Airport Improvement Program	20.106	3-36-0042-47-22	-	455,449
Airport Improvement Program	20.106	3-36-0042-46-22	-	33,795
Airport Improvement Program	20.106	3-36-0042-48-22	-	12,420
Formula Grants for Rural Areas	20.509	PIN 8796.14.301	-	80,000
Passed through NYS Department of Transportation:				
<i>Highway Planning and Construction Cluster:</i>				
Highway Planning and Construction	20.205	PIN8760.99	-	1,054,503
Highway Planning and Construction	20.205	PIN8762.11	-	10,611
Highway Planning and Construction	20.205	PIN8761.43	-	90,318
Highway Planning and Construction	20.205	PIN8762.71	-	9,447
<i>Total Highway Planning and Construction Cluster</i>			-	1,164,879
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	T834906	-	6,465
Total U.S. Department of Transportation			-	1,753,008
U.S. Department of Treasury:				
Direct Program:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,304,338
Total U.S. Department of Treasury			-	1,304,338
U.S. Department of Education:				
Passed through NYS Department of Health:				
Special Education—Grants for Infants and Families	84.181	C-31626GG	-	35,184
Total U.S. Department of Education			-	35,184
U.S. Department of Health and Human Services:				
Passed through Health Research Inc.:				
Public Health Emergency Preparedness	93.069	HRI-15-1594-15/HRI-15-1594-16	-	44,773
Injury Prevention and Control Research and State Community Based Programs	93.136	HRI-15-1594-03/HRI-15-1594-04	-	72,928
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HRI-6423-01	-	68,576
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HRI-6825-01	-	708,999
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	HRI-7102-01	-	159,947
Passed through NYS Office for the Aging:				
Special Programs for the Aging, Title III, Part D—				
Disease Prevention and Health Promotion Services	93.043	N/A	-	4,898
<i>Aging Cluster:</i>				
Special Programs for the Aging, Title III, Part B—				
Grants for Supportive Services and Senior Centers	93.044	N/A	-	146,467
Special Programs for the Aging, Title III, Part C—Nutrition Services	93.045	N/A	-	150,716
Nutrition Services Incentive Program	93.053	N/A	-	41,065
<i>Total Aging Cluster</i>			-	338,248

(continued)

COUNTY OF COLUMBIA, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

(concluded)

Federal Grantor/ Pass-Through Grantor Program/Cluster Title (1a)	Assistance Listing Number (1b)	Pass-Through Identifying Number (1c)	Passed- Through to Subrecipients	Total Federal Expenditures (1d)
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	N/A	-	785
National Family Caregiver Support Title III, Part E	93.052	N/A	-	46,590
Medicare Enrollment Assistance Program	93.071	N/A	-	18,554
Guardianship Assistance	93.090	N/A	-	21,507
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	N/A	-	33,637
Passed through NYS Department of Health:				
Immunization Cooperative Agreements	93.268	C-36924GG	-	81,501
Immunization Cooperative Agreements	93.268	C-32510GG	-	4,399
<i>Medicaid Cluster:</i>				
Medical Assistance Program	93.778	N/A	-	329,155
<i>Total Medicaid Cluster</i>			-	329,155
Preventive Health and Health Services Block Grant	93.991	C-030511	-	129,203
Maternal and Child Health Services Block Grant to the States	93.994	C-36981GG	-	14,832
Maternal and Child Health Services Block Grant to the States	93.994	C-34886GG	-	81,706
Passed through NYS Office of Temporary and Disability Assistance:				
<i>Temporary Assistance for Needy Families Cluster:</i>				
Temporary Assistance for Needy Families	93.558	N/A	-	4,084,211
<i>Total Temporary Assistance for Needy Families Cluster</i>			-	4,084,211
Child Support Enforcement	93.563	N/A	-	478,944
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.556	N/A	-	113,481
Low-Income Home Energy Assistance Program	93.568	N/A	89,355	3,763,526
Child Care and Development Block Grant	93.575	N/A	66,616	66,616
Child Care and Development Fund	93.596	N/A	-	80,055
Passed through NYS Office of Children and Family Services:				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	-	41,013
Foster Care, Title IV-E	93.658	N/A	-	831,006
Adoption Assistance	93.659	N/A	-	726,798
Social Services Block Grant	93.667	N/A	-	965,548
Chafee Foster Care Independence Program	93.674	N/A	-	33,072
Children's Health Insurance Program	93.767	N/A	-	43,625
Elder Abuse Prevention Interventions Program	93.774	N/A	-	59,535
Passed through NYS Division of Alcoholism and Alcohol Abuse:				
<i>Medicaid Cluster:</i>				
Medical Assistance Program	93.778	N/A	-	967,605
<i>Total Medicaid Cluster</i>			-	967,605
Total U.S. Department of Health and Human Services			<u>155,971</u>	<u>14,415,273</u>
U.S. Department of Homeland Security:				
Passed through NYS Division of Homeland Security and Emergency Services:				
Homeland Security Grant Program	97.067	T837498	-	40,414
Homeland Security Grant Program	97.067	C969990	-	63,592
Homeland Security Grant Program	97.067	C969900	-	7,000
Homeland Security Grant Program	97.067	C192810	-	1,555
Total U.S. Department of Homeland Security			-	<u>112,561</u>
Total Expenditures of Federal Awards (1e)			<u>\$ 320,771</u>	<u>\$ 19,201,127</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

COUNTY OF COLUMBIA, NEW YORK
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the County of Columbia, New York (the “County”) under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the 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”). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County. The following notes were identified on the Schedule:

- (a) Includes all federal award programs of the County of Columbia, New York. The federal expenditures of the Columbia County Soil and Water Conservation District, Columbia County Economic Development Corporation, the Columbia County Industrial Development Agency, and the Columbia County Capital Resource Corporation have not been included.
- (b) Source: Federal Assistance Listing Numbers (“ALN”), previously known as Catalog of Federal Domestic Assistance.
- (c) Pass-through entity identifying numbers are presented where available.
- (d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- (e) A reconciliation to the financial statements is available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Negative amounts shown on the Schedule represent adjustments or credits made to correct expenditures of federal awards made in prior years. The County has not elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

3. AMOUNTS PROVIDED TO SUBRECIPIENTS

Certain program funds are passed through the County to subrecipient organizations. The County identifies, to the extent practical, the total amount provided to subrecipients from each federal program; however, the Schedule does not contain separate schedules disclosing how the subrecipients outside of the County’s control utilize the funds. The County requires subrecipients receiving funds to submit separate audit reports disclosing the use of the program funds.

4. MATCHING COSTS

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

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DRESCHER & MALECKI LLP

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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

Honorable Board of Supervisors
County of Columbia, New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Columbia, New York (the "County") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 29, 2023. Our report is qualified on the aggregate discretely presented component units, includes an emphasis of matter paragraph regarding a restatement of net position and fund balance, and includes a reference to other auditors who audited the financial statements of the Columbia Economic Development Corporation, the Columbia County Industrial Development Agency, and the Columbia County Capital Resource Corporation, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Drescher & Malecki LLP

September 29, 2023

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Board of Supervisors
County of Columbia, New York:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Columbia, New York's (the "County") compliance with the types of compliance requirements identified as subject to audit 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, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Columbia County Soil and Water Conservation District (the "District"), Columbia Economic Development Corporation (the "Corporation"), the Columbia County Industrial Development Agency (the "Agency"), and the Columbia County Capital Resource Corporation (the "CRC"), which are not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2022. Our compliance audit, described below, did not include the operations of the District, Corporation, Agency, or the CRC, because other auditors were engaged to perform such audits in accordance with the Uniform Guidance, where applicable, while the District was unaudited for the year ended December 31, 2022.

In our opinion, the County complied, in all material respects, with the 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, 2022.

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* ("CFR") 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 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.

Drescher & Malecki LLP

September 29, 2023

COUNTY OF COLUMBIA, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued: Unmodified*
 (*which report is qualified on the aggregated discretely presented component units, includes an emphasis of matter paragraph regarding a restatement of net position and fund balance, and includes a reference to other auditors.)

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported
Noncompliance material to the financial statements noted?	_____ Yes	_____ <input checked="" type="checkbox"/> No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported

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

<u>ALN(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.044/93.045/93.053	Aging Cluster
93.558	TANF Cluster
93.658	Foster Care Title IV-E
93.659	Adoption Assistance
93.667	Social Services Block Grant

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

Auditee qualified as low-risk auditee? _____ Yes No

COUNTY OF COLUMBIA, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section II. FINANCIAL STATEMENT FINDINGS

No findings noted.

Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

COUNTY OF COLUMBIA, NEW YORK
Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2022
(Follow-Up on December 31, 2021 Findings)

Finding 2021-001

Criteria: The County is responsible for preparing and posting any year end closing entries that are required to ensure the accounting records are in compliance with the Governmental Accounting Standards Board.

Condition: The financial results for the year ended December 31, 2021 included material misstatements in certain accounts that required an adjusting journal entry. Specific issues related to unposted receivables, unadjusted changes to accrued health insurance, adjusting to funding to incorporate a debt element on a sewer project, adjustment to update the fixed asset fund, and adjustment to the self insured workers compensation fund for changes to the accrued liabilities.

Cause: A changeover in key positions at the County resulted in the loss of institutional knowledge about required year end adjusting entries.

Effect: Multiple year-end audit adjustments were necessary.

Recommendation: We recommend the County review its closing procedures at year-end and implement and maintain procedures to ensure all necessary year end balances are reconciled. This policy should include enough detail to ensure its effectiveness with changes in County staffing.

Current status: The County has implemented the necessary procedures to improve the year end closing process, resulting in the transmission of timely and accurate accounting records.

Finding 2021-002

Criteria: The Schedule of Expenditures of Federal Awards (the "SEFA") represents federal funding that was expended by the County in its fiscal year.

Condition: The SEFA included revenue adjustments for several programs that if not adjusted, would misstate the federal expenditures for the year ended December 31, 2021.

Cause: The method used by the County to prepare the SEFA uses federal revenues as a starting point for preparing the SEFA. This method caused several revenue adjustments to impact the numbers used by the County on the SEFA.

Effect: The SEFA without adjustment would have been misstated for several programs.

Recommendation: We recommend the County review its preparation process of the SEFA to focus only on federal expenditures.

Current status: The County has reviewed policies and procedures and taken appropriate action to capture SEFA expenses for the fiscal year ended December 31, 2022.

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