

**COUNTY OF JEFFERSON,  
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*



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### INDEPENDENT AUDITORS' REPORT

Honorable County Board of Legislators and County Administrator  
County of Jefferson, New York

#### Report on the Audit of the Financial Statements

##### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Jefferson, 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.

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 activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of 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 Jefferson Community College (the "College") or Jefferson County Industrial Development Agency (the "Agency"), which are shown as 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 College and the Agency, is based solely on the reports of other auditors.

##### *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.

##### *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.

### ***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 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”), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 *Government Auditing Standards*, we have also issued our report dated July 20, 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 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*

July 20, 2023



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

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As management of the County of Jefferson, 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 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 \$195,045,112 (net position). This consists of \$159,293,784 net investment in capital assets, \$4,952,154 restricted for specific purposes, and an unrestricted net position of \$(359,291,050).
- The County's total primary government net position increased by \$35,200,273 during the year ended December 31, 2022. Governmental activities increased the County's net position by \$32,447,647, while the net position of the County's business-type activity increased \$752,626.
- As of December 31, 2022, the County's governmental funds reported combined fund balances of \$113,426,536 an increase of \$14,937,336 in comparison with the prior year.
- General Fund fund balance increased \$12,717,680 during the year ended December 31, 2022 and ended the year with a total fund balance of \$86,833,300. *Unassigned fund balance* for the General Fund was \$51,295,805, or 22.8 percent of the total General Fund expenditures and transfers out. This total amount is available for spending at the County's discretion and constitutes approximately 59.1 percent of the General Fund's total fund balance of \$86,833,300 at December 31, 2022.
- The County's governmental activities' total serial bonds outstanding decreased by \$1,185,000 during the current year as a result of scheduled principal payments.

**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 of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support 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 outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will 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 principally are 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, public health, transportation, economic assistance and opportunity, culture and recreation, home and community services, and interest and fiscal charges. The business-type activity of the County is the Solid Waste Management Fund.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate community college and an industrial development agency for which the County is financially accountable. Financial information presented for these 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, a proprietary fund, and the fiduciary fund.

**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 six 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 and the Capital Projects Fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated

presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Supplementary Information section of this report.

The County adopts an annual appropriated budget for its General Fund, County Road Fund, Road Machinery Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund, a major fund, within the Required Supplementary Information section of this report to demonstrate compliance with this budget.

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

**Proprietary funds**—The County maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as a *business-type activity* in the government-wide financial statements. The County uses an enterprise fund to account for its Solid Waste Management Facility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 21-23 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* reflected in the government-wide financial statements because the resources of the funds are not available to support the County’s own programs. 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 24-25 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 26-69 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the County’s net pension liability/(asset), the changes in the County’s total other postemployment benefits (“OPEB”) obligation, and budgetary comparison schedule for the General Fund. Required Supplementary Information and the related notes can be found on pages 70-77 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented as other supplementary information immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 78-79.

The Federal Awards Information presents the County’s Schedule of Expenditures of Federal Awards. This section can be found on pages 80-92 of this report.

## **Government-wide Overall 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, 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

\$191,136,395 at the close of the most recent fiscal year, as compared to \$228,245,385 at the close of the fiscal year ended December 31, 2021.

Table 1, as presented below, shows the net position as of December 31, 2022 and December 31, 2021 of the County's governmental activities and business-type activity.

**Table 1—Condensed Statements of Net Position—Primary Government**

	Governmental Activities		Business-type Activity		Total Primary Government	
	December 31,		December 31,		December 31,	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 170,258,929	\$ 141,245,261	\$ 1,591,093	\$ 1,842,284	\$ 171,850,022	\$ 143,087,545
Noncurrent assets	180,042,017	163,303,857	3,429,753	2,404,631	183,471,770	165,708,488
Total assets	<u>350,300,946</u>	<u>304,549,118</u>	<u>5,020,846</u>	<u>4,246,915</u>	<u>355,321,792</u>	<u>308,796,033</u>
Deferred outflows of resources	99,494,347	132,399,149	1,529,627	2,047,468	101,023,974	134,446,617
Current liabilities	46,330,881	33,815,809	463,964	480,958	46,794,845	34,296,767
Noncurrent liabilities	362,605,172	535,178,270	6,426,326	9,054,549	369,031,498	544,232,819
Total liabilities	<u>408,936,053</u>	<u>568,994,079</u>	<u>6,890,290</u>	<u>9,535,507</u>	<u>415,826,343</u>	<u>578,529,586</u>
Deferred inflows of resources	231,995,635	91,538,230	3,568,900	1,420,219	235,564,535	92,958,449
Net position:						
Net investment in capital assets	156,358,625	153,564,690	2,935,159	2,404,631	159,293,784	155,969,321
Restricted	4,865,725	3,708,034	86,429	84,981	4,952,154	3,793,015
Unrestricted	<u>(352,360,745)</u>	<u>(380,856,766)</u>	<u>(6,930,305)</u>	<u>(7,150,955)</u>	<u>(359,291,050)</u>	<u>(388,007,721)</u>
Total net position	<u>\$ (191,136,395)</u>	<u>\$ (223,584,042)</u>	<u>\$ (3,908,717)</u>	<u>\$ (4,661,343)</u>	<u>\$ (195,045,112)</u>	<u>\$ (228,245,385)</u>

The County's combined net position during fiscal year ended December 31, 2022 increased from December 31, 2021, by \$33,200,273. The largest portion of the County's net position at December 31, 2022, \$159,293,784, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment and infrastructure) net of any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$4,952,154 represents resources subject to external restrictions on how they may be used and are reported as restricted net position. The remaining category of total net position, \$(359,291,050), is considered to be unrestricted. This deficit does not mean the County does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments that are greater than currently available resources. Payments for these liabilities are to be budgeted in the year that actual payment will be made.

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

**Table 2—Condensed Statements of Changes in Net Position—Primary Government**

	Governmental Activities		Business-type Activity		Total Primary Government	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues	\$ 87,258,001	\$ 74,381,897	\$ 4,255,473	\$ 4,270,000	\$ 91,513,474	\$ 78,651,897
General revenues	173,090,096	167,946,927	68,798	107,432	173,158,894	168,054,359
Total revenues	<u>260,348,097</u>	<u>242,328,824</u>	<u>4,324,271</u>	<u>4,377,432</u>	<u>264,672,368</u>	<u>246,706,256</u>
Total expenses	<u>227,900,450</u>	<u>239,939,840</u>	<u>3,571,645</u>	<u>3,928,360</u>	<u>231,472,095</u>	<u>243,868,200</u>
Transfers	<u>-</u>	<u>(22,000)</u>	<u>-</u>	<u>22,000</u>	<u>-</u>	<u>-</u>
Change in net position	32,447,647	2,366,984	752,626	471,072	33,200,273	2,838,056
Net position—beginning	<u>(223,584,042)</u>	<u>(225,951,026)</u>	<u>(4,661,343)</u>	<u>(5,132,415)</u>	<u>(228,245,385)</u>	<u>(231,083,441)</u>
Net position—ending	<u><u>\$ (191,136,395)</u></u>	<u><u>\$ (223,584,042)</u></u>	<u><u>\$ (3,908,717)</u></u>	<u><u>\$ (4,661,343)</u></u>	<u><u>\$ (195,045,112)</u></u>	<u><u>\$ (228,245,385)</u></u>

**Governmental Activities**—Governmental activities increased the County’s net position by \$32,447,647. A summary of sources of revenues for the years ended December 31, 2022 and December 31, 2021 is presented below in Table 3.

**Table 3—Summary of Sources of Revenues—Governmental Activities**

	Year Ended December 31,		Increase/(Decrease)	
	2022	2021	Dollars	Percent (%)
Charges for services	\$ 15,768,929	\$ 15,932,946	\$ (164,017)	(1.0)
Operating grants and contributions	51,523,139	47,058,649	4,464,490	9.5
Capital grants and contributions	19,965,933	11,390,302	8,575,631	75.3
Property taxes and tax items	65,510,924	63,684,884	1,826,040	2.9
Sales taxes	100,661,022	97,313,446	3,347,576	3.4
Other general revenues	<u>6,918,150</u>	<u>6,948,597</u>	<u>(30,447)</u>	<u>(0.4)</u>
Total revenues	<u><u>\$ 260,348,097</u></u>	<u><u>\$ 242,328,824</u></u>	<u><u>\$ 18,019,273</u></u>	<u><u>7.4</u></u>

The most significant source of revenues is sales taxes, which accounts for \$100,661,022, or 38.7 percent, of total governmental activities revenues, for the year ended December 31, 2022, and \$97,313,446, or 40.2 percent, of total governmental activities revenues, for the year ended December 31, 2021. The next largest source of revenue is property taxes and tax items, which comprises 25.2 percent and 26.3 percent of total governmental activities revenues for the years ended December 31, 2022 and 2021, respectively.

During the year ended December 31, 2022 revenues increased by 7.4 percent from the year ended December 31, 2021. Changes in revenues were largely due to the following:

- Capital grants and contributions increased \$8,575,631 due to an increase in funding for airport improvement projects, bridge projects and projects on behalf of the College as well as an increase in American Rescue plan Act funds used.
- Operating grants and contributions increased \$4,464,490 due to an increase in American Rescue Plan Act funds used.
- Sales taxes increased \$3,347,576 due to an underlying increase in sales subject to sales tax.

A summary of program expenses of governmental activities for the years ended December 31, 2022 and December 31, 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	\$ 76,574,309	\$ 76,221,391	\$ 352,918	0.5
Education	12,016,610	10,658,339	1,358,271	12.7
Public safety	27,055,152	35,277,118	(8,221,966)	(23.3)
Health	15,849,844	17,509,214	(1,659,370)	(9.5)
Transportation	26,546,860	26,158,138	388,722	1.5
Economic assistance and opportunity	66,952,796	70,597,276	(3,644,480)	(5.2)
Culture and recreation	384,492	341,413	43,079	12.6
Home and community services	2,083,177	2,721,660	(638,483)	(23.5)
Interest and fiscal charges	437,210	455,291	(18,081)	(4.0)
Total program expenses	<u>\$ 227,900,450</u>	<u>\$ 239,939,840</u>	<u>\$ (12,039,390)</u>	(5.0)

The County's most significant expense items for governmental activities were general governmental support of \$76,574,309, or 33.6, of total expenses, economic assistance and opportunity of \$66,952,796 or 29.4 percent, of total expenses, public safety of \$27,055,152 or 11.9 percent, of total expenses, transportation of \$26,546,860, or 11.6 percent, of total expenses, and health of \$15,849,844, or 7.0 percent of total expenses for the year ended December 31, 2022. For the year ended December 31, 2021 the most significant expense items for governmental activities were general governmental support of \$76,221,391, or 31.8, of total expenses, economic assistance and opportunity of \$70,597,276 or 29.4 percent, of total expenses, public safety of \$35,277,118 or 14.7 percent, of total expenses, transportation of \$26,158,138, or 10.9 percent, of total expenses, and health of \$17,509,214, or 7.3 percent of total expenses.

During the year ended December 31, 2022 expenditures decreased by 5.0 percent from the year ended December 31, 2021. The decrease in expenditures were \$1,659,370 primarily due to decreases in noncurrent liabilities related to the actuarially determined net pension liability and OPEB liability which were affected by changes in expectations as well as changes in assumptions related to market activity.



**Business-type Activity.** Business-type activity increased the County’s net position by \$751,380 due primarily to a decrease in expenses primarily due to decreased employee benefits related to changes in the net pension liability (asset) and the OPEB liability.

A summary of sources of revenues and expenses for the County’s business-type activity for the years ended December 31, 2022 and December 31, 2021 is presented below in Table 6.

**Table 6—Summary of Sources of Revenues and Expenses—Business-type Activity**

	Year Ended December 31,		Increase/(Decrease)	
	2022	2021	Dollars	Percent (%)
Charges for services	\$ 4,255,473	\$ 4,270,000	\$ (14,527)	(0.3)
General revenues	68,648	107,432	(38,784)	(36.1)
Total revenues	<u>\$ 4,324,121</u>	<u>\$ 4,377,432</u>	<u>\$ (53,311)</u>	(1.2)
Solid waste management expenses	<u>\$ 3,571,645</u>	<u>\$ 3,928,360</u>	<u>\$ (356,715)</u>	(9.1)
Interfund transfers	<u>\$ -</u>	<u>\$ 22,000</u>	<u>\$ (22,000)</u>	100.0

Revenues relating to the County’s business-type activity remained relatively similar for the year ended December 31, 2022 while, expenses decreased by 8.8 percent due primarily to a decrease in employee benefits related to the net pension liability (asset) and the OPEB liability.

**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* 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 Board of Legislators.

As of the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$113,426,536, an increase of \$14,937,336 in comparison with the prior year. Total *unassigned fund balance* is \$51,295,805 which is 20.9 percent of total governmental funds’ expenditures. Additionally, the County’s total *assigned fund balances* total \$45,528,209 or 18.6 percent of total governmental funds’ expenditures. Together, *unassigned* and *assigned fund balance* represents \$96,824,014 or 39.5 percent of total governmental expenditures. *Committed fund balance* of \$6,000,000 represents amounts that are subject to a purpose constraint imposed by a formal action of the County’s highest level of decision-making authority, or by their designated body or official. *Restricted fund balance* of \$8,927,603 represent resources for which spending is restricted for a special purpose. *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 consists of \$1,285,349 of prepaid items, \$89,570 of inventory, and \$300,000 representing long-term receivables at December 31, 2022.

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 \$51,295,805, while total fund balance was \$86,833,300. The General Fund fund balance increased \$12,717,680 from the prior year, as compared to the planned use of fund balance of \$4,568,844 from appropriation of fund balance during the budget process and carryover of prior year encumbrances. The increase in fund balance is due primarily to the County receiving greater than anticipated non-property tax revenue related to sales tax along with spending less than anticipated on economic assistance and opportunity. 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 22.8 percent of General Fund expenditures and transfers out, while total fund balance represents 38.6 percent of that same amount.

The fund balance in the Capital Projects Fund increased \$193,094 from the prior year. This increase is due to the County making continued progress on ongoing capital projects and transfers in from other funds.

**Proprietary fund.** The County's proprietary fund provides the same type of information found in the governmental-wide financial statements, but in more detail.

The net position of Solid Waste Management Fund (the County's only enterprise fund) at December 31, 2022, amounted to \$(3,909,963) and unrestricted net position was \$(7,124,899), due to the allocation of employee benefits related to OPEB. The operating activities of the Solid Waste Management Fund during 2022 resulted in an operating income of \$755,979 and the nonoperating revenues and expenses netted to total loss of \$4,599. At December 31, 2022, the Solid Waste Management Fund reports a noncurrent interfund loan from the General Fund of \$300,000. This amount is included as nonspendable fund balance within the General Fund. The Solid Waste Management Fund made a \$450,000 payment on the noncurrent loan during the year ended December 31, 2022.

### General Fund Budgetary Highlights

The County adopts an annual appropriated budget for all governmental funds, except the Capital Projects Fund and the Special Grant Fund. A budgetary comparison schedule for the General Fund has been provided in the Required Supplementary Information section of this report to demonstrate compliance with the budget.

A summary of the General Fund results of operations for the year ended December 31, 2022 is presented in Table 7 below:

**Table 7—Summary of General Fund Results of Operations**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 213,601,209	\$ 235,889,494	\$ 237,538,978	\$ 1,649,484
Expenditures and other financing uses	218,170,053	243,975,680	224,821,298	19,154,382
Excess (deficiency) of revenues over expenditures and other financing uses	\$ (4,568,844)	\$ (8,086,186)	\$ 12,717,680	\$ 20,803,866

**Original budget compared to final budget.** During the year, the budget is modified, primarily to reflect the acceptance of new state and federal grants and related expenditures and non-property tax items. These grants and sales tax items explain the majority of increases in appropriations and revenue from the

original adopted budget final budget. Significant grants for which the budget was modified were for state and federal aid.

**Final budget compared to actual results.** The General Fund had a favorable variance from final budgetary appropriations of \$19,154,382. The primary positive variances were realized in economic assistance and opportunity, health, general government support and public safety related to less than anticipated expenditures.

### Capital Assets and Debt Administration

**Capital assets.** The County’s investment in capital assets for its governmental and business-type activities as of December 31, 2022 amounts to \$170,669,553 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and building improvements, improvements other than buildings, machinery and equipment and infrastructure.

All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the County’s capital asset policy.

Capital assets net of depreciation for the governmental activities and business-type activities at the years ended December 31, 2022 and December 31, 2021 are presented in Table 8 below:

**Table 8—Summary of Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,979,105	\$ 2,979,105	\$ 12,415	\$ 12,415	\$ 2,991,520	\$ 2,991,520
Construction in progress	26,251,811	30,613,096	277,035	226,485	26,528,846	30,839,581
Buildings and building improvements	50,876,140	47,093,861	2,165,354	2,217,305	53,041,494	49,311,166
Improvements other than buildings	127,156	132,422	-	-	127,156	132,422
Machinery and equipment	12,957,743	13,205,473	780,355	698,426	13,738,098	13,903,899
Infrastructure	74,242,439	68,529,900	-	-	74,242,439	68,529,900
<b>Total</b>	<b>\$ 167,434,394</b>	<b>\$ 162,553,857</b>	<b>\$ 3,235,159</b>	<b>\$ 3,154,631</b>	<b>\$ 170,669,553</b>	<b>\$ 165,708,488</b>

The County’s infrastructure assets are recorded at historical cost or estimated historical cost in the government-wide financial statements. The County has elected to depreciate its infrastructure assets. Additional information on County’s capital assets can be found in Note 4 of this report.

**Long-term liabilities.** In 2022, the County’s long-term liabilities, as reported on the County-wide statement of net position, continue to reflect a dramatic change, since Governmental Accounting Standards Board (“GASB”) requires that the County recognize, according to a prescribed calculation, its obligation for OPEB. In the case of the County, this obligation consists of health benefits promised to its current and future retirees. Based on a study of the County’s numerous benefit packages and the affected population, actuaries have determined the value of these benefits earned in prior years, as well as the value earned during 2022.

This obligation is a commitment the County has made to its employees pursuant to contract negotiations. County management has attempted to minimize the impact of dramatic health cost increases as new contracts have been negotiated. Newer contracts require greater employee contributions and increased length of employment to qualify for retiree health benefits.

Governmental activities outstanding net bonds payable decreased \$1,200,912.

A summary of the County’s long-term liabilities at December 31, 2022 and December 31, 2021 is presented below in Table 9:

**Table 9—Summary of Long-Term Liabilities**

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2022	2021	2022	2021	2022	2021
Net bonds payable	\$ 15,911,196	\$ 17,112,108	\$ -	\$ -	\$ 15,911,196	\$ 17,112,108
Compensated absences	2,334,923	2,315,550	44,939	39,070	2,379,862	2,354,620
Installment purchase contract	2,893,229	3,499,405	-	-	2,893,229	3,499,405
Claims and judgments	2,877,871	3,002,602	-	-	2,877,871	3,002,602
Other postemployment benefits	338,587,953	509,090,409	6,381,387	9,013,025	344,969,340	518,103,434
Net pension liability	-	158,196	-	2,454	-	160,650
Total	<u>\$ 362,605,172</u>	<u>\$ 535,178,270</u>	<u>\$ 6,426,326</u>	<u>\$ 9,054,549</u>	<u>\$ 369,031,498</u>	<u>\$ 544,232,819</u>

The County carries an Aa3 rating from Moody’s. Additional information on the County’s long-term liabilities can be found in Note 12 to the financial statements.

**Economic Factors and Next Year’s Budgets and Rates**

- The County experiences fluctuations in population generally due to the movements of troops stationed at Fort Drum. Brigade components of the US Army’s 10th Mountain Division continue to be periodically deployed and remain in rotation to the Middle East. These cycles continue to impact the local housing market, especially the rental market, with variations in demand and vacancy rates noted. The current rental vacancy rate in the greater Watertown area is estimated to be roughly ten percent. The true economic impact of Fort Drum in 2022 is \$1.6 billion based on an economic impact model. The model also estimates an additional 3,900 jobs supported by Fort Drum related activity.
- The City of Watertown received \$22.2 million in American Recovery funding for use in assisting the City to recover from the effects of the COVID-19 pandemic.
- A significant local transportation development is the continued upgrade of the facilities and airfield infrastructure at Watertown International Airport. Due in part to these upgrades and the growth in the County, American Airlines continues daily non-stop commercial flights at the local airport. Daily flights to Philadelphia International Airport are conducted twice each day. Over 42,000 passengers utilized commercial flights at the Watertown Airport in 2022 and 2021, respectively. This is a result of the jet service that has returned to the airport. General Aviation activity continues to grow since the opening of the new Fixed Base Operator (FBO) facility in 2015. There has been over \$3,500,000 collected in 2022 from airport and FBO operations. A new Fire and Rescue (AARF) building was constructed on site.

- The unemployment rate, not seasonally adjusted, for the County during December 2022 was 4.0 percent, as compared to New York State's unemployment rate of 4.3 percent. These factors are considered in preparing the County's budget.
- The County considered current year operational expenses and estimated increases based on economic factors when establishing the 2023 budget. Additional information on the County's budgeted appropriations of fund balance can be found in Note 14 to the financial statements.
- The 2020 U.S. Census Bureau population for Jefferson County was 108,095, which is a 7.0% decrease from the 2010 Census.
- The County's 2023 budget set the full value property tax rate at \$6.87 per thousand which is a decrease of 7.7% from the 2021 rate of \$7.44 average full value tax rate.

### **Contacting the County's Financial Management**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances and to show accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Jefferson County Treasurer's Office, 175 Arsenal Street, Watertown, New York 13601.

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# BASIC FINANCIAL STATEMENTS





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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activity	Total	Jefferson Community College (August 31, 2022)	Industrial Development Agency (December 31, 2022)
<b>ASSETS</b>					
Cash and cash equivalents	\$ 41,828,236	\$ 1,424,564	\$ 43,252,800	\$ 8,098,955	\$ 6,700,428
Restricted cash and cash equivalents	31,080,462	86,429	31,166,891	1,785,732	2,849,591
Investments	48,001,346	-	48,001,346	12,290,864	-
Receivables, net of allowances:					
Property taxes receivable	8,849,577	-	8,849,577	-	-
Accounts receivable	3,511,932	363,033	3,874,965	2,905,047	29,716
Intergovernmental receivables	32,030,933	-	32,030,933	2,198,817	1,152,295
Leases receivable	768,489	-	768,489	96,860	-
Prepaid items	3,798,384	17,067	3,815,451	348,090	18,712
Inventories	89,570	-	89,570	-	-
Loans and notes receivable	-	-	-	371,975	1,555,427
Internal balances	300,000	(300,000)	-	-	-
Net pension asset	12,607,623	194,594	12,802,217	1,380,064	-
Capital assets not being depreciated	29,230,916	289,450	29,520,366	352,292	1,862,086
Capital assets, net of accumulated depreciation	138,203,478	2,945,709	141,149,187	46,864,180	3,139,686
Total assets	<u>350,300,946</u>	<u>5,020,846</u>	<u>355,321,792</u>	<u>76,692,876</u>	<u>17,307,941</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows—relating to pensions	26,913,687	415,402	27,329,089	4,947,696	-
Deferred outflows—relating to OPEB	72,190,054	1,114,225	73,304,279	11,782,755	-
Excess consideration provided for acquisition	390,606	-	390,606	-	-
Total deferred outflows of resources	<u>99,494,347</u>	<u>1,529,627</u>	<u>101,023,974</u>	<u>16,730,451</u>	<u>-</u>
<b>LIABILITIES</b>					
Accounts payable	16,128,802	447,011	16,575,813	764,000	1,184,959
Retainages payable	302,428	-	302,428	-	-
Accrued liabilities	1,157,223	16,953	1,174,176	-	-
Interest payable	68,943	-	68,943	-	1,244
Intergovernmental payables	9,965,614	-	9,965,614	3,064,745	-
Unearned revenue	16,029,786	-	16,029,786	1,225,526	2,737,104
Other liabilities	2,678,085	-	2,678,085	-	74,616
Noncurrent liabilities:					
Due within one year	1,951,869	2,247	1,954,116	1,071,940	1,358
Due in more than one year	360,653,303	6,424,079	367,077,382	63,706,993	382,238
Total liabilities	<u>408,936,053</u>	<u>6,890,290</u>	<u>415,826,343</u>	<u>69,833,204</u>	<u>4,381,519</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows—relating to leases	768,489	-	768,489	96,860	-
Deferred inflows—relating to pensions	45,872,801	708,029	46,580,830	5,222,597	-
Deferred inflows—relating to OPEB	185,354,345	2,860,871	188,215,216	28,944,081	-
Unavailable revenues—grants	-	-	-	471,688	-
Total deferred inflows of resources	<u>231,995,635</u>	<u>3,568,900</u>	<u>235,564,535</u>	<u>34,735,226</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	156,358,625	2,935,159	159,293,784	25,981,205	4,618,176
Restricted for:					
General Fund restrictions	4,071,779	-	4,071,779	-	-
Capital projects	-	86,429	86,429	-	-
Road Machinery, Special Grant and Debt					
Service restrictions	793,946	-	793,946	-	-
Community College—expendable	-	-	-	2,583,140	-
Community College—nonexpendable	-	-	-	4,879,794	-
Community development	-	-	-	-	4,734,717
Unrestricted	<u>(352,360,745)</u>	<u>(6,930,305)</u>	<u>(359,291,050)</u>	<u>(44,589,242)</u>	<u>3,573,529</u>
Total net position	<u>\$ (191,136,395)</u>	<u>\$ (3,908,717)</u>	<u>\$ (195,045,112)</u>	<u>\$ (11,145,103)</u>	<u>\$ 12,926,422</u>

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

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activity	Total	Jefferson Community College (August 31, 2022)	Industrial Development Agency (December 31, 2022)
<b>Primary government:</b>									
Governmental activities:									
General government support	\$ 76,574,309	\$ 6,177,782	\$ 285,006	\$ -	\$ (70,111,521)	\$ -	\$ (70,111,521)	\$ -	\$ -
Education	12,016,610	267,363	-	1,414,231	(10,335,016)	-	(10,335,016)	-	-
Public safety	27,055,152	1,536,601	970,203	76,614	(24,471,734)	-	(24,471,734)	-	-
Health	15,849,844	2,813,834	13,410,848	-	374,838	-	374,838	-	-
Transportation	26,546,860	2,602,757	1,479,685	16,975,088	(5,489,330)	-	(5,489,330)	-	-
Economic assistance and opportunity	66,952,796	2,360,592	34,047,139	-	(30,545,065)	-	(30,545,065)	-	-
Culture and recreation	384,492	-	92,638	-	(291,854)	-	(291,854)	-	-
Home and community services	2,083,177	10,000	1,237,620	1,500,000	664,443	-	664,443	-	-
Interest and fiscal charges	437,210	-	-	-	(437,210)	-	(437,210)	-	-
Total governmental activities	227,900,450	15,768,929	51,523,139	19,965,933	(140,642,449)	-	(140,642,449)	-	-
Business-type activity:									
Solid waste management	3,571,645	4,255,473	-	-	-	683,828	683,828	-	-
Total primary government	\$ 231,472,095	\$ 20,024,402	\$ 51,523,139	\$ 19,965,933	(140,642,449)	683,828	(139,958,621)	-	-
<b>Component units:</b>									
Jefferson Community College	\$ 37,238,763	\$ 7,801,353	\$ 8,710,878	\$ -	-	-	-	(20,726,532)	-
Industrial Development Agency	9,836,716	1,268,257	9,830,083	-	-	-	-	-	1,261,624
Total component units	\$ 47,075,479	\$ 9,069,610	\$ 18,540,961	\$ -	-	-	-	(20,726,532)	1,261,624
General revenues:									
Property taxes, levied for general purpose					62,314,110	-	62,314,110	-	-
Property tax items					3,196,814	-	3,196,814	-	-
Sales taxes					100,661,022	-	100,661,022	-	-
Other taxes					716,469	-	716,469	-	-
Use of money and property					988,547	6,869	995,416	1,568,340	4,610
Miscellaneous					3,459,636	73,247	3,532,883	-	71,036
State and federal appropriations					-	-	-	22,636,167	118,000
Sale of property and compensation for loss					1,734,258	-	1,734,258	-	-
Proceeds (loss) from sale of capital assets					19,240	(11,318)	7,922	-	-
Total general revenues					173,090,096	68,798	173,158,894	24,204,507	193,646
Change in net position					32,447,647	752,626	33,200,273	3,477,975	1,455,270
Net position—beginning					(223,584,042)	(4,661,343)	(228,245,385)	(14,623,078)	11,471,152
Net position—ending					\$ (191,136,395)	\$ (3,908,717)	\$ (195,045,112)	\$ (11,145,103)	\$ 12,926,422

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

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

	<u>General</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 26,194,329	\$ 5,012,084	\$ 10,621,823	\$ 41,828,236
Restricted cash and cash equivalents	26,383,947	4,061,878	634,637	31,080,462
Investments	48,001,346	-	-	48,001,346
Receivables, net of allowances:				
Property taxes receivable	8,849,577	-	-	8,849,577
Accounts receivable	2,090,143	-	-	2,090,143
Due from other funds	306,384	172,889	-	479,273
Intergovernmental receivables	20,944,092	8,000,528	3,086,313	32,030,933
Leases receivable	768,489	-	-	768,489
Inventory	89,570	-	-	89,570
Prepaid items	3,678,359	-	120,025	3,798,384
Total assets	<u>\$ 137,306,236</u>	<u>\$ 17,247,379</u>	<u>\$ 14,462,798</u>	<u>\$ 169,016,413</u>
<b>LIABILITIES</b>				
Accounts payable	11,383,651	3,883,916	861,235	16,128,802
Accrued liabilities	1,031,198	-	126,025	1,157,223
Intergovernmental payables	9,965,614	-	-	9,965,614
Due to other funds	-	-	179,273	179,273
Unearned revenue	15,963,294	-	66,492	16,029,786
Other liabilities	2,678,085	-	-	2,678,085
Total liabilities	<u>41,021,842</u>	<u>3,883,916</u>	<u>1,233,025</u>	<u>46,138,783</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows—related to leases	768,489	-	-	768,489
Unavailable revenues—grants	232,049	-	-	232,049
Unavailable revenues—property taxes	8,450,556	-	-	8,450,556
Total deferred inflows of resources	<u>9,451,094</u>	<u>-</u>	<u>-</u>	<u>9,451,094</u>
<b>FUND BALANCES</b>				
Nonspendable	1,554,894	-	120,025	1,674,919
Restricted	4,071,779	4,061,878	793,946	8,927,603
Committed	6,000,000	-	-	6,000,000
Assigned	23,910,822	9,301,585	12,315,802	45,528,209
Unassigned	51,295,805	-	-	51,295,805
Total fund balances	<u>86,833,300</u>	<u>13,363,463</u>	<u>13,229,773</u>	<u>113,426,536</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 137,306,236</u>	<u>\$ 17,247,379</u>	<u>\$ 14,462,798</u>	<u>\$ 169,016,413</u>

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

**COUNTY OF JEFFERSON, 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—governmental funds (page 17)		\$ 113,426,536
Net pension assets are not current financial resources and, therefore, are not reported in the funds.		12,607,623
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$308,317,544 and the accumulated depreciation is \$140,883,150.		167,434,394
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to employer contributions	\$ 3,564,498	
Deferred outflows related to experience and investment earnings one time	23,349,189	
Deferred inflows of resources related to pensions	(45,872,801)	(18,959,114)
Deferred outflows and inflows of resources related to differences between expected and actual experience and changes of assumptions in other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the fund statements.		
Deferred outflows of resources related to OPEB	\$ 72,190,054	
Deferred inflows of resources related to OPEB	(185,354,345)	(113,164,291)
Other long-term assets are not available to pay for current period expenditures and, therefore, are either recorded as unearned revenue or deferred inflows of resources in the funds but are considered government-wide revenues:		
Deferred inflows of resources - grants	\$ 232,049	
Deferred inflows of resources - property taxes	8,450,556	8,682,605
Certain accrued revenues reported in the statement of net position are received after the availability period for recognition of revenue in the governmental funds.		1,421,789
The excess consideration for acquired assets that have a useful life extending beyond a single reporting period is recorded as an expenditure within the funds but recorded as a deferred outflow of resources on the government-wide financial statements.		390,606
Retained percentages are not a current liability and, therefore, are not reported in the funds.		(302,428)
Net accrued interest expense for serial bonds and capital leases are not reported in the funds.		(68,943)
Long-term liabilities, including bonds payable, compensated absences, capital lease, claims and judgments payable, other postemployment benefits ("OPEB") and the net pension liability are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
Serial bonds	\$ (15,715,000)	
Unamortized premiums	(196,196)	
Compensated absences	(2,334,923)	
Installment purchase contract	(2,893,229)	
Claims and judgments	(2,877,871)	
Other postemployment benefits	(338,587,953)	(362,605,172)
Net position of governmental activities		\$ (191,136,395)

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

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

	<u>General</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Real property taxes	\$ 62,064,204	\$ -	\$ -	\$ 62,064,204
Real property tax items	3,196,814	-	-	3,196,814
Non-property tax items	101,837,973	-	-	101,837,973
Departmental income	10,680,522	-	614,038	11,294,560
Intergovernmental charges	2,963,477	-	86,166	3,049,643
Use of money and property	566,460	64,182	215,568	846,210
Licenses and permits	52,955	-	1,840	54,795
Fines and forfeitures	223,834	-	-	223,834
Sale of property and compensation for loss	1,618,967	82,032	20,295	1,721,294
Miscellaneous	4,318,169	-	187,584	4,505,753
Interfund revenues	-	-	1,679	1,679
State aid	22,604,060	4,105,595	7,872,876	34,582,531
Federal aid	27,373,543	5,939,315	3,303,432	36,616,290
Total revenues	<u>237,500,978</u>	<u>10,191,124</u>	<u>12,303,478</u>	<u>259,995,580</u>
<b>EXPENDITURES</b>				
Current:				
General government support	74,814,274	-	-	74,814,274
Education	11,611,411	-	-	11,611,411
Public safety	24,229,294	-	-	24,229,294
Health	15,364,788	-	-	15,364,788
Transportation	2,970,640	2,088,407	16,730,655	21,789,702
Economic assistance and opportunity	62,210,412	-	2,695,039	64,905,451
Culture and recreation	376,117	-	-	376,117
Home and community services	892,135	-	1,141,460	2,033,595
Employee benefits	11,628,073	-	-	11,628,073
Debt service:				
Principal	-	-	1,791,176	1,791,176
Interest and fiscal charges	-	-	444,487	444,487
Capital outlay	-	16,069,876	-	16,069,876
Total expenditures	<u>204,097,144</u>	<u>18,158,283</u>	<u>22,802,817</u>	<u>245,058,244</u>
Excess (deficiency) of revenues over expenditures	<u>33,403,834</u>	<u>(7,967,159)</u>	<u>(10,499,339)</u>	<u>14,937,336</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	38,000	8,198,253	14,928,475	23,164,728
Transfers out	<u>(20,724,154)</u>	<u>(38,000)</u>	<u>(2,402,574)</u>	<u>(23,164,728)</u>
Total other financing sources (uses)	<u>(20,686,154)</u>	<u>8,160,253</u>	<u>12,525,901</u>	<u>-</u>
Net change in fund balances	12,717,680	193,094	2,026,562	14,937,336
Fund balances—beginning	<u>74,115,620</u>	<u>13,170,369</u>	<u>11,203,211</u>	<u>98,489,200</u>
Fund balances—ending	<u>\$ 86,833,300</u>	<u>\$ 13,363,463</u>	<u>\$ 13,229,773</u>	<u>\$ 113,426,536</u>

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

**COUNTY OF JEFFERSON, 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)		\$ 14,937,336
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and loss on disposal of capital assets in the current period.</p>		
Capital asset additions	\$ 14,460,584	
Depreciation expense	(9,488,346)	
Loss on disposal of capital assets	<u>(91,701)</u>	4,880,537
<p>Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:</p>		
County pension contributions	\$ 7,018,782	
Cost of benefits earned net of employee contributions	<u>(1,770,866)</u>	5,247,916
<p>Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization.</p>		
Changes relating to expected and actual experience	\$ (42,334,666)	
Changes in assumptions	<u>(122,699,298)</u>	(165,033,964)
<p>Certain tax and other revenue in the governmental funds is deferred or not recognized because it is not available soon enough after year end to pay for the current period's expenditures. On the accrual basis, however, this is recognized regardless of when it is collected.</p>		
Change in deferred inflows of resources - property taxes	\$ 249,906	
Change in deferred inflows of resources - grants	14,454	
Change in other receivable	<u>88,157</u>	352,517
<p>Governmental funds report excess consideration paid for assets as expenditures in the year of acquisition. However, in the County's statement of activities the cost of consideration is allocated over the estimated useful life.</p>		
		(41,851)
<p>Governmental funds report retained percentages expenditures on construction contracts when such a retained percentage is paid. However, in the statement of activities retained percentages on construction contracts is reported as an expense as it accrues.</p>		
		(301,111)
<p>In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.</p>		
		(8,635)
<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 effect 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	\$ 1,185,000	
Amortization of premiums on serial bonds	15,912	
Change in compensated absences	(19,373)	
Principal payments on installment purchase contract	606,176	
Change in claims and judgments	124,731	
Change in other postemployment benefits	<u>170,502,456</u>	<u>172,414,902</u>
Change in net position of governmental activities		<u>\$ 32,447,647</u>

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Net Position—Proprietary Fund**  
**December 31, 2022**

	<u><b>Business-type Activity— Enterprise Fund Solid Waste Management</b></u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,424,564
Restricted cash and cash equivalents	86,429
Accounts receivable	363,033
Prepaid items	17,067
Total current assets	<u>1,891,093</u>
Noncurrent assets:	
Net pension asset	194,594
Capital assets not being depreciated	289,450
Capital assets, net of accumulated depreciation	2,945,709
Total noncurrent assets	<u>3,429,753</u>
Total assets	<u>5,320,846</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows—relating to pensions	415,402
Deferred outflows—relating to OPEB	1,114,225
Total deferred outflows of resources	<u>1,529,627</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	447,011
Accrued liabilities	16,953
Total current liabilities	<u>463,964</u>
Noncurrent liabilities:	
Compensated absences—due within one year	2,247
Compensated absences—due in more than one year	42,692
Other postemployment benefits obligation	6,381,387
Interfund loan	300,000
Total noncurrent liabilities	<u>6,726,326</u>
Total liabilities	<u>7,190,290</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows—relating to pensions	708,029
Deferred inflows—relating to OPEB	2,860,871
Total deferred inflows of resources	<u>3,568,900</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,935,159
Restricted for capital projects	86,429
Unrestricted	(6,930,305)
Total net position	<u>\$ (3,908,717)</u>

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



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

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	<b>Business-type Activity— Enterprise Fund</b>
	<b>Solid Waste Management</b>
Operating revenues:	
Charges for services	\$ 3,501,297
Recycling income	754,176
Miscellaneous	73,247
Total operating revenues	4,328,720
Operating expenses:	
Salaries, wages and employee benefits	853,471
Tipping fees	2,543,239
Depreciation	174,785
Total operating expenses	3,571,495
Operating income	757,225
Nonoperating revenues (expenses):	
Investment earnings	6,869
Loss on disposal of capital assets	(11,318)
Interest expense	(150)
Total nonoperating revenues (expenses)	(4,599)
Change in net position	752,626
Total net position—beginning	(4,661,343)
Total net position—ending	\$ (3,908,717)

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Cash Flows—Proprietary Fund**  
**Year Ended December 31, 2022**

	<u><b>Business-type Activity— Enterprise Fund</b></u> <u><b>Solid Waste Management</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from services provided	\$ 3,606,183
Receipts from other operating revenue	827,423
Payments to employees	(1,009,159)
Payments to suppliers	<u>(2,556,110)</u>
Net cash provided by operating activities	<u>868,337</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital purchases	(271,585)
Gain on sale of assets	4,954
Financing interest	(150)
Payment on noncurrent interfund loan	<u>(450,000)</u>
Net cash used for capital and related financing activities	<u>(716,781)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>6,869</u>
Net cash provided by investing activities	<u>6,869</u>
Net increase in cash and cash equivalents	158,425
Cash and cash equivalents—beginning	<u>1,352,568</u>
Cash and cash equivalents—ending	<u>\$ 1,510,993</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 757,225
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	174,785
Decrease in accounts receivable	104,886
Decrease in prepaid items	4,730
Decrease in deferred outflows of resources	517,841
(Decrease) in accounts payable	(17,601)
Increase in accrued liabilities	607
(Decrease) in other postemployment benefits	(2,631,638)
Increase in compensated absences	5,869
(Decrease) in net pension liability (asset)	(197,048)
Increase in deferred inflows of resources	<u>2,148,681</u>
Total adjustments	<u>111,112</u>
Net cash provided by operating activities	<u>\$ 868,337</u>

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Fiduciary Net Position—Custodial Fund**  
**December 31, 2022**

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	<u><b>Custodial Fund</b></u>
<b>ASSETS</b>	
Restricted cash and cash equivalents	\$ 6,522,677
Accounts receivable	<u>6,614</u>
Total assets	<u>6,529,291</u>
<b>LIABILITIES</b>	
Accounts payable and other liabilities	<u>5,415,049</u>
Total liabilities	<u>5,415,049</u>
<b>NET POSITION</b>	
Restricted for bail and employee health insurance	<u>1,114,242</u>
Total net position	<u>\$ 1,114,242</u>

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Changes in Fiduciary Net Position—Custodial Fund**  
**December 31, 2022**

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	<u><b>Custodial Fund</b></u>
<b>ADDITIONS</b>	
Funds received on behalf of individuals	\$ 774,921
Total additions	<u>774,921</u>
<b>DEDUCTIONS</b>	
Funds distributed on behalf of individuals	<u>632,706</u>
Total deductions	<u>632,706</u>
Change in fiduciary net position	142,215
Net position—beginning	<u>972,027</u>
Net position—ending	<u>\$ 1,114,242</u>

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the County of Jefferson, New York (the “County”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) 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 policies are described below.

***Description of Government-wide Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all 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.

***Financial Reporting Entity***

The County, which was established in 1805, is governed by County local law and other general laws of the State of New York and various local laws. The Board of Legislators is the legislative body responsible for overall operations, the Chairman of the Board serves as chief executive officer and the County Treasurer serves as chief fiscal officer. Independent elected officials of the County include 15 legislators, the District Attorney, the County Clerk, the County Treasurer, and the County Sheriff.

The County provides mandated social service programs such as Medicaid and Temporary Assistance for Needy Families. The County also provides the following basic services: maintenance of County roads, health and social services (including Office for the Aging), public safety (including law enforcement, jail, probation, District Attorney and Public Defender), general administrative services, culture and recreation, solid waste management (including recycling) and among others, operation of a Community College and an airport.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

***Discretely Presented Component Units***—The component unit columns in the basic financial statements include the financial data of the County’s two discretely presented component units. These units are reported in a separate column to emphasize that they are legally separate from the County.

**Jefferson Community College**—The Jefferson Community College (the “College”) was established in 1961 with the County as the local sponsor under provisions of Article 126 of the Education Law. The College is administered by a Board of Trustees consisting of ten members, five appointed by the County governing body, four by the Governor and one student trustee. Also, the College budget is subject to the approval of the County Board of Legislators and the County provides one half of capital costs for the College. Real property of the College vests with the County and bonds and notes for the College capital costs are issued by the County and represent County debt. Mandated by New York State Law, the fiscal year end for the College is August 31. The College includes four discretely presented component units, the Jefferson Community College Foundation, Inc., Faculty Student Association of Jefferson Community College, Inc., Student Association of Jefferson Community College, and New Student Services of Jefferson Community College.

The County budget for 2022 included an appropriation of \$5,262,179 in support of the College budget for the College fiscal year ended August 31, 2022. In addition to the funds contributed for the support of the College budget for 2021-2022, the General Fund budget supports the debt service on other college capital improvement bonds as outlined in the following paragraphs.

In 2015, the County issued \$7,000,000 in public improvement serial bonds for the Jefferson Community College Collaborative Learning Project. In 2021, the County paid \$476,325 in debt service on the 2015 debt issue. The principal payment was \$320,000, and interest was paid in the amount of \$156,325. Outstanding debt on this issue at December 31, 2022, was \$4,995,000.

In 2017, the County issued \$6,206,500 in public improvement serial bonds of which \$1,500,000 was on behalf of the College. Of this amount, \$1,448,400 was for the campus building reconstruction at Jefferson Community College and \$51,600 was for purchasing a loader. In 2022, the County paid \$98,078 in debt service on the 2017 debt issue. The principal payment was \$63,000, and interest was paid in the amount of \$35,078. Outstanding debt on this issue at December 31, 2022 was \$1,213,000.

In 2020, the County converted a \$9,000,000 bond anticipation notes (“BAN”) of which \$1,885,000 was for the purpose of additional work on the Jefferson Community College Learning Center to permanent financing. In 2022, the County paid \$184,456 in debt service on the 2020 debt issue. The principal payment was \$165,000, and interest was paid in the amount of \$19,456. Outstanding debt on this issue at December 31, 2022 was \$1,555,000.

Jefferson County paid \$433,393 to other New York State Community Colleges for its residents attending community colleges outside the County.

The College adopted GASB Statement No. 87, *Leases*, during the year ended August 31, 2022. The changes were incorporated into the College’s financial statements and had no affect on the beginning balance of net position because the net book value of the intangible right-to-use asset equaled the amount of the lease liability and the deferred inflow equaled the amount of the receivable recorded for future lease payments.

Separate financial statements can be obtained by writing the College’s administration office, 1220 Coffeen Street, Watertown, New York 13601.

**Jefferson County Industrial Development Agency**—The Jefferson County Industrial Development Agency (the “Agency”) is a public benefit corporation created by Article 18A of New York State General Municipal Law to promote the economic welfare, recreation opportunities and prosperity of County inhabitants. Members of the Agency are appointed by the County Board of Legislators which exercises no oversight responsibility for fiscal matters. The Agency members have complete

responsibility for management of the Agency and accountability for fiscal matters. The County is not liable for agency bonds or notes.

In addition, the Agency administers a \$4,250,903 revolving loan fund, a \$195,944 micro-enterprise loan program which provides loans to small businesses and a \$287,870 Watertown Economic Growth Fund which provides support to enterprises in the City of Watertown. These funds are used to provide loans to eligible businesses that save and create employment opportunities for residents of Jefferson County. The Agency works closely with Jefferson County Job Development Corporation (“JCJDC”) through funding of certain programs for economic development activities. The Agency has no staff; staff is supplied by the JCJDC under contract. The Agency includes two blended component units, the Jefferson County Local Development Corporation and the Jefferson County Civic Facilities Development Corporation.

The Agency adopted a new financial reporting period of January 1 through December 31. The Agency’s previous reporting period was October 1 through September 30. Accordingly, the Agency’s financial statements reflect a fifteen month reporting period of October 1, 2021 through December 31, 2022.

The Agency adopted GASB Statement No. 87, *Leases*, during the year ended December 31, 2022. The changes were incorporated into the Agency’s financial statements and had no effect on the beginning balance of net position because the net book value of the intangible right-to-use asset equaled the amount of the lease liability and the deferred inflow equaled the amount of the receivable recorded for future lease payments.

Separate financial statements can be obtained by writing the Agency’s administration office, 800 Starbuck Avenue, Suite 800, Watertown, New York 13601.

***Excluded from the Financial Reporting Entity***—Although the following are related to the County, they are not included in the County reporting entity:

***Jefferson County Soil and Water Conservation District***—The Board of Legislators has declared the County to be a Soil and Water Conservation District in accordance with the provisions of the Soil and Water Conservation District Law. Members of the Board of Directors have been appointed by the County governing body and administrative costs of the District are provided primarily through County appropriations. The Board of Legislators retains general oversight responsibilities including monitoring district activities through detailed reporting to the Board of Legislators by the District Directors of its work and transactions in such periods as the Board of Legislators may direct. However, the County cannot impose will upon the District nor is there a financial benefit/burden relationship with the County to require it to be presented as a component unit of the County.

The annual financial report can be obtained from the District’s administration office at Jefferson County Soil and Water Conservation District, 21168 State Route 232, PO Box 838, Watertown, NY 13601.

***Thousand Islands Bridge Authority***—The Thousand Islands Bridge Authority is a public benefit corporation created by State Legislation to promote the economic welfare, recreation, and prosperity of the County inhabitants. Members of the agency are appointed by the municipal governing body which exercises no oversight responsibility. The Authority members have complete responsibility for management of the Authority and accountability for fiscal matters. The County is not liable for Authority bonds or notes.

### ***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, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, its proprietary fund, and its fiduciary fund, even though the latter is excluded from the government-wide financial statements.

As discussed earlier, the government has two discretely presented component units. Jefferson Community College and the Jefferson County Industrial Development Agency are shown in separate columns in the government-wide 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 government. 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 fund. 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- *General Fund*—This fund is the principal operating fund of the County and is used to account for all financial resources except those required to be accounted for in other funds.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment other than those financed by the enterprise fund. The County utilizes separate funds to account for capital projects benefiting the following programs: general government, public safety, transportation, sanitation, and recreation.

Additionally, the County reports the following nonmajor governmental funds:

*Special Revenue Funds*—used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are utilized:

- *County Road Fund*—The County Road Fund is used to account for expenditures for highway purposes authorized by Section 114 of the Highway Law.
- *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.
- *Special Grant Fund*—The Special Grant Fund is used to account for funds received under the Job Training Partnership Act/Workforce Investment Act and for Community Block Grant funds received from the Department of Housing and Urban Development.



*Debt Service Fund*—used to account for current payments of principal and interest on general obligation long-term debt and for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness.

The County reports the following major enterprise fund:

- *Solid Waste Management Fund*—The Solid Waste Management Fund accounts for the handling of solid waste, including a recycling facility and transfer station, where the governing officials have determined that the costs of operations are to be financed through charges for services to users.

Additionally, the County reports the following fund type:

- *Fiduciary Fund*—The Custodial Fund is used to account for assets held by the County as an agent for other governments or individuals.

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 (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activity column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the 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 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.

### ***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 collected within 60 days after the end of the current fiscal period to be available and recognizes them as revenues of the current year, 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 or within the availability period for this revenue source (within one year of the end of the current fiscal period). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of the end of the current fiscal period). All other revenue items are considered to be measurable and available only when cash is received by the government.

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 are considered to be cash on hand, certificates of deposits, demand deposits and short-term investments with original maturities of 90 days or less from the date of acquisition. State statutes and various resolutions of the Board of Legislators govern the County’s investment policies. Permissible investments include obligations of the U.S Treasury and U.S Government Agencies, repurchase agreements and obligations of New York State or its localities. The County’s investments are recorded at fair value in accordance with GASB.

***Restricted Cash and Cash Equivalents***—Restricted cash and cash equivalents represent unspent proceeds from debt, unearned revenues, amounts received for grants but not yet spent, amounts to support restricted fund balances, and amounts held on behalf of others.

***Receivables***—Receivables are stated net of allowances for estimated uncollectible amounts. Intergovernmental receivables include amounts owed to the County to reimburse it for expenditures incurred pursuant to state and federally funded programs. All major revenues of the County are considered “susceptible to accrual” under the modified accrual basis. These include property tax, sales tax, state tax, State and Federal aid, and various grant program revenues.

***Inventory***—Inventory associated with the governmental activities is valued at the lower of cost or market using the average cost method.

***Prepaid Items***—Certain payments to vendors or other governments 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 expense/expenditures when consumed rather than when purchased.

***Noncurrent 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 6 for additional information related to the County’s net pension asset.

***Capital Assets***—Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County as assets with an initial, individual cost of more than \$5,000, or \$10,000 for heavy equipment, and an estimated useful life in excess of two years. For infrastructure (including buildings) assets, the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that

cost more than \$25,000 are reported as capital assets. 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.

Land, right of way and easements, and construction in progress are not depreciated. The other capital assets of the primary government are depreciated using the straight-line method over the estimated useful lives as shown below:

Capitalization Threshold and Useful Lives		
Class of Asset	Threshold	Useful Life
Land	\$ 5,000	n/a
Works of art and historical treasures	5,000	n/a
Construction in progress	5,000	n/a
Land improvements	5,000	20
Buildings	25,000	50
Building improvements	5,000	20
Machinery and equipment:		
Office equipment	5,000	10
Furniture	5,000	10
Computer and computer equipment	5,000	5
Vehicles	5,000	7
Heavy equipment	10,000	7
Other	5,000	10
Infrastructure		
Roads, network	25,000	25
Bridges (includes culverts)	25,000	40
Improvements other than land or buildings	5,000	7

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).

**Unearned Revenue**—Certain amounts received have not been spent or otherwise used to meet the revenue recognition criteria for government-wide or fund financial purposes. At December 31, 2021, the County reported unearned revenues of \$15,963,294 and \$66,492 within the General Fund and nonmajor funds, respectively. The County received cash in advance related to grants, donations and forfeited funds, but has not yet performed the services, and therefore recognizes a liability. Of this amount, \$13,463,411 is related to the American Rescue Plan Act.

**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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The primary government has three types of items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide financial statements. This represents the effect of the net change in the County’s proportion of the collective net pension asset or liability, and 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 financial statements and represents the effects of the change in the County's proportion of the collective OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability. The last item is the excess consideration provided for the acquisition of the fixed based operation at the airport and is reported in the government-wide statement of net position. The excess results from the difference in the carrying value of the items purchased and the acquisition price. This amount is considered deferred and is being impaired over the life of the assets that were acquired.

In addition to liabilities, the statement of financial position and the balance sheet 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 assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The primary government has four types of items, which qualify for reporting in this category. The first item is related to leases receivable reported on both the Statement of Net Position and governmental funds balance sheet, which is reported equal to the lease receivable at the present value of the remaining lease payments expected to be received during the lease term and amortized over the life of the lease. The second item represents the effect of the net change in the County's proportion of the collective net pension asset or liability 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 statements. The third item represents the effects of the change in the County's proportion of the collective OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability and is reported in the government-wide statements. Additionally, under the modified accrual basis of accounting, the governmental funds report unavailable revenues from two sources: property taxes and some nonexchange State aid that will more than likely not be realized within one year. These amounts are deferred and recognized in the period that the amounts become available. Accordingly, the items, *unavailable revenue*, are reported as deferred inflows of resources only in the governmental funds balance sheet.

**Leases**—The County recognizes lease liabilities with an initial, individual value of \$25,000 or more. At the commencement of a lease, the County initially measures the lease liability at the present value of any remaining payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made, as applicable. As of December 31, 2022, the County did not have any qualifying lease liabilities.

The County is a lessor for a noncancellable leases of office space and real property. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Leases receivable are discussed within Note 3.

**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 position 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 County’s highest level of decision-making authority. The Board of Legislators is the highest level of decision-making authority for the government 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. The Board of Legislators has by resolution authorized the County Administrator to recommend assignments to a committee which can then approve, reject or adjust the assignments of fund balance. The Board of Legislators 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***—The 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 (including special assessments) that are restricted to meeting the operation 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 program revenues.

***Real Property Taxes***—Real property taxes are levied annually no later than December 31, and become a lien on January 1. Town and County taxes are collected by the towns during the period January 1 to late March, as specified in their warrants. Towns return unpaid taxes to the County by appointment in March. Delinquent taxes accrue interest at 1% per month beginning on February 1. A 5% penalty is added to any taxes due upon settlement between the Towns and the County. Upon settlement, the County assumes collection of delinquent taxes until they are enforced, no earlier than 24 months after lien date. Towns and special districts receive the full amount of their levies annually from the first amounts collected on the combined bills.

The County-wide property tax is levied by the Board of Legislators effective January 1 of the year the taxes are recognizable as revenue. Taxes become a lien on the related property on that date of the year for which

they are levied. Accordingly, property tax is only recognized as revenue in the year for which the levy is made, and to the extent that such taxes are received within the reporting period or 60 days thereafter in the governmental fund financial statements.

The County's tax sale procedures have resulted in cumulative net gain. The County does not consider its delinquent property taxes for prior years to be uncollectible. However, delinquent property taxes not collected at year end (excluding collections in the 60 day subsequent period) are recorded as deferred inflows of resources in the Governmental Fund financial statements. Any taxes not collectible pursuant to a court order are recorded as a reduction to prior year revenue when the Court determines them to be uncollectible.

For years prior to 1995, unpaid taxes were/are enforced in accordance with the provision of Chapter 157 of the Law of 1883, as amended; the end result being that the individual towns made the taxes whole to the County. The County Treasurer acts as central collection for all delinquent taxes outside the City of Watertown.

Since 1995, pursuant to Article 11 of New York State Real Property Tax Law, the County assumes enforcement responsibility for all taxes levied outside the city, with the County Attorney acting as the Tax Enforcement Officer.

In 2022, the County Attorney, as Tax Enforcement Officer, conducted the County's annual sale of properties acquired through tax foreclosure. Of 65 properties acquired through foreclosure in 2019, 63 were sold at auction, generating gross receipts of \$1,467,815. One property that did not sell at auction was subsequently sold for \$22,500.

In 1996, a local law was approved to allow real property owners in the County owing delinquent taxes to enter into an installment contract. As long as the taxpayer continues payments within the terms of the contract, real property is protected from tax enforcement proceedings.

In 1997, the County enacted a local law to allow payment of current real property taxes in installments commencing in 1998. Each Town has the option to adopt the installment method. Twenty-one of the County's twenty-two towns participate in installment collections.

Beginning in 1999, non-city school districts were permitted to adopt the installment option of payment for their taxpayers. The program allows for the school district to collect the first installment within the first 30 days of the tax lien. The County is then charged with collecting the second and third installments, after compensating the school districts for these amounts.

County taxes collected on properties within the City of Watertown are enforced, and will continue to be enforced, by the City. The County receives the full amount of such taxes in the year due.

Unpaid village taxes and non-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.

School taxes remaining unpaid in the enlarged city school district (outside the City) are turned over to the County Treasurer in December each year and eventually are subject to enforcement by the County within the same time frame as re-levied village and school taxes.

At December 31, 2022, the total real property tax assets relating to the County of \$9,051,977 are offset by an allowance for uncollectible taxes of \$4,379,885. Additionally, included in real property tax assets are current year returned village and school taxes of \$4,177,485. The remaining portion of tax assets is partially offset by deferred inflows of resources – property taxes of \$8,450,556 in the General Fund and represents an estimate of tax liens which will not be collected within the first sixty (60) days of the subsequent year.

A 4.0% sales tax is levied in and for the County under the general authority of Article 29 of the Tax Law and specific authority of local law. This tax is administered and collected by the State Sales Tax Commission in the same manner as the State imposed 4.0% sales and compensating use tax. Net collections, meaning monies collected after deducting them from expenses of administration and collection and amounts refunded or to be refunded, but inclusive of any applicable penalties and interest, are paid by the State to the County on a monthly basis. Of the total \$100,661,022 sales tax collected or accrued for the year ended December 31, 2022, \$53,350,342 was distributed to the towns, villages and the City of Watertown, of which, \$9,559,898 is recorded as liabilities to be distributed.

**Constitutional Tax Limit**—The amount that may be raised by the County-wide tax levy on real estate in any fiscal year (for purposes other than debt service on County indebtedness) is limited to one and one-half per centum (subject to increase up to two per centum by resolution of the Board of Legislators) of the five-year average full valuation of taxable real estate of the County, per New York State statutes.

The County constitutional tax limit (per New York State statutes) for the fiscal year ended December 31, 2022 is computed below:

Five-year average full valuation of taxable real estate	<u>\$ 8,405,909,585</u>
Tax limit @ 1.5%	\$ 126,088,644
Tax levy subject to tax limit	<u>61,409,361</u>
Tax margin	<u>\$ 64,679,283</u>

**Compensated Absences**—Most employees are granted vacation, personal, and sick leave and earn compensatory time in varying amounts. In the event of termination, an employee is entitled to payment for accumulated vacation and compensatory time. Upon retirement, an employee is entitled to vacation and unused compensatory absences at various rates subject to certain maximum limitations.

Full time employees are entitled to earn 15 days of sick time annually which is accrued proportionately with each bi-weekly pay period, and may accumulate credit up to a maximum of 200 days. The County has no liability for sick leave upon retirement; any unused sick leave is applied toward service time for retirement benefits as outlined in Section 41J of New York State Retirement and Social Security Law.

Compensated absences for vacation and compensatory time for governmental fund type employees are reported as a liability and an expense in the government-wide financial statements. For business-type activities employees, the accumulation is recorded as an accrued liability and/or other long-term obligation of the business-type activities.

The compensated absences liability for the primary government at year end totaled \$2,379,863 and is reported within governmental activities at \$2,334,924 and business-type activities at \$44,939. The College reports \$441,578 as its liability for compensated absences.

Payment of vacation and compensatory time is recorded in the governmental funds is dependent upon many factors. Therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation and compensatory time when such payment becomes due.

**Pension Plans**—The County and the College are mandated by New York State law to participate in the New York State Teachers’ Retirement System (“TRS”) and the New York State Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension (asset)/liability, deferred outflows

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 at Note 6.

***Other Postemployment Benefits***—In addition to providing pension benefits, the County provides retired employees with group health insurance benefits. The obligation of the County to contribute to the cost of providing this benefit has been established pursuant to legislative resolution and various collective bargaining agreements. Substantially all employees become eligible for such benefit if they have been continuously employed by the County for the equivalent of at least ten years at the time of retirement.

Regarding the County's postemployment benefits, retirees' and their survivor's health care benefits are provided through an insurance company whose premiums are based on historic experience. Additionally the County finances the plan on a pay-as-you-go basis, and the cost of retiree group health insurance benefits is recognized as an expenditure/expense based on premiums paid during the year. During 2022, \$12,002,239 was paid by the County on behalf of eligible retirees, including their dependents and survivors. More information on other postemployment benefits is included in Note 7.

***Proprietary Funds Operating and Nonoperating Revenues and Expenses***—Operating revenues of enterprise funds consist mainly of user fees. Operating expenses of enterprise funds consist of salaries, wages and benefits, contractual services and depreciation and amortization. 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 either capital or current operations are reported as nonoperating revenue.

#### ***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 revenues, expenditures, assets, deferred outflows/inflows of resources, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and 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*. The implementation of 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 Statements No. 87 did not have a material impact on the County's financial position or results from operations.

***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*; and No. 96, *Subscription-Based Information Technology Arrangements*, and a portion of No. 99, *Omnibus 2022*, effective for the fiscal year ending December 31, 2023; and the remainder of No. 99, *Omnibus 2022*; 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**—The County follows these procedures in establishing the budgetary data reflected in the financial statements:

The County’s annual procedures in establishing the budgetary data reflected in the basic financial statements are included below:

- No later than November 15, the budget officer submits a tentative budget to the Board of Legislators for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for the General Fund, County Road Fund, Road Machinery Fund and Debt Service Fund.
- After public hearings are conducted to obtain taxpayer comments, no later than December 20, the governing board adopts the budget.
- All amendments of the budget must be approved by the governing board. However, the County Administrator is authorized to transfer certain budgeted amounts within departments, upon request of the department head.
- Budgets are prepared for proprietary funds to establish the estimated contributions required from other funds and to control expenditures.

## **2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Available cash of the County is deposited and invested in accordance with the provisions of applicable State statutes. The County also has its own written investment guidelines which have been established by the Board of Legislators.

The County deposits cash into a number of bank accounts. Monies must be deposited in demand or time accounts at, or certificates of deposit issued by, FDIC-insured commercial banks or trust companies located within the State. Some of the County’s accounts are required by various statutes and borrowing restrictions for specific funds, while the remainder are used for County operating cash and for investment purposes. The County’s bank accounts are maintained in separate demand accounts with the respective offset being to various fund equities in pooled cash, investments, and restricted cash. Interest income from the pooled accounts is allocated based on the funds’ respective share of the pool.

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 and cash equivalents (including restricted amounts) at year-end consisted of:

	Governmental Activities	Business-type Activity	Fiduciary Fund	Total Balance
Petty cash (uncollateralized)	\$ 14,720	\$ 800	\$ -	\$ 15,520
Deposits	<u>73,793,996</u>	<u>1,510,193</u>	<u>6,522,677</u>	<u>81,826,866</u>
Total	<u>\$ 73,808,716</u>	<u>\$ 1,510,993</u>	<u>\$ 6,522,677</u>	<u>\$ 81,842,386</u>

**Deposits and Cash with Fiscal Agent**—All deposits and cash with fiscal agent are carried at fair value.

	Bank Balance	Carrying Amount
FDIC insured	\$ 1,000,000	\$ 1,000,000
Uninsured:		
Collateral held by bank's agent in the County's name	<u>81,023,575</u>	<u>81,826,866</u>
Total	<u>\$ 82,023,575</u>	<u>\$ 82,826,866</u>

**Custodial Credit Risk—Deposits**—Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. For investments, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. By State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2022, the County’s deposits were FDIC insured or collateralized. The County pools its cash from all funds, except for cash required by law to be segregated, into a concentration account for investment purposes.

**Interest Rate Risk**—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of deposits and investments. The County minimizes the risk by structuring the investment portfolio so that the deposits and investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell deposits and investments on the open market prior to maturity.

**Restricted Cash and Cash Equivalents**—Restricted cash and cash equivalents include the following:

	Purpose	Amount
Governmental activities:		
General Fund	Workers' compensation	\$ 550,710
General Fund	Unemployment insurance	72,225
General Fund	Insurance	1,871,820
General Fund	Advanced fundings	2,499,882
General Fund	ARPA fundings	13,812,286
General Fund	Law enforcement and prosecution	285,780
General Fund	Wireless 911 Surcharge	925,161
General Fund	Opioid settlements	366,083
General Fund	Committed funds	6,000,000
Capital Projects Fund	Unspent bond proceeds	4,061,878
Nonmajor Funds:		
Road Machinery Fund	Highway equipment reserve	500,070
Special Grants Fund	Unspent grant proceeds	56,406
Debt Service Fund	Debt service	78,161
Business-type activities:		
Solid Waste Management Fund	Capital projects	86,429
Total primary government		<u>\$ 31,166,891</u>
Fiduciary Fund:		
Custodial Fund	Custodial liabilities	<u>\$ 6,522,677</u>
Total Fiduciary Fund		<u>\$ 6,522,677</u>

Amounts restricted for General Fund reserves are subject to externally enforceable legal purpose restrictions, which are authorized by General Municipal Law, and for cash advances related to grant funding. Amounts restricted with the Capital Projects Fund are for unspent debt proceeds. Amounts restricted for debt service represent unexpended fund balances of completed capital projects and/or interest earned from the investment of debt proceeds which will be used to reduce future debt service per New York State Local Finance Law. Amounts restricted for capital projects within the Solid Waste Management Enterprise Fund are reserved to finance future costs of equipment replacement and capital improvements, including facility reconstruction. The fund is managed in accordance with section 6-c of the Municipal Law. Amounts restricted with the Custodial Fund are for property taxes collected by the County on behalf of Villages and School Districts, along with social services trust accounts.

**Investments**—All investments are reported using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the County has access at the measurement date.
- Level 2. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets in markets that are not active;
  - Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - Inputs derived principally from, or corroborated by, observable market data correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

The County has the following fair value measurements as of December 31, 2022:

- Certificates of deposit of \$21,980,000 are valued based on quoted market prices for similar assets in active markets (level 2 input).
- U.S. backed securities of \$26,021,346 are valued using quoted market prices for identical assets in active markets (level 1 input).

**Custodial Credit Risk—Investments**—Credit risk is defined as the risk that an issuer or other counterpart to an investment in debt securities will not fulfill its obligation. The County minimizes credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the County does business, and diversifying the investment portfolio so that potential losses on individual securities are minimized. The U.S Government Securities are not considered to have credit risk and do not require disclosure of credit quality.

***Discretely Presented Component Units***

***Jefferson Community College***—The College and its component units had unrestricted deposits of \$5,269,698 and \$2,829,257, respectively. The College’s carrying value of cash and short-term investments subject to collateral requirements was \$5,268,298 at August 31, 2022 which included cash in checking accounts and interest-bearing savings accounts. Bank balances totaling \$5,690,059 were insured by the FDIC at August 31, 2022.

The Jefferson Community College Foundation, Inc. and the Jefferson FSA Auxiliary, LLC, component units of the College, have restricted cash of \$1,785,732, consisting of various reserve funds.

The primary institution of the College investments in the amount of \$3,987,000 as of August 31, 2022. Its component units had investments as of August 31, 2022 with a market value of \$8,303,864. All investment held by the component unit are deemed to be observable in active markets and are therefore considered to be Level 1.

***Jefferson County Industrial Development Agency***—The Agency had unrestricted deposits of \$6,700,428 and restricted deposits of \$2,849,591 which were insured or collateralized by securities held by the pledging financial institution’s trust department or agent, but not in the Agency’s name.

**3. RECEIVABLES**

***Taxes Receivable***—Represents amounts due from County taxpayers that remain unpaid. At December 31, 2022, the County recorded \$8,849,577 related to taxes receivable. These amounts are reported net of an allowance for uncollectible taxes provision of \$4,379,885.

***Accounts Receivable***—Represents amounts due from various sources. The County’s accounts receivable as of December 31, 2022, are as follows:

Governmental Funds:	
General Fund:	
Various fees and charges	\$ 2,131,594
Less allowance for doubtful accounts	<u>(41,451)</u>
Total governmental funds	<u>\$ 2,090,143</u>
Enterprise fund:	
Various fees and charges	<u>\$ 363,033</u>
Total enterprise fund	<u>\$ 363,033</u>
Fiduciary fund:	
Various fees and charges	<u>\$ 6,614</u>
Total fiduciary fund	<u>\$ 6,614</u>

Intergovernmental receivables as of December 31, 2022, are as follows:

Governmental Funds:		
General Fund:		
Due from State and Federal	\$ 13,874,958	
Due from other governments	<u>7,069,134</u>	\$ 20,944,092
Capital Projects Fund:		
Due from State and Federal		8,000,528
Nonmajor funds:		
Due from State and Federal	\$ 3,046,030	
Due from other governments	<u>40,285</u>	<u>3,086,315</u>
Total governmental funds		<u>\$ 32,030,935</u>

**Leases Receivable**—During the year ended December 31, 2022, the County began recognizing the leases of office space and real property to third parties. The leases have original maturities ranging from nine to twenty years and the County receives variable annual payments. The County recognized \$34,385 in lease revenue and \$23,616 in interest revenue during the current fiscal year related to this lease. As of December 31, 2022, the County’s receivable for lease payments was \$768,489. Also, the Town has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2022, the balance of the deferred inflow of resources was \$768,489.

***Discretely Presented Component Units***

**Jefferson Community College**—Significant receivables include amounts due from students for fees and tuitions. These receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. The allowance amount is estimated and recorded based on the College’s historical bad debt experience, and based on management’s judgment. At August 31, 2022, the College reported total accounts receivable of \$2,905,047, intergovernmental receivables of \$2,198,817 and notes receivable of \$371,975. In addition, the College is a lessor for various noncancellable leases. The College reported a lease receivable of \$96,860 as of August 31, 2022 and a deferred inflow of resources of \$96,860.

**Jefferson County Industrial Development Agency**—Significant receivables of the Agency include loans and notes receivable and intergovernmental receivables. The Agency had loans and notes receivable of \$1,555,427 and intergovernmental receivables of \$ 1,152,295 at December 31, 2022.

#### 4. 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	Additions	Deletions	Balance 12/31/2022
Capital assets, not being depreciated:				
Land	\$ 2,979,105	\$ -	\$ -	\$ 2,979,105
Construction in progress	<u>30,613,096</u>	<u>11,432,945</u>	<u>15,794,230</u>	<u>26,251,811</u>
Total capital assets, not being depreciated	<u>33,592,201</u>	<u>11,432,945</u>	<u>15,794,230</u>	<u>29,230,916</u>
Capital assets, being depreciated:				
Buildings and building improvements	93,955,705	6,374,659	-	100,330,364
Improvements other than buildings	1,407,921	-	-	1,407,921
Machinery and equipment	37,922,641	2,212,594	1,179,880	38,955,355
Infrastructure	<u>134,643,403</u>	<u>10,234,616</u>	<u>6,485,031</u>	<u>138,392,988</u>
Total capital assets, being depreciated	<u>267,929,670</u>	<u>18,821,869</u>	<u>7,664,911</u>	<u>279,086,628</u>
Less accumulated depreciation for:				
Buildings and building improvements	46,861,844	2,592,380	-	49,454,224
Improvements other than buildings	1,275,499	5,266	-	1,280,765
Machinery and equipment	24,717,168	2,368,623	1,088,179	25,997,612
Infrastructure	<u>66,113,503</u>	<u>4,522,077</u>	<u>6,485,031</u>	<u>64,150,549</u>
Total accumulated depreciation	<u>138,968,014</u>	<u>9,488,346</u>	<u>7,573,210</u>	<u>140,883,150</u>
Total capital assets, being depreciated, net	<u>128,961,656</u>	<u>9,333,523</u>	<u>91,701</u>	<u>138,203,478</u>
Governmental activities capital assets, net	<u>\$ 162,553,857</u>	<u>\$ 20,766,468</u>	<u>\$ 15,885,931</u>	<u>\$ 167,434,394</u>

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

Governmental activities:	
General government support	\$ 773,685
Public safety	2,453,233
Health	34,818
Transportation	5,969,387
Economic assistance and opportunity	<u>257,223</u>
Total depreciation expense—governmental activities	<u>\$ 9,488,346</u>

***Business-type activity***—Capital asset activity for the primary government’s business-type activity (Enterprise Fund), for the year ended December 31, 2022, as presented below:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Capital assets, not being depreciated:				
Land	\$ 12,415	\$ -	\$ -	\$ 12,415
Construction in progress	<u>226,485</u>	<u>50,550</u>	<u>-</u>	<u>277,035</u>
Total capital assets, not being depreciated	<u>238,900</u>	<u>50,550</u>	<u>-</u>	<u>289,450</u>
Capital assets, being depreciated:				
Buildings	3,173,672	-	-	3,173,672
Machinery and equipment	<u>3,098,513</u>	<u>221,035</u>	<u>133,934</u>	<u>3,185,614</u>
Total capital assets, being depreciated	<u>6,272,185</u>	<u>221,035</u>	<u>133,934</u>	<u>6,359,286</u>
Less accumulated depreciation for:				
Buildings	956,367	51,951	-	1,008,318
Machinery and equipment	<u>2,400,087</u>	<u>122,834</u>	<u>117,662</u>	<u>2,405,259</u>
Total accumulated depreciation	<u>3,356,454</u>	<u>174,785</u>	<u>117,662</u>	<u>3,413,577</u>
Total capital assets, being depreciated, net	<u>2,915,731</u>	<u>46,250</u>	<u>16,272</u>	<u>2,945,709</u>
Business-type activity capital assets, net	<u>\$ 3,154,631</u>	<u>\$ 96,800</u>	<u>\$ 16,272</u>	<u>\$ 3,235,159</u>

***Discretely Presented Component Units***

***Jefferson Community College***—Capital asset activity for Jefferson Community College for the year ended August 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Reclassifications</u>	<u>Ending Balance</u>
Capital assets, not being depreciated/amortized:				
Land	\$ 145,000	\$ -	\$ -	\$ 145,000
Construction in progress	<u>573,902</u>	<u>207,292</u>	<u>573,902</u>	<u>207,292</u>
Total capital assets, not being depreciated/amortized	<u>718,902</u>	<u>207,292</u>	<u>573,902</u>	<u>352,292</u>
Capital assets, being depreciated/amortized:				
Land improvements and infrastructure	8,206,156	1,614,642	-	9,820,798
Buildings	45,472,622	1,416,424	-	46,889,046
Furniture and equipment	4,300,997	222,170	1,049,510	3,473,657
Library books	<u>5,087,349</u>	<u>18,494</u>	<u>-</u>	<u>5,105,843</u>
Total capital assets, being depreciated/amortized	<u>63,067,124</u>	<u>3,271,730</u>	<u>1,049,510</u>	<u>65,289,344</u>
Less accumulated depreciation/amortization for:				
Land improvements and infrastructure	4,031,196	364,576	-	4,395,772
Buildings	19,248,041	1,914,965	-	21,163,006
Furniture and equipment	3,686,967	159,876	1,039,696	2,807,147
Library books	<u>5,016,588</u>	<u>35,598</u>	<u>-</u>	<u>5,052,186</u>
Total accumulated depreciation/amortization	<u>31,982,792</u>	<u>2,475,015</u>	<u>1,039,696</u>	<u>33,418,111</u>
Total capital assets, being depreciated/amortized, net	<u>31,084,332</u>	<u>796,715</u>	<u>2,089,206</u>	<u>31,871,233</u>
Capital assets, net	<u>\$ 31,803,234</u>	<u>\$ 1,004,007</u>	<u>\$ -</u>	<u>\$ 32,223,525</u>

In addition to the capital assets reported above, the College reports net capital assets of its discretely presented component units in the amount of \$14,992,947.



**Jefferson County Industrial Development Agency**—Capital asset activity for the Jefferson County Industrial Development Agency for the year ended December 31, 2022 was as follows:

	Beginning Balance (as adjusted)	Additions	Deletions	Ending Balance
Capital assets, not being depreciated/amortized:				
Land and land improvements	\$ 1,147,516	\$ 126,578	\$ -	\$ 1,274,094
Construction in progress	<u>880,131</u>	<u>2,263,083</u>	<u>2,555,222</u>	<u>587,992</u>
Total capital assets, not being depreciated/amortized	<u>2,027,647</u>	<u>2,389,661</u>	<u>2,555,222</u>	<u>1,862,086</u>
Capital assets, being depreciated/amortized:				
Equipment	89,803	6,511	-	96,314
Buildings	1,567,415	2,533,606	-	4,101,021
Right-to-use leased asset	<u>205,076</u>	<u>-</u>	<u>-</u>	<u>205,076</u>
Total capital assets, being depreciated/amortized:	<u>1,657,218</u>	<u>2,540,117</u>	<u>-</u>	<u>4,402,411</u>
Total accumulated depreciation/amortization	<u>1,134,994</u>	<u>127,731</u>	<u>-</u>	<u>1,262,725</u>
Total capital assets, being depreciated/amortized, net	<u>522,224</u>	<u>246,561</u>	<u>(111,574)</u>	<u>3,139,686</u>
Capital assets, net	<u>\$ 2,549,871</u>	<u>\$ 2,143,100</u>	<u>\$ 2,555,222</u>	<u>\$ 5,001,772</u>

## 5. ACCRUED LIABILITIES

Accrued liabilities reported by the County’s funds at December 31, 2022 were as follows:

	Governmental Funds			Enterprise Fund
	General	Nonmajor Funds	Total	Solid Waste
			Governmental Funds	Management
Salaries and employee benefits	<u>\$ 1,031,198</u>	<u>\$ 126,025</u>	<u>\$ 1,157,223</u>	<u>\$ 16,953</u>

## 6. PENSION OBLIGATIONS

### *Plan Description and Benefits Provided*

**Employees’ Retirement System**—The County and the College participate in the New York State and Local Employees’ Retirement System (“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 New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The 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](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, 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 10, 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 (asset) shown below for their proportionate share of the net pension liability/(asset) for ERS. The net pension liability/(asset) was measured as of March 31, 2022. The total pension liability used to calculate the net pension liability/(asset) was determined by actuarial valuations 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 Activity
Measurement date	March 31, 2022	
Net pension (asset)	\$ (12,607,623)	\$ (194,594)
County's portion of the Plan's total net pension liability/(asset)	0.0156598%	0.0000122%

For the year ended December 31, 2022, the County recognized income related to pensions of \$148,919 and \$2,299 for the governmental 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 in the chart below:

	ERS			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activity	Governmental Activities	Business-type Activity
Differences between expected and actual experiences	\$ 954,793	\$ 14,737	\$ 1,238,420	\$ 19,115
Changes of assumptions	21,040,710	324,754	355,039	5,480
Net difference between projected and actual earnings on pension plan investments	-	-	41,284,684	637,213
Changes in proportion and differences between the County's contributions and proportionate share of contributions	1,353,686	20,894	2,994,658	46,221
County contributions subsequent to the measurement date	3,564,498	55,017	-	-
Total	<u>\$ 26,913,687</u>	<u>\$ 415,402</u>	<u>\$ 45,872,801</u>	<u>\$ 708,029</u>

The County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension (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 below:

<u>Year Ending December 31,</u>	<u>ERS</u>	
	<u>Governmental Activities</u>	<u>Business-type Activity</u>
2023	\$ (3,774,776)	\$ (58,262)
2024	(5,174,417)	(79,865)
2025	(11,098,755)	(171,305)
2026	(2,475,664)	(38,212)

**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 valuation 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 rate	2.7%
Cost-of-living adjustments	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 on the following page.

	ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
Measurement date	March 31, 2022	
Asset class:		
Domestic equity	32.0 %	3.3 %
International equity	15.0	5.9
Private equity	10.0	6.5
Real estate	9.0	5.0
Opportunistic /absolute return strategy	3.0	4.1
Credit	4.0	3.8
Real assets	3.0	5.6
Fixed income	23.0	0.0
Cash	1.0	(1.0)
Total	100.0 %	

**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 liabilities 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%)
<b>Governmental Activities:</b>			
Employer's proportionate share of the net pension liability/(asset)	\$ 32,451,890	\$ (12,607,623)	\$ (50,297,737)
<b>Business-type Activity:</b>			
Employer's proportionate share of the net pension liability/(asset)	\$ 500,882	\$ (194,594)	\$ (776,326)

**Pension Plan Fiduciary Net Position**—The components of the current-year net pension liabilities of the employers as of the valuation dates are summarized on the following page.

	(Dollars in Thousands)
Valuation date	April 1, 2021
Employers' total pension liability	\$ 223,874,888
Plan fiduciary net position	<u>232,047,473</u>
Employers' net pension liability/(asset)	<u>\$ (8,172,585)</u>
System fiduciary net position as a percentage of total pension liability/(asset)	103.7%

***Discretely Presented Component Units***

***Jefferson Community College***—The College participates in the ERS and the Teachers’ Retirement System (“TRS”).

***Plan Description and Benefits Provided***

***Employees’ Retirement System***—The College participates in the ERS. The plan description is the same as disclosed previously within this footnote.

***Teachers’ Retirement System***—The College participates in the New York State Teachers’ Retirement System (“TRS”). This is a cost-sharing multiple-employer retirement system. TRS provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and Retirement and the New York State Retirement and Social Security Law (“NYSRSSL”). TRS is governed by a 10 member Board of Trustees. TRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York State Public Schools and BOCES who elect to participate in TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding TRS may be obtained by writing to the New York State Teachers’ Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial Report which can be found on TRS’ website at [www.nystrs.org](http://www.nystrs.org).

Plan members who joined the TRS before July 27, 1976, are not required to make contributions. Those joining after July 27, 1976 are required to contribute three percent (3.0%) to three and one half percent (3.5%) of their annual salary. Employees in the System more than ten years are no longer required to contribute. Pursuant to Article 11 of the Education Law, rates are established annually by the New York State Teachers’ Retirement Board.

***Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***—At August 31, 2022, the College reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of March 31, 2022 for ERS and June 30, 2022 for TRS. The total pension liabilities used to calculate the net pension liability/(asset) were determined by an actuarial valuation as of April 1, 2021 for ERS and June 30, 2021 for TRS. The College’s proportion of the net pension liability/(asset) was based on a projection of the College’s long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS and TRS in reports provided to the College, as shown on the following page.

Measurement date	TRS	ERS
	June 30, 2022	March 31, 2022
Net pension liability/(asset)	\$ 432,776	\$ (1,380,064)
The College's portion of the Plan's total net pension liability/(asset)	0.022554%	0.0168824%

For the year ended August 31, 2022, the College recognized pension expense of \$617,082 for TRS and pension (income) of (\$16,301) for ERS. At August 31, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experiences of economic and demographic assumptions	\$ 453,498	\$ 104,514	\$ 8,672	\$ 135,561
Changes in assumptions	839,519	2,303,172	174,336	38,863
Net difference between projected and actual earnings on pension plan investments	559,192	-	-	4,519,130
Changes in proportion and differences between the College's contributions and proportionate share of contributions	276,277	148,178	18,232	327,803
College contributions subsequent to the measurement date	51,808	211,538	-	-
Total	<u>\$ 2,180,294</u>	<u>\$ 2,767,402</u>	<u>\$ 201,240</u>	<u>\$ 5,021,357</u>

The College's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ending August 31, 2023. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to ERS and TRS will be recognized as pension expense below:

Year Ending August 31,	TRS	ERS
2023	\$ 400,282	\$ (413,197)
2024	225,543	(566,405)
2025	(9,016)	(1,214,899)
2026	1,137,154	(270,992)
2027	161,442	-
Thereafter	11,841	-

**Actuarial Assumptions**—The pension liability/(asset) as of the measurement dates were determined by using actuarial valuation dates as noted below with update procedures used to roll forward the total pension liabilities to the measurement dates. The actuarial valuations used the following actuarial assumptions, as shown on the following page.

	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2022	March 31, 2022
Actuarial valuation date	June 30, 2021	April 1, 2022
Interest rate	6.95%	5.90%
Salary scale	1.95%-5.18%	4.40%
Decrement tables	July 1, 2015 - June 30, 2020	April 1, 2015 - March 31, 2015
Inflation rates	2.4%	2.5%

For TRS, annuitant mortality rates are based on July 1, 2015-June 30, 2020. System's experience with adjustments for mortality improvements based on Society of Actuaries Scale AA. Best estimates of arithmetic real rates of return for each major asset class included in TRS' target asset allocation is summarized below:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
	<u>TRS</u>	
	<u>June 30, 2022</u>	
Measurement date		
Asset class:		
Domestic equities	33.0 %	6.8 %
International equities	16.0	7.6
Global equities	4.0	7.1
Private equity	8.0	10.0
Real estate	11.0	6.5
Domestic fixed income securities	16.0	1.3
Global fixed income securities	2.0	0.8
High-yield fixed income securities	1.0	0.0
Private debt	2.0	5.9
Real estate debt	6.0	3.3
Cash	1.0	(0.2)
Total	<u>100.0 %</u>	

**Discount Rate**—The discount rate used to calculate the total pension liability was 6.95% for TRS and 5.90% for ERS for the year ending August 31, 2022. 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 College’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.95% for TRS and 5.90% for ERS at August 31, 2022, as well as what the College’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 (5.95% for TRS and 4.9% for ERS) or one percentage-point higher (7.95% for TRS and 6.9% for ERS) than the current rate.

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
<b>TRS</b>			
Employer's proportionate share of the net pension liability/(asset)	\$ 3,990,429	\$ 432,779	\$ (2,559,180)
<b>ERS</b>			
Employer's proportionate share of the net pension liability/(asset)	\$ 3,552,269	\$ (1,380,064)	\$ (5,505,722)

**Pension Plan Fiduciary Net Position**—The components of the current-year net pension liabilities of the employers as of the valuation dates, were as follows:

	(Dollars in Thousands)		
	TRS	ERS	Total
Valuation date	June 30, 2022	April 1, 2021	
Employers' total pension liability	\$ 133,883,474	\$ 223,874,888	\$ 357,758,362
Plan fiduciary net position	<u>131,964,582</u>	<u>232,047,473</u>	<u>364,012,055</u>
Employers' net pension liability/(asset)	<u>\$ 1,918,892</u>	<u>\$ (8,172,585)</u>	<u>\$ (6,253,693)</u>
System fiduciary net position as a percentage of total pension liability	98.6%	103.7%	101.7%

## 7. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

**Plan Description and Benefits Provided**—The County may pay for a portion of eligible retirees’ health insurance dependent upon such factors as age, years of service and associated group or union. While benefits change over time as union contracts are renegotiated, current benefits are as shown below.

- (1) *CSEA*—An employee must be eligible to retire under NYSERS and have at least 10 years of service with the County. For retirees hired prior to January 1, 1999, the County pays for 100% of the medical premiums for single and family coverage. For employees hired between January 1, 1999 and December 31, 2007, the County pays 50% of medical premiums for employees with between 10 and less than 15 years of service, 75% of premiums with 15 years but less than 20 years of service and 100% for employees with 20 or more years of service. For employees hired on or after January 1, 2008, the County pays medical premiums for 25% of the cost for those with 10 years of service but less than 15 years, 50% for those with 15 years of service but less than 20 years and 75% for those with 20 or more years of service.



- (2) *Management*—An employee must be eligible to retire under NYSERS and have at least 10 years of service with the County. For retirees hired prior to January 1, 1998, the County pays 100% of medical premiums for single and family coverage. For employees hired between January 1, 1998 and December 31, 2005, the County pays 50% of medical premiums for employees with between 10 and less than 15 years of service, 75% of premiums with 15 years but less than 20 years of service and 100% for employees with 20 or more years of service. For employees hired on or after January 1, 2006, the County pays medical premiums for 25% of the cost for those with 10 years of service but less than 15 years, 50% for those with 15 years of service but less than 20 years and 75% for those with 20 or more years of service.
- (3) *Deputy Sheriff*—An employee must be eligible to retire under NYSERS and have at least 10 years of service with the County. For retirees hired prior to January 1, 1998, the County pays 100% of medical premiums for single and family coverage. For employees hired between January 1, 1998 and December 31, 2006, the County pays 50% of medical premiums for employees with between 10 and less than 15 years of service, 75% of premiums with 15 years but less than 20 years of service and 90% for employees with 20 or more years of service. For employees hired on or after January 1, 2007, the County pays medical premiums for 20% of the cost for those with 10 years of service but less than 15 years, 30% for those with 15 years of service but less than 20 years and 70% for those with 20 or more years of service.
- (4) *Corrections/Dispatch*—An employee must be eligible to retire under NYSERS and have at least 10 years of service with the County. For retirees hired prior to January 1, 2001, the County pays 100% of medical premiums for single and family coverage. For employees hired between January 1, 2001 and December 31, 2007, the County pays 50% of medical premiums for employees with between 10 and less than 15 years of service, 75% of premiums with 15 years but less than 20 years of service and 90% for employees with 20 or more years of service. For employees hired on or after January 1, 2008, the County pays medical premiums for 25% of the cost for those with 10 years of service but less than 15 years, 50% for those with 15 years of service but less than 20 years and 75% for those with 20 or more years of service.

***Employees Covered by Benefit Terms***—At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	691
Active employees	<u>598</u>
Total	<u>1,289</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 (“AAL”) under GASB Statement No. 45.

***Total OPEB Liability***

The County’s total OPEB liability for governmental activities and business-type activity of \$338,587,953 and \$6,381,387, respectively, was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2022.

**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 employee and plan members. 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, 2022 actuarial valuation, the Entry Age Normal over a level percent of salary was used. The single discount rate changed from 2.25% to 4.31% effective December 31, 2022. The salary scale used is based on the New York State Employees Retirement System and Police and Fire Retirement System which vary by age. Mortality rates are based on the SOA Pub-2010 General Headcount Mortality Table fully generational using scale MP-2021 or Disabled Retiree Mortality Table fully generational using MP-2021. The 2020 New York State Employees Retirement System and Police and Fire Retirement System rates were used for turnover and retirement rates. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 7.5%, while the ultimate healthcare cost trend rate is 4.5%.

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

	Total OPEB Liability	
	Governmental Activities	Business-type Activity
Balances at December 31, 2021	\$ 509,090,409	\$ 9,013,025
Changes for the year:		
Service cost	14,856,305	229,301
Interest	11,682,169	180,310
Changes of assumptions	(130,493,673)	(2,014,118)
Differences between expected and actual experience	(54,727,452)	(844,697)
Contributions-employer	(11,819,805)	(182,434)
Net changes	(170,502,456)	(2,631,638)
Balances at December 31, 2022	<u>\$ 338,587,953</u>	<u>\$ 6,381,387</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 OPEB liability. The following table presents the effect of a 1% change in the discount rate assumption would have on the OPEB liability:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Governmental activities:			
OPEB liability	\$ 395,434,033	\$ 338,587,953	\$ 294,958,680
Business-type activity			
OPEB liability	\$ 6,103,369	\$ 6,381,387	\$ 4,552,571

Additionally, healthcare costs can be subject to considerable volatility over time. The table on the following page presents the effect on the OPEB liability of a 1% change in the initial (7.5%)/ ultimate (4.5%) healthcare cost trend rates.

	1% Decrease <u>(6.5% / 3.5%)</u>	Healthcare Cost Trend Rates <u>(7.5% / 4.5%)</u>	1% Increase <u>(8.5% / 5.5%)</u>
Governmental activities:			
OPEB liability	\$ 288,911,454	\$ 338,587,953	\$ 404,427,333
Business-type activity:			
OPEB liability	\$ 4,459,234	\$ 6,381,387	\$ 6,242,177

**Funding Policy**—Authorization for the County to pay a portion of retiree health insurance premiums was enacted through various union contracts as specified above, which were ratified by the County’s Board of Legislators. The County recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. County governmental activities and business-type activity contributed \$11,819,805 and \$182,434, respectively, for the fiscal year ended December 31, 2022.

**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 certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability are required to be determined. The table below presents the County’s deferred outflows and inflows of resources at December 31, 2022.

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>Governmental Activities</u>	<u>Business-type Activity</u>	<u>Governmental Activities</u>	<u>Business-type Activity</u>
Differences between expected and actual experiences	\$ 23,237,632	\$ 358,664	\$ 68,529,890	\$ 1,057,732
Changes of assumptions	<u>48,952,422</u>	<u>755,561</u>	<u>116,824,455</u>	<u>1,803,139</u>
Total	<u>\$ 72,190,054</u>	<u>\$ 1,114,225</u>	<u>\$ 185,354,345</u>	<u>\$ 2,860,871</u>

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activity</u>
2023	\$ (20,183,053)	\$ (311,517)
2024	(22,334,325)	(344,721)
2025	(15,276,713)	(235,790)
2026	(24,500,015)	(378,148)
2027	(30,870,186)	(476,469)

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

### ***Jefferson Community College***

***Plan Description***—The College’s defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the College. The plan is a single-employer defined benefit OPEB plan administered by the College. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the College Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

***Employees Covered by Benefit Terms***—At August 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	206
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>169</u>
Total covered employees	<u><u>375</u></u>

***Total OPEB Liability***—The College’s total OPEB liability of \$42,605,348 was measured as of August 31, 2022, and was determined by an actuarial valuation as of that date.

***Actuarial Methods and Assumption***—The actuarial cost method used to calculate the costs of the Plan for age, disability, vested and surviving spouse’s benefits is known as the Projected Unit Credit Actuarial Cost Method. Under this method, each participant’s projected benefit is calculated at all possible ages based on the Plan provisions as well as the initial date and actuarial assumptions. The actuarial assumptions included annual healthcare cost trend rate of 6.75% initially, reduced by decrements to an ultimate rate of 3.78% after ten years. The discount rate as of September 1, 2021 and August 31, 2022 was 1.95% and 3.91% per year compounded annually, respectively. This is the rate used to discount future benefit liabilities into today’s dollars. The College’s unfunded actuarial accrued liability is being amortized as a level dollar amount over a 30 year period.

***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>
Balances at 8/31/2021	\$ 53,140,997
Changes for the year:	
Service cost	1,407,899
Interest	1,048,041
Difference between expected and actual experience	(11,385,138)
Contributions—employer	<u>(1,606,451)</u>
Net changes	<u>(10,535,649)</u>
Balances at 8/31/2022	<u><u>\$ 42,605,348</u></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 OPEB liability. The following table presents the effect of a 1% change in the discount rate assumption would have on the OPEB liability:

	1% Decrease (2.91%)	Current Discount Rate (3.91%)	1% Increase (4.91%)
OPEB liability	\$ 48,907,545	\$ 42,605,348	\$ 37,453,854

Additionally, healthcare costs can be subject to considerable volatility over time. The table on the following page presents the effect on the OPEB liability of a 1% change in the current rate of 5.75% of healthcare cost trend rates.

	1% Decrease (4.75%)	Health Care Cost Trend Rates (5.75%)	1% Increase (6.75%)
OPEB liability	\$ 36,366,809	\$ 42,605,348	\$ 50,453,755

**Funding Policy**—The obligations of the Plan members, employers and other entities are established by action of the College pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The College currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. For fiscal year 2022, the College contributed \$1,606,451 for current premiums. Plan members receiving benefits may be required to contribute to the Plan depending on date of hire. The costs of administering the plan are paid by the College.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**—For the year ended August 31, 2022, the College recognized OPEB expense of \$1,044,155. At August 31, 2022, the College reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,149,840	\$ 10,525,847
Changes of assumptions	1,632,915	18,418,234
Total	<u>\$ 11,782,755</u>	<u>\$ 28,944,081</u>

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

	Year ending August 31,
2023	\$ (3,140,142)
2024	(3,140,142)
2025	(3,125,557)
2026	(3,659,315)
2027	(3,029,895)
Thereafter	(1,066,275)

**8. DEFERRED COMPENSATION PLAN**

On October 1, 1997, the New York State Deferred Compensation Board (the “Board”) created a Trust and Custody agreement making JP Morgan Chase Bank the Trustee and Custodian of the Deferred Compensation Plan (the “Plan”). As the Board is no longer the trustee of the Plan, the Plan no longer meets the criteria for inclusion in New York State’s financial statements. Therefore, municipalities which participate in New York State’s Deferred Compensation Plan are no longer required to record the value of the Plan assets. The County participates in the Plan which is administered for them by Nationwide Retirement Solutions.

**9. RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; business interruption; errors or omissions; injuries to employees; and natural disasters. The County assumes the liability for most risks including, but not limited to, property damage, personal injury liability, employee health insurance, and workers’ compensation. The County had also elected to purchase minor policies from commercial insurers to provide for items such as property damage coverage, as well as protection of valuable papers and records; settled claims have not exceeded commercial coverage in a material amount in any of the past three fiscal years. Governmental funds estimated current contingent loss liabilities for property damage, personal injury liability, employee health insurance, and workers’ compensation are reported within governmental activities in the government-wide financial statements.

Claims and judgments are recognized when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. Such recording is consistent with the requirements of GASB. These liabilities include an estimate of claims that have been incurred but not reported and the effects of both specific, incremental claims adjustment expenditures/expenses and estimated recoveries on unsettled claims, if any.

Business-type fund activity claims and judgments applicable to self-insured claims are recorded as expenses and liabilities in the Enterprise Fund (except workers’ compensation, which is only recognized when invoiced from the County).

Claims and judgments reportable as part of the County’s governmental activities are recognized as expenditures and fund liabilities in the General Fund when payment is due. Claims and judgments are recorded as a governmental activities long-term liability instead of in the General Fund at December 31, 2022 because they did not meet the criteria for recognition as fund liabilities.

The changes since January 1, 2020 in the reported Governmental Activities for risk financing activities claims and judgments were as follows:

Year Ended <u>December 31,</u>	Liability Beginning <u>of Year</u>	Claims and <u>Adjustments</u>	Claim Payments and <u>Adjustments</u>	Liability End <u>of Year</u>
2022	\$ 3,002,602	\$ 800,903	\$ 925,634	\$ 2,877,871
2021	3,233,368	653,494	884,260	3,002,602
2020	3,576,190	711,234	1,054,056	3,233,368

## 10. INSTALLMENT PURCHASE CONTRACTS

In 2017, the County entered into an installment purchase contract with Bank of America Public Capital Corporation for the purpose of acquiring, installing and implementing equipment related to the emergency communications project. The original agreement amount was \$7,974,153. The agreement has a 10 year term with an interest rate of 2.14 percent with a maturity of April 14, 2027. The County has full ownership of the assets acquired with the proceeds of the installment purchase contact. As of December 31, 2022, the remaining balance on the agreement was \$2,893,229.

The future minimum lease payments are shown below:

Year Ending December 31,	Principal	Interest
2023	\$ 619,211	\$ 58,593
2024	632,527	45,278
2025	646,130	31,675
2026	660,025	17,781
2027	335,336	3,564
Total	<u>\$ 2,893,229</u>	<u>\$ 156,891</u>

The County has purchased assets in the full amount of proceeds of the installment purchase contract. Accumulated depreciation has been recorded in the amount of \$957,662.

## 11. JOINT VENTURE/LONG-TERM RECEIVABLE

The County has entered into an intermunicipal agreement with the City of Watertown, New York (the "City") for the operation of a Public Safety Facility. The County receives a minimum lease payment annually from the City based on the prorated share of square footage utilized by the City. For its prorated share of costs for operation and maintenance in 2022, the City was billed \$143,510 for the lease agreement as well as \$21,537 for joint services. These payments are offset by a percentage of eligible costs incurred by the City.

## 12. 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 on debt issuances are reported as other financing sources. 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 serial bonds, compensated absences, installment purchase contract, claims and judgments, other postemployment benefits and net pension liability.

The following is a summary of changes in the County's long-term liabilities for the year ended December 31, 2022:

	Balance 1/1/2022	Additions	Decreases	Balance 12/31/2022	Due Within One Year
<b>Governmental activities:</b>					
Serial bonds	\$ 16,900,000	\$ -	\$ 1,185,000	\$ 15,715,000	\$ 1,200,000
Unamortized premium	212,108	-	15,912	196,196	15,912
Net bonds payable	17,112,108	-	1,200,912	15,911,196	1,215,912
Compensated absences	2,315,550	2,896,278	2,876,905	2,334,923	116,746
Installment purchase contract	3,499,405	-	606,176	2,893,229	619,211
Claims and judgments	3,002,602	800,903	925,634	2,877,871	-
Other postemployment benefits	509,090,409	26,538,474	197,040,930	338,587,953	-
Net pension liability*	158,196	-	158,196	-	-
Total governmental activities	<u>\$ 535,178,270</u>	<u>\$ 30,235,655</u>	<u>\$ 202,808,753</u>	<u>\$ 362,605,172</u>	<u>\$ 1,951,869</u>
<b>Business type activity:</b>					
Compensated absences	\$ 39,070	\$ 42,688	\$ 36,819	\$ 44,939	\$ 2,247
Other postemployment benefits	9,013,025	409,611	3,041,249	6,381,387	-
Net pension liability*	2,454	-	2,454	-	-
Total business-type activity	<u>\$ 9,054,549</u>	<u>\$ 452,299</u>	<u>\$ 3,080,522</u>	<u>\$ 6,426,326</u>	<u>\$ 2,247</u>

(\*reductions to the net pension liability are shown net of additions.)

A default will have occurred if the payment of principal or interest are not paid when due and payable. Upon default in payment in full of the principal or interest on the bonds, a holder of such defaulted bond has a contractual right to sue the County of the amount due thereon. The County does not have any lines of credit.

**Bonds Payable**—The County borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the statement of net position. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Description	Year of Issue/ Maturity	Amount of Original Issue	Interest Rate (%)	Balance 1/1/2022	Additions	Payments	Balance 12/31/2022
2017 Bond	2017/2037	\$ 4,706,500	2.25-3.00%	\$ 4,019,000	\$ -	\$ 202,000	\$ 3,817,000
2020 Bond	2020/2031	5,000,000	1.00-1.50%	4,570,000	-	435,000	4,135,000
Issued on behalf of							
Jefferson Community College							
2015 Bond	2015/2035	7,000,000	2.00-3.50%	5,315,000	-	320,000	4,995,000
2017 Bond	2017/2037	1,500,000	2.00-3.50%	1,276,000	-	63,000	1,213,000
2020 Bond	2020/2031	1,885,000	1.00-1.50%	1,720,000	-	165,000	1,555,000
Total				<u>\$ 16,900,000</u>	<u>\$ -</u>	<u>\$ 1,185,000</u>	<u>\$ 15,715,000</u>

**Premiums on Serial Bonds**—The County's premiums are being amortized on a straight-line basis over the life of the related bonds. The total unamortized premiums as of December 31, 2022 was \$196,196.



**Compensated Absences**—Represents the value of earned and unused portion of the liability for compensated absences and is liquidated in various funds.

**Installment Purchase Contract**—As explained in Note 10, the County obtained an installment purchase contract for \$7,974,153. The installment purchase contract has a 10 year term with an interest rate of 2.14 percent with a maturity of April 14, 2027. The balance at December 31, 2022 was \$2,893,229.

**Claims and Judgments**—As further discussed in Note 9, the County is self-insured. Liabilities are established for workers’ compensation and general claims in accordance with GASB requirements. Estimated long-term contingent loss liabilities in the governmental fund types have been reported as long-term liabilities in the government-wide financial statements. The Proprietary Fund has no loss contingency liability except workers’ compensation which is recognized when invoiced from the County.

**Other Postemployment Benefits (“OPEB”) Obligation**—As explained in Note 7, the County provides health insurance coverage for retirees. The County’s annual postemployment benefit (“OPEB”) cost is calculated based in the annual required contributions of the employer, an amount actuarially determined in accordance with the parameters of GASB. The long-term OPEB liability is estimated to be \$338,587,953 and \$6,381,387 for governmental activities and business type activity, respectively, at December 31, 2022.

**Constitutional Debt Limit**—Outstanding bond indebtedness aggregated \$15,715,000, all of which was subject to the constitutional debt limit and represented approximately 2.67% of its debt limit.

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

Year Ending December 31,	Governmental Activities						Total
	Serial Bonds	Unamortized Premium	Compensated Absences	Installment Purchase Contract	Claims and Judgments	Other Postemployment Benefits	
2023	\$ 1,200,000	\$ 15,912	\$ 116,746	\$ 619,211	\$ -	\$ -	\$ 1,951,869
2024	1,225,000	15,912	-	632,527	-	-	1,873,439
2025	1,250,000	15,912	-	646,130	-	-	1,912,042
2026	1,275,000	15,912	-	660,025	-	-	1,950,937
2027	1,300,000	15,912	-	335,336	-	-	1,651,248
2028-2032	6,220,000	74,279	-	-	-	-	6,294,279
2033-2037	3,245,000	42,357	-	-	-	-	3,287,357
Thereafter	-	-	2,218,177	-	2,877,871	338,587,953	343,684,001
	<u>\$ 15,715,000</u>	<u>\$ 196,196</u>	<u>\$ 2,334,923</u>	<u>\$ 2,893,229</u>	<u>\$ 2,877,871</u>	<u>\$ 338,587,953</u>	<u>\$ 362,605,172</u>

Interest requirements on serial bonds and the installment purchase contract are as follows:

Year Ending December 31,	Serial Bonds	Installment Purchase Contract	Total
2023	\$ 353,719	\$ 58,593	\$ 412,312
2024	332,518	45,278	377,796
2025	309,156	31,675	340,831
2026	285,206	17,781	302,987
2027	260,657	3,564	264,221
2028-2032	885,514	-	885,514
2033-2037	217,694	-	217,694
Total	<u>\$ 2,644,464</u>	<u>\$ 156,891</u>	<u>\$ 2,801,355</u>

***Discretely Presented Component Units***

***Jefferson Community College***—The College and its component units' long-term debt balances for the year ended August 31, 2022 were as follows:

	Balance 9/1/2021 (as adjusted)	Additions	Decreases	Balance 8/31/2022	Due Within One Year
Compensated absences	\$ 512,822	\$ -	\$ 71,244	\$ 441,578	\$ -
Interest rate swap	1,813,014	-	1,813,014	-	-
Reserve payable	80,464	-	16,500	63,964	-
Bonds payable	19,801,330	-	400,086	19,401,244	450,000
Notes payable	1,034,041	-	241,473	792,568	217,272
Lease liability	1,426,210	-	384,755	1,041,455	404,668
Other postemployment benefits	53,140,997	2,455,940	12,991,589	42,605,348	-
Net pension liability	-	432,776	-	432,776	-
Total	<u>\$ 77,808,878</u>	<u>\$ 2,888,716</u>	<u>\$ 15,918,661</u>	<u>\$ 64,778,933</u>	<u>\$ 1,071,940</u>

***Bonds Payable***—Bonds payable reported by the College represents amounts issued by its component units.

***Lease Liability***—The College leases space, vehicles, and equipment under agreements that have various inception dates with remaining terms of one to four years, with discount rates ranging from 1.67% to 5.60%.

The future minimum obligations under the lease liability at August 31, 2022 are as follows:

Year Ending August 31,	Principal	Interest	Total
2023	\$ 404,668	\$ 55,936	\$ 460,604
2024	263,540	32,490	296,030
2025	199,471	20,529	220,000
2026	173,776	9,558	183,334
Total	<u>\$ 1,041,455</u>	<u>\$ 118,513</u>	<u>\$ 1,159,968</u>

**Other Postemployment Benefits**—As explained in Note 7, the College provides health insurance coverage for retirees. The College’s annual postemployment benefit (“OPEB”) cost is calculated based in the annual required contributions of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*. The estimated long-term OPEB liability is estimated to be \$42,605,348 at August 31, 2022.

**Jefferson County Industrial Development Agency**— The Agency and its component units’ long-term debt balances for the fifteen months ended December 31, 2022 were as follows:

	Balance 10/1/2021	Addition	Decreases	Balance 12/31/2022	Due Within One Year
Notes payable	\$ 180,160	\$ -	\$ -	\$ 180,160	\$ -
Lease liability	205,076	-	1,640	203,436	1,358
Total	<u>\$ 385,236</u>	<u>-</u>	<u>\$ 1,640</u>	<u>\$ 383,596</u>	<u>\$ 1,358</u>

**Notes payable**—Grant repayment of 40% of the Industrial Access project due to the New York State Department of Transportation. Payments are to start one year from project completion; however, as of December 31, 2022, the project is completed, but has not yet been approved.

Secured notes payable due to the Local Development Corporation of the City of Watertown, interest is due quarterly at 4.0%.

New York State Department of Transportation	<u>\$ 180,160</u>
Total notes payable	180,160
Less: current portion	<u>-</u>
Long-term portion	<u>\$ 180,160</u>

**Lease Liability**—A component unit of the Agency leases space under an agreement with remaining terms of 6.75 years, with a discount rate of 3.0%.

The future minimum obligations under the lease liability at December 31, 2022 are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 1,358	\$ 6,066	\$ 7,424
2024	10,398	5,980	16,378
2025	38,118	5,121	43,239
2026	39,277	3,962	43,239
2027	40,473	2,766	43,239
Thereafter	<u>73,812</u>	<u>1,857</u>	<u>75,669</u>
Total	<u>\$ 203,436</u>	<u>\$ 25,752</u>	<u>\$ 229,188</u>

### 13. 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 and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

<u>Governmental Activities</u>	
Capital assets, net of accumulated depreciation	\$ 167,434,394
Related debt:	
Serial bonds issued	\$(15,715,000)
Unamortized bond premium	(196,196)
Installment purchase contract	(2,893,229)
Capital Projects Fund accounts payable	(3,883,916)
Retainages payable	(302,428)
Less: Serial bonds issued on behalf of Jefferson Community College	7,763,000
Less: Unamortized bond premium on serial bonds issued on behalf of Jefferson Community College	90,122
Less: Unspent serial bond proceeds	4,061,878
Net investment in capital assets	<u>\$ 156,358,625</u>

<u>Business-Type Activity</u>	
Capital assets, net of accumulated depreciation	\$ 3,235,159
Related debt:	
Less: Interfund loan	\$ (300,000)      (300,000)
Net investment in capital assets	<u>\$ 2,935,159</u>

- **Restricted**—This category presents 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.

A Capital Reserve Fund/Solid Waste Management net position restriction is reported in the County’s Proprietary Fund and was established by the County Board of Legislators within the Solid Waste Management Enterprise Fund to finance future costs of equipment replacement and capital improvements, including facility reconstruction. By resolution, monies for “the reserve” were taken from those funds equal to the depreciation which had been accumulated. The fund is managed in accordance with section 6-c of the Municipal Law.

- **Unrestricted**—This category represents net assets of the County not restricted for any project or other purpose.

**Fund Balance**—GASB defines the different types of fund balances that a governmental entity must use for financial reporting purposes as the fund balance categories listed below:

- **Nonspendable**—Amount of assets that cannot be spent in the current period because of their form or because they must be maintained intact. As of December 31, 2022, the County had \$1,285,349 of prepaid expenses, \$89,570 of inventory and \$300,000 representing a long term receivable that were classified as nonspendable funds.

- **Restricted**—Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. As of December 31, 2022, the County had the restricted fund balances listed below:

	Nonmajor Funds					Total
	General Fund	Capital Projects Fund	Road Machinery Fund	Special Grant Fund	Debt Service Fund	
Restricted for:						
Workers' compensation	\$ 550,710	\$ -	\$ -	\$ -	\$ -	\$ 550,710
Unemployment insurance	72,225	-	-	-	-	72,225
Insurance	1,871,820	-	-	-	-	1,871,820
Law enforcement and prosecution	285,780	-	-	-	-	285,780
Wireless 911 surcharges	925,161	-	-	-	-	925,161
Opioid funding	366,083	-	-	-	-	366,083
Highway equipment	-	-	500,070	-	-	500,070
Capital projects	-	4,061,878	-	-	-	4,061,878
Grants	-	-	-	49,704	-	49,704
Debt service	-	-	-	-	244,172	244,172
Total restricted fund balance	<u>\$ 4,071,779</u>	<u>\$ 4,061,878</u>	<u>\$ 500,070</u>	<u>\$ 49,704</u>	<u>\$ 244,172</u>	<u>\$ 8,927,603</u>

- **Committed**—Amounts that are subject to a purpose constraint imposed by a formal action of the County’s highest level of decision-making authority, or by their designated body or official. As of December 31, 2022, the Jefferson County reported \$6,000,000 of committed fund balance for contingencies and tax stabilization.
- **Assigned**—Amounts that are subject to a purpose constraint that represents an intended use established by the County’s Board of Legislators, or by their 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 balances presented on the following page were considered to be assigned.

	General Fund	Capital Projects Fund	Nonmajor Funds		Total
			County Road Fund	Road Machinery Fund	
Assigned for:					
Temporary assistance for needy families reserve	\$ 643,653	\$ -	\$ -	\$ -	\$ 643,653
Workers' compensation	3,000,000	-	-	-	3,000,000
Compensated absences	2,334,923	-	-	-	2,334,923
Risk retention	3,000,000	-	-	-	3,000,000
Encumbrances	883,770	9,301,585	4,090	495,852	10,685,297
Appropriated for subsequent year's expenditures	14,048,476	-	-	-	14,048,476
County road	-	-	8,193,416	-	8,193,416
Road machinery	-	-	-	3,622,444	3,622,444
Total assigned fund balance	<u>\$ 23,910,822</u>	<u>\$ 9,301,585</u>	<u>\$ 8,197,506</u>	<u>\$ 4,118,296</u>	<u>\$ 45,528,209</u>

**Unassigned**—Represents the residual classification of the government’s General Fund, and could report a surplus or deficit. As of December 31, 2022, the unassigned fund balance of the General Fund represented a surplus totaling \$51,295,805.

**Order of Fund Balance Spending Policy**—The County’s policy is to expend fund balances in the following order: nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

**Minimum Fund Balance**—It is the intention of the Board of Legislators to maintain adequate reserves in the General Fund unassigned fund balance equal to two months of General Fund operating expenditures (approximately 16.67% of operating expenditures), net of local sales tax distribution. If the General Fund’s fund balance should fall 10% above or below (between 6.67% and 26.67% of operating expenditures) the level set by the policy, the County Administrator shall recommend increasing or decreasing the use of fund balance appropriated in the following year’s budget, such that in his estimation over the course of no more than three years, the fund balance will be again within the level set by the fund balance policy. At December 31, 2022, the County’s available General Fund balance was 35.2% of General Fund annual operating expenditures, which exceeds the 10% of the level set by the policy. The County has therefore increased the amount of appropriated fund balance in the 2023 adopted budget.

#### 14. 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. 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.

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 residual cash from closed capital projects.

Interfund receivables, payables, and transfers of the County as of, and for the year ended December 31, 2022 are presented below:

	Interfund			
	Receivables	Payables	Transfers In	Transfers Out
Governmental Funds:				
General Fund	\$ 306,384	\$ -	\$ 38,000	\$ 20,724,154
Capital Projects Fund	172,889	-	8,198,253	38,000
Other nonmajor funds	-	179,273	14,928,475	2,402,574
Enterprise Fund:				
Solid Waste Management Fund	-	300,000	-	-
Total	<u>\$ 479,273</u>	<u>\$ 479,273</u>	<u>\$ 23,164,728</u>	<u>\$ 23,164,728</u>

The long-term interfund loan balance within the General Fund and the Solid Waste Management Fund consists of a \$1,300,000 loan made during the year ended December 31, 2010. The County will charge the Solid Waste Management Facility an interest rate, on its outstanding debt to the General Fund, equal to the average interest it receives in its interest bearing accounts. During the years ended December 31, 2016, 2015 and 2014, the Solid Waste Fund was unable to make a payment and borrowed additional funds from the General Fund. On December 13, 2016, the County amended its original agreement decreasing the annual payment from \$100,000 to \$50,000 for a period of 20 years effective during the year ending December 31, 2017. During the year ended December 31, 2022, the Solid Waste Fund made a payment in the amount of \$450,000 and the balance on the interfund loan as of December 31, 2022 of \$300,000.

## 15. 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. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

The County considers encumbrances significant if they are in excess of \$100,000. As of December 31, 2022, the significant encumbrances of the County are shown below:

Fund	Purpose	Amount Encumbered
Governmental Funds:		
General Fund	Automotive Equipment	\$ 167,427
General Fund	Dump Truck Replacement	211,036
Capital Projects Fund	JCC Campus Revitalization	1,387,888
Capital Projects Fund	Radio Communication System	614,721
Capital Projects Fund	Road and Bridge Repairs	313,251
Capital Projects Fund	Airport Improvement Projects	7,156,566

## 16. TAX ABATEMENTS

The County provides tax abatements under several different programs: low income housing, economic assistance to startup or incubator businesses, residential real estate ventures and other commercial and manufacturing projects new to Jefferson County. Part of these abatements are done through the offices of

the Jefferson County Industrial Development Agency (the “Agency”). The Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the Enabling Act) and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law.

Abatements are generally for the purpose of reducing the real estate tax burden during the construction period of building residential units as well as a reduction during the early years while occupancy is low. Abatements are usually fifty percent of the actual tax and progresses on a sliding scale over a period of fifteen years until 100% is reached. In commercial and manufacturing, the abatements of real estate taxes range from five to twenty years while the business is being developed. Under agreements made through JCIDA, the following amounts were abated and collected as payments in lieu of taxes in 2022:

	Taxes Abated	Payments in Lieu of Taxes
Residential housing projects	\$ 352,182	\$ 204,705
Commercial endeavors	559,066	205,963
Manufacturing	292,966	64,690
Totals	<u>\$ 1,204,214</u>	<u>\$ 475,358</u>

## 17. CONTINGENCIES

**Sales Tax Audits**—The State of New York periodically audits its distribution of sales tax revenues to counties throughout the State. Subsequent revisions to the revenues recorded as of December 31, 2022, if any, would be reflected in the operations statement in the year they are calculated.

**Grant and Aid Programs**—The County receives significant financial assistance from numerous federal and state agencies. The receipt of such funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the County. The amount of disallowance, if any, cannot be determined at this time, although the County expects any such amounts to be immaterial.

**Other**—The County is also involved in litigation arising in the ordinary course of its operations. The County believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the County’s financial condition or results of operations.

## 18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 20, 2023 which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

\* \* \* \* \*



## REQUIRED SUPPLEMENTARY INFORMATION



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**COUNTY OF JEFFERSON, NEW YORK**  
**Schedule of the Local Government's Proportionate Share of the**  
**Net Pension Liability (Asset)—Teachers' Retirement System**  
**Last Eight Fiscal Years\***

	Year Ended August 31,							
	2022	2021	2020	2019	2018	2017	2016	2015
<b>Jefferson County Community College ("JCC"):</b>								
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2015	June 30, 2014
JCC's proportion of the net pension liability (asset)	0.022554%	0.023487%	0.025940%	0.027423%	0.030171%	0.029436%	0.031981%	0.030745%
JCC's proportionate share of the net pension liability (asset)	<u>\$ 432,776</u>	<u>\$ (4,070,064)</u>	<u>\$ 716,818</u>	<u>\$ (712,461)</u>	<u>\$ (545,565)</u>	<u>\$ (223,744)</u>	<u>\$ 342,530</u>	<u>\$ (3,193,443)</u>
JCC's covered payroll	\$ 4,108,190	\$ 4,085,769	\$ 4,532,830	\$ 4,919,470	\$ 5,077,016	\$ 4,851,815	\$ 4,850,948	\$ 4,576,270
JCC's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(10.53%)	99.62%	(15.81%)	14.48%	10.75%	4.61%	(7.06%)	(69.78%)
Plan fiduciary net position as a percentage of the total pension liability	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%

\*Information prior to the year ended August 31, 2015 is not available.

**COUNTY OF JEFFERSON, NEW YORK**  
**Schedule of the Local Government's Contributions—**  
**Teachers' Retirement System**  
**Last Eight Fiscal Years\***

	Year Ended August 31,							
	2022	2021	2020	2019	2018	2017	2016	2015
<b>Jefferson County Community College ("JCC"):</b>								
Contractually required contribution	\$ 391,553	\$ 379,912	\$ 390,106	\$ 486,121	\$ 481,618	\$ 546,698	\$ 654,380	\$ 809,595
Contributions in relation to the contractually required contribution	(391,553)	(379,912)	(390,106)	(486,121)	(481,618)	(546,698)	(654,380)	(809,595)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
JCC's covered payroll	\$ 4,108,190	\$ 4,085,769	\$ 4,532,830	\$ 4,919,470	\$ 5,077,016	\$ 4,851,815	\$ 4,850,948	\$ 4,576,270
Contributions as a percentage of covered payroll	9.5%	9.3%	8.6%	9.9%	9.5%	11.3%	13.5%	17.7%

\*Information prior to the year ended August 31, 2015 is not available.

**COUNTY OF JEFFERSON, NEW YORK**  
**Schedule of the Local Governments' Proportionate Share of the**  
**Net Pension Liability (Asset)—Employees' Retirement System**  
**Last Nine Fiscal Years\***

	<b>Year Ended December 31,</b>								
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
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
<b>Jefferson County - Business-type Activity:</b>									
Proportion of the net pension liability (asset)	0.0000122%	0.0000274%	0.0025744%	0.0024175%	0.0023423%	0.0023985%	0.0025081%	0.0024650%	0.0024650%
Proportionate share of the net pension liability (asset)	\$ (194,594)	\$ 2,454	\$ 606,810	\$ 171,291	\$ 75,598	\$ 224,793	\$ 402,557	\$ 83,272	\$ 111,388
Covered payroll	\$ 609,076	\$ 609,076	\$ 578,640	\$ 576,320	\$ 577,362	\$ 558,729	\$ 563,104	\$ 575,774	\$ 568,155
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(31.9%)	0.4%	104.9%	29.7%	13.1%	40.2%	87.1%	17.8%	24.5%
<b>Jefferson County - Governmental Activities:</b>									
County's proportion of the net pension liability (asset)	0.0156598%	0.01766743%	0.1756567%	0.1606118%	0.1556141%	0.1593473%	0.1666266%	0.1637608%	0.1637608%
County's proportionate share of the net pension liability (asset)	\$ (12,607,623)	\$ 158,196	\$ 41,404,429	\$ 11,379,829	\$ 5,022,358	\$ 14,934,244	\$ 26,744,025	\$ 5,532,242	\$ 7,400,122
County's covered payroll	\$ 41,286,550	\$ 39,257,157	\$ 39,482,291	\$ 38,288,079	\$ 38,357,265	\$ 37,119,434	\$ 37,410,024	\$ 38,251,778	\$ 37,745,637
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(30.5%)	0.4%	104.9%	29.7%	13.1%	40.2%	71.5%	14.5%	19.6%
County's plan fiduciary net position as a percentage of its covered payroll	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%
	<b>Year Ended August 31,</b>								
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Jefferson Community College ("JCC"):</b>									
JCC's proportion of the net pension liability (asset)	.0168800%	.0180780%	0.0195818%	0.0197379%	0.0183342%	0.0185125%	0.0198426%	0.0195013%	n/a
JCC's proportionate share of the net pension liability (asset)	\$ (1,380,064)	\$ 18,001	\$ 5,185,380	\$ 1,398,566	\$ 591,727	\$ 1,739,478	\$ 3,184,794	\$ 658,804	n/a
JCC's covered payroll	\$ 4,734,943	\$ 4,688,644	\$ 5,077,843	\$ 5,110,419	\$ 4,615,902	\$ 4,486,774	\$ 4,412,165	\$ 4,409,421	n/a
JCC's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(29.2%)	99.95%	102.12%	27.37%	12.82%	38.77%	72.18%	14.94%	n/a

\*Information prior to the year ended December 31, 2014 is not available for the County. Information prior to the year ended August 31, 2015 is not available for the College.

**COUNTY OF JEFFERSON, NEW YORK**  
**Schedule of the Local Governments' Contributions—**  
**Employees' Retirement System**  
**Last Nine Fiscal Years\***

	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Jefferson County - Governmental Activities:</b>									
Contractually required contributions	\$ 7,018,782	\$ 5,743,066	\$ 5,613,338	\$ 5,660,535	\$ 5,704,344	\$ 5,589,269	\$ 6,396,434	\$ 6,880,026	\$ 7,901,592
Contributions in relation to the contractually required contribution	<u>(7,018,782)</u>	<u>(5,743,066)</u>	<u>(5,613,338)</u>	<u>(5,660,535)</u>	<u>(5,704,344)</u>	<u>(5,589,269)</u>	<u>(6,396,434)</u>	<u>(6,880,026)</u>	<u>(7,901,592)</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 payroll	\$ 43,255,202	\$ 39,700,124	\$ 39,459,368	\$ 38,784,057	\$ 38,357,851	\$ 38,147,156	\$ 37,576,991	\$ 37,336,151	\$ 38,406,682
Contributions as a percentage of covered payroll	16.2%	14.5%	14.2%	14.6%	14.9%	14.7%	14.5%	15.7%	18.5%
<b>Jefferson County - Business-type Activity:</b>									
Contractually required contributions	\$ 108,332	\$ 89,104	\$ 82,267	\$ 85,204	\$ 85,863	\$ 84,131	\$ 96,280	\$ 103,560	\$ 118,936
Contributions in relation to the contractually required contribution	<u>(108,332)</u>	<u>(89,104)</u>	<u>(82,267)</u>	<u>(85,204)</u>	<u>(85,863)</u>	<u>(84,131)</u>	<u>(96,280)</u>	<u>(103,560)</u>	<u>(118,936)</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 payroll	\$ 667,627	\$ 615,949	\$ 578,304	\$ 583,786	\$ 577,370	\$ 574,199	\$ 565,617	\$ 561,992	\$ 578,105
Contributions as a percentage of covered payroll	16.2%	14.5%	14.2%	14.6%	14.9%	14.7%	17.0%	18.4%	20.6%
<b>Year Ended August 31,</b>									
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Jefferson Community College ("JCC"):</b>									
Contractually required contributions	\$ 693,532	\$ 654,064	\$ 702,218	\$ 695,165	\$ 645,916	\$ 651,958	\$ 768,765	\$ 868,711	n/a
Contributions in relation to the contractually required contribution	<u>(693,532)</u>	<u>(654,064)</u>	<u>(702,218)</u>	<u>(695,165)</u>	<u>(645,916)</u>	<u>(651,958)</u>	<u>(768,765)</u>	<u>(868,711)</u>	n/a
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	n/a
JCC's covered payroll	\$ 4,734,943	\$ 4,688,644	\$ 5,077,843	\$ 5,110,419	\$ 4,615,902	\$ 4,486,774	\$ 4,412,165	\$ 4,409,421	n/a
Contributions as a percentage of covered payroll	14.6%	13.9%	13.8%	13.6%	14.0%	14.5%	17.4%	19.7%	n/a

\*Information prior to the year ended December 31, 2014 is not available for the County. Information prior to the year ended August 31, 2015 is not available for the College.

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

	Year Ended December 31,					
	2022	2021	2020	2019	2018	2017
<b>Jefferson County - Governmental Activities:</b>						
<b>Total OPEB liability</b>						
Service cost	\$ 14,856,305	\$ 13,400,321	\$ 9,531,274	\$ 10,349,198	\$ 12,058,234	\$ 11,917,964
Interest	11,682,169	9,913,006	12,668,360	15,720,088	14,828,158	14,179,187
Changes of assumptions	(130,493,673)	3,364,332	80,564,966	8,502,861	(28,191,299)	19,555,529
Change of benefit terms	-	-	-	-	-	730,329
Differences between expected and actual experience	(54,727,452)	34,853,688	(16,365,780)	(18,749,497)	(21,058,663)	(4,543,321)
Contributions-employer	(11,819,805)	(11,017,839)	(10,721,804)	(10,014,085)	(9,929,532)	(9,139,399)
Net changes in total OPEB liability	(170,502,456)	50,513,508	75,677,016	5,808,565	(32,293,101)	32,700,288
Total OPEB liability—beginning	509,090,409	458,576,901	382,899,885	377,091,320	409,384,422	376,684,133
Total OPEB liability—ending (a)	\$ 338,587,953	\$ 509,090,409	\$ 458,576,901	\$ 382,899,885	\$ 377,091,320	\$ 409,384,422
<b>Plan fiduciary net position</b>						
Contributions—employer	\$ 11,819,805	\$ 11,017,839	\$ 10,721,804	\$ 10,014,085	\$ 9,929,532	\$ 9,139,399
Benefit payments	(11,819,805)	(11,017,839)	(10,721,804)	(10,014,085)	(9,929,532)	(9,139,399)
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-
Plan fiduciary net position—ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>County's net OPEB liability—ending (a) - (b)</b>	\$ 338,587,953	\$ 509,090,409	\$ 458,576,901	\$ 382,899,885	\$ 377,091,320	\$ 409,384,422
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 39,310,406	\$ 32,471,582	\$ 31,832,186	\$ 31,393,231	\$ 35,785,396	\$ 34,912,582
County's net OPEB liability as a percentage of covered-employee payroll	861.32%	1567.80%	1440.61%	1219.69%	1053.76%	1172.60%
<b>Jefferson County - Business-type Activities:</b>						
<b>Total OPEB liability</b>						
Service cost	\$ 229,301	\$ 207,906	\$ 139,687	\$ 192,448	\$ 224,229	\$ 221,620
Interest	180,310	153,801	185,664	292,323	275,737	263,669
Changes of assumptions	(2,014,118)	52,198	1,180,735	158,115	(524,231)	363,644
Change of benefit terms	-	-	-	-	-	13,581
Differences between expected and actual experience	(844,697)	540,756	(239,852)	(348,656)	(391,596)	(84,485)
Contributions-employer	(182,434)	(170,942)	(157,135)	(186,217)	(184,644)	(169,952)
Net changes in total OPEB liability	(2,631,638)	783,719	1,109,099	108,013	(600,506)	608,078
Total OPEB liability—beginning	9,013,025	8,229,306	7,120,207	7,012,194	7,612,699	7,004,622
Total OPEB liability—ending (a)	\$ 6,381,387	\$ 9,013,025	\$ 8,229,306	\$ 7,120,207	\$ 7,012,194	\$ 7,612,699
<b>Plan fiduciary net position</b>						
Contributions—employer	\$ 182,434	\$ 170,942	\$ 157,135	\$ 186,217	\$ 184,644	\$ 169,952
Benefit payments	(182,434)	(170,942)	(157,135)	(186,217)	(184,644)	(169,952)
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-
Plan fiduciary net position—ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>County's net OPEB liability—ending (a) - (b)</b>	\$ 6,381,387	\$ 9,013,025	\$ 8,229,306	\$ 7,120,207	\$ 7,012,194	\$ 7,612,699
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 606,741	\$ 1,493,059	\$ 466,523	\$ 583,772	\$ 665,447	\$ 649,216
County's net OPEB liability as a percentage of covered-employee payroll	1051.75%	603.66%	1763.97%	1219.69%	1053.76%	1172.60%

\*Information prior to the year ended December 31, 2017 is not available.

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



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

	Year Ended August 31,				
	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service cost	\$ 1,407,899	\$ 1,283,727	\$ 2,071,776	\$ 1,579,263	\$ 1,474,246
Interest	1,048,041	1,180,761	1,755,477	2,135,025	1,781,419
Differences between expected and actual experience	-	(20,983,936)	(6,557,525)	3,571,095	-
Changes of assumptions	(11,385,138)	2,081,365	10,143,542	5,914,791	(2,319,023)
Change of benefit terms	-	-	-	517,361	2,531,456
Benefit payments	(1,606,451)	(1,595,136)	(1,830,916)	(1,670,147)	(1,075,293)
Net changes in total OPEB liability	<u>(10,535,649)</u>	<u>(18,033,219)</u>	<u>5,582,354</u>	<u>12,047,388</u>	<u>2,392,805</u>
Total OPEB liability—beginning	53,140,997	71,174,216	65,591,862	53,544,474	51,151,669
Total OPEB liability—ending (a)	<u>\$ 42,605,348</u>	<u>\$ 53,140,997</u>	<u>\$ 71,174,216</u>	<u>\$ 65,591,862</u>	<u>\$ 53,544,474</u>
<b>Plan fiduciary net position</b>					
Contributions—employer	\$ 1,606,451	\$ 1,595,136	\$ 1,830,916	\$ 1,670,147	\$ 1,075,293
Benefit payments	(1,606,451)	(1,595,136)	(1,830,916)	(1,670,147)	(1,075,293)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>JCC's OPEB liability—ending (a) - (b)</b>	<u>\$ 42,605,348</u>	<u>\$ 53,140,997</u>	<u>\$ 71,174,216</u>	<u>\$ 65,591,862</u>	<u>\$ 53,544,474</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	\$ 11,259,000	\$ 10,949,000	\$ 12,675,000	\$ 12,875,107	\$ 13,220,846
JCC's OPEB liability as a percentage of covered-employee payroll	378.41%	485.35%	561.53%	509.45%	405.00%

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

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

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Real property taxes	\$ 61,931,157	\$ 61,931,157	\$ 62,064,204	\$ 133,047
Real property tax items	2,873,515	2,873,515	3,196,814	323,299
Non-property tax items	79,178,404	90,805,341	101,837,973	11,032,632
Departmental income	11,938,810	12,971,779	10,680,522	(2,291,257)
Intergovernmental charges	3,428,675	3,428,675	2,963,477	(465,198)
Use of money and property	544,300	791,111	566,460	(224,651)
Licenses and permits	30,000	30,000	52,955	22,955
Fines and forfeitures	163,731	223,731	223,834	103
Sale of property and compensation for loss	1,235,000	1,287,741	1,618,967	331,226
Miscellaneous	3,590,976	3,889,438	4,318,169	428,731
State aid	24,369,715	26,850,103	22,604,060	(4,246,043)
Federal aid	24,316,926	31,627,108	27,373,543	(4,253,565)
Total revenues	213,601,209	235,889,494	237,500,978	1,611,484
<b>EXPENDITURES</b>				
Current:				
General government support	65,148,365	78,242,295	74,814,274	3,428,021
Education	11,343,439	11,644,439	11,611,411	33,028
Public safety	24,942,537	26,405,936	24,229,294	2,176,642
Health	17,544,819	19,599,937	15,364,788	4,235,149
Transportation	2,447,394	3,235,944	2,970,640	265,304
Economic assistance and opportunity	69,060,954	70,937,424	62,210,412	8,727,012
Culture and recreation	288,508	388,907	376,117	12,790
Home and community services	999,204	1,063,998	892,135	171,863
Employee benefits	11,915,458	11,732,646	11,628,073	104,573
Total expenditures	203,690,678	223,251,526	204,097,144	19,154,382
Excess of revenues over expenditures	9,910,531	12,637,968	33,403,834	20,765,866
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	38,000	38,000
Transfers out	(14,479,375)	(20,724,154)	(20,724,154)	-
Total other financing sources (uses)	(14,479,375)	(20,724,154)	(20,686,154)	38,000
Net change in fund balances*	(4,568,844)	(8,086,186)	12,717,680	20,803,866
Fund balances—beginning	74,115,620	74,115,620	74,115,620	-
Fund balances—ending	\$ 69,546,776	\$ 66,029,434	\$ 86,833,300	\$ 20,803,866

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and 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 JEFFERSON, NEW YORK**  
**Notes to the Required Supplementary Information**  
**Year Ended December 31, 2022**

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**1. OPEB LIABILITY**

*Changes of Assumptions*—Changes in assumptions reflect the effects of changes in the long-term discount rate, and the healthcare trend rate. The discount rate changed from 2.25% at December 31, 2021 to 4.31% at December 31, 2022. The healthcare trend rate used is 7.5% while the ultimate healthcare trend rate is 4.5%

*Jefferson Community College (“JCC”)*—The discount rate changed from 1.95% at August 31, 2021 to 3.91% at August 31, 2022. The healthcare trend rate remained unchanged at 3.78% for the year ended August 31, 2021 and August 31, 2022 respectively.

**2. BUDGETARY INFORMATION**

*Budgetary Basis of Accounting*—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, County Road Fund, Road Machinery Fund, and Debt Service Fund. The Capital Projects Fund is appropriated on a project-length basis. The Special Grant Fund does not have an appropriated budget since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The government’s department heads may make transfers of appropriations within a department. However, amendments of the budget must be approved by the governing board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related 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. While all appropriation and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

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## SUPPLEMENTARY INFORMATION





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

	<b>County Road</b>	<b>Road Machinery</b>	<b>Special Grant</b>	<b>Debt Service</b>	<b>Total Nonmajor Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,399,691	\$ 4,222,132	\$ -	\$ -	\$10,621,823
Restricted cash and cash equivalents	-	500,070	56,406	78,161	634,637
Intergovernmental receivables	2,353,072	20,769	373,572	338,900	3,086,313
Prepaid items	88,064	12,530	19,431	-	120,025
Total assets	<u>\$ 8,840,827</u>	<u>\$ 4,755,501</u>	<u>\$ 449,409</u>	<u>\$ 417,061</u>	<u>\$14,462,798</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 465,807	\$ 107,282	\$ 288,146	\$ -	\$ 861,235
Accrued liabilities	89,450	17,323	19,252	-	126,025
Due to other funds	-	-	6,384	172,889	179,273
Unearned revenue	-	-	66,492	-	66,492
Total liabilities	<u>555,257</u>	<u>124,605</u>	<u>380,274</u>	<u>172,889</u>	<u>1,233,025</u>
<b>FUND BALANCES</b>					
Nonspendable	88,064	12,530	19,431	-	120,025
Restricted	-	500,070	49,704	244,172	793,946
Assigned	8,197,506	4,118,296	-	-	12,315,802
Total fund balances	<u>8,285,570</u>	<u>4,630,896</u>	<u>69,135</u>	<u>244,172</u>	<u>13,229,773</u>
Total liabilities and fund balances	<u>\$ 8,840,827</u>	<u>\$ 4,755,501</u>	<u>\$ 449,409</u>	<u>\$ 417,061</u>	<u>\$14,462,798</u>

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

	<u>County Road</u>	<u>Road Machinery</u>	<u>Special Grant</u>	<u>Debt Service</u>	<u>Total Nonmajor Funds</u>
<b>REVENUES</b>					
Departmental income	\$ -	\$ -	\$ 614,038	\$ -	\$ 614,038
Intergovernmental charges	10,470	75,696	-	-	86,166
Use of money and property	61,881	43,087	109,474	1,126	215,568
Licenses and permits	1,840	-	-	-	1,840
Sale of property and compensation for loss	1,055	19,240	-	-	20,295
Miscellaneous	-	-	-	187,584	187,584
Interfund revenues	1,679	-	-	-	1,679
State aid	6,989,820	258,308	-	624,748	7,872,876
Federal aid	266,607	-	3,036,825	-	3,303,432
Total revenues	<u>7,333,352</u>	<u>396,331</u>	<u>3,760,337</u>	<u>813,458</u>	<u>12,303,478</u>
<b>EXPENDITURES</b>					
Current:					
Transportation	14,410,936	2,319,719	-	-	16,730,655
Economic assistance and opportunity	-	-	2,695,039	-	2,695,039
Home and community services	-	-	1,141,460	-	1,141,460
Debt service:					
Principal	-	-	-	1,791,176	1,791,176
Interest and fiscal charges	-	-	-	444,487	444,487
Total expenditures	<u>14,410,936</u>	<u>2,319,719</u>	<u>3,836,499</u>	<u>2,235,663</u>	<u>22,802,817</u>
Deficiency of revenues over expenditures	<u>(7,077,584)</u>	<u>(1,923,388)</u>	<u>(76,162)</u>	<u>(1,422,205)</u>	<u>(10,499,339)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,427,185	3,131,017	-	1,370,273	14,928,475
Transfers out	<u>(2,402,574)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,402,574)</u>
Total other financing sources (uses)	<u>8,024,611</u>	<u>3,131,017</u>	<u>-</u>	<u>1,370,273</u>	<u>12,525,901</u>
Net change in fund balances	947,027	1,207,629	(76,162)	(51,932)	2,026,562
Fund balances—beginning	7,338,543	3,423,267	145,297	296,104	11,203,211
Fund balances—ending	<u>\$ 8,285,570</u>	<u>\$ 4,630,896</u>	<u>\$ 69,135</u>	<u>\$ 244,172</u>	<u>\$ 13,229,773</u>

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# FEDERAL AWARDS INFORMATION



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

Federal Grantor/Pass Through Grantor/Program Cluster Title (1a)	Federal Assistance Listing Number (1b)	Entity Identifying Number (1c)	Passed Through to Sub- recipients	Total Federal Expenditures (1d)
<b>U.S. Department of Agriculture:</b>				
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	\$ -	\$ 2,082,234
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	ARPA-21-LCM-16	-	60,834
<i>Total SNAP Cluster</i>			-	2,143,068
<b>Total U.S. Department of Agriculture</b>			-	2,143,068
<b>U.S. Department of Housing and Urban Development:</b>				
Direct Program:				
<i>Home Investment Partnerships Program</i>				
Home Investment Partnerships Program	14.239	M-17-DC-36-0512	109,126	109,126
Home Investment Partnerships Program	14.239	M-18-DC-36-0512	50,109	50,109
Home Investment Partnerships Program	14.239	M-19-DC-36-0512	46,946	46,946
Home Investment Partnerships Program	14.239	M-20-DC-36-0512	157,269	157,269
Home Investment Partnerships Program	14.239	M-21-DC-36-0512	169,736	169,736
Home Investment Partnerships Program	14.239	M-22-DC-36-0512	45,000	45,000
<i>Total Home Investment Partnership Program</i>			578,186	578,186
<i>Continuum of Care Program</i>				
Continuum of Care Program	14.267	NY0712 L2C222011	-	52,097
Continuum of Care Program	14.267	NY0713 L2C222011	-	355,582
Continuum of Care Program	14.267	NY0712 L2C222112	-	37,167
Continuum of Care Program	14.267	NY0713 L2C222112	-	272,097
Continuum of Care Program	14.267	NY12170D2C222011	-	17,008
Continuum of Care Program	14.267	NY12170D2C222112	-	21,167
<i>Total Continuum of Care Program</i>			-	755,118
Passed through NYS Homes & Community Renewal:				
<i>Community Development Block Grants Program:</i>				
Community Development Block Grants	14.228	581HR116-20	-	429,020
Community Development Block Grants	15.228	581HR304-21	-	100,754
<i>Total Community Development Block Grants</i>			-	529,774
Passed through NYS Office of Temporary and Disability Assistance:				
COVID-19 Emergency Solutions Grant Program	14.231	C00629GG	-	410,371
<b>Total U.S. Department of Housing and Urban Development</b>			578,186	2,273,449
<b>U.S. Department of Labor:</b>				
Passed through NYS Department of Labor:				
Trade Adjustment Assistance	17.245	N/A	-	215,766
<i>WIOA Cluster:</i>				
WIOA Adult Program	17.258	N/A	146,967	782,024
WIOA Youth Activities	17.259	N/A	36,540	441,657
WIOA Dislocated Worker Formula Grants	17.278	N/A	25,213	130,731
WIOA Dislocated Worker Formula Grants	17.278	N/A	-	57,903
<i>Total WIOA Cluster</i>			208,720	1,412,315
<b>Total U.S. Department of Labor</b>			208,720	1,628,081

(continued)

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

Federal Grantor/Pass Through Grantor/Program Cluster Title (1a)	Federal Assistance Listing Number (1b)	Entity Identifying Number (1c)	Passed Through to Sub- recipients	Total Federal Expenditures (1d)
<b>U.S. Department of Transportation:</b>				
Direct Programs:				
<i>Airport Improvement Program:</i>				
Airport Improvement Program	20.106	3-36-0120-051-2018; 7906.23	-	16,710
Airport Improvement Program	20.106	3-36-0120-054-2019; 7906.26	-	406,849
Airport Improvement Program	20.106	3-36-0120-065-2022	-	1,110,954
Airport Improvement Program	20.106	3-36-0120-066-2022	-	7,200
Airport Improvement Program	20.106	3-36-0120-058-2020	-	17,449
Airport Improvement Program	20.106	3-36-0120-059-2020	-	33,923
Airport Improvement Program	20.106	3-36-0120-061-2021	-	85,500
Airport Improvement Program	20.106	3-36-0120-067-2022	-	19,238
Airport Improvement Program	20.106	3-36-0120-068-2022	-	17,137
Airport Improvement Program	20.106	3-36-0120-069-2022	-	11,205
Airport Improvement Program	20.106	3-36-0120-070-2022	-	423,019
Airport Improvement Program	20.106	3-36-0120-071-2023	-	2,610
Airport Improvement Program	20.106	3-36-0120-072-2023	-	661,906
<i>Total Airport Improvement Program:</i>			-	2,813,700
Passed through NYS Department of Transportation:				
<i>Highway Planning and Construction Cluster:</i>				
Highway Planning and Construction	20.205	D034853; PIN 7753.59	-	60,773
Highway Planning and Construction	20.205	D036280; PIN 7753.85	-	1,244,497
Highway Planning and Construction	20.205	D036435; PIN 7753.88	-	19,874
Highway Planning and Construction	20.205	D036474; PIN 7753.77	-	130,449
Highway Planning and Construction	20.205	D040156; PIN 7753.93	-	181,585
Highway Planning and Construction	20.205	D040169; PIN 7753.59	-	2,544,808
Highway Planning and Construction	20.205	D040442; PIN 7754.03	-	21,411
Highway Planning and Construction	20.205	D040443; PIN 7754.04	-	62,260
<i>Total Highway Planning and Construction Cluster</i>			-	4,265,657
<i>Highway Safety Cluster:</i>				
Passed through NYS Governor's Traffic Safety Committee:				
National Priority Safety Programs	20.616	CPS-2022-JC SO-00109-(023)	-	1,269
Passed through NYS Stop DWI Foundation, Inc.:				
National Priority Safety Programs	20.616	HS1-2022-DWI Fnd-00156-(088)	-	6,828
National Priority Safety Programs	20.616	HS1-2023-DWI Fnd-00203-(088)	-	4,728
Passed through NYS Division of Criminal Justice Services:				
National Priority Safety Programs	20.616	HS1-2022-NYS DCJ-00171-(099)	-	8,684
National Priority Safety Programs	20.616	HS1-2023-NYS DCJ-00222-(099)	-	3,389
<i>Total Highway Safety Cluster</i>			-	24,898
<b>Total U.S. Department of Transportation</b>			-	7,104,255
<b>U.S. Department of the Treasury:</b>				
Direct Program:				
Equitable Sharing Program	21.016	N/A	-	6,180
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	2,045,965	5,176,081
Passed through New York State Office of Temporary and Disability Assistance:				
Emergency Rental Assistance Program (ERAP) CARES Act	21.023	C00629GG	-	63,557
<b>Total U.S. Department of the Treasury</b>			-	5,245,818
<b>U.S. Department of Education:</b>				
Passed through Jefferson Community College:				
Career and Technical Education—Basic Grants to States (Perkins V)	84.048	N/A	-	12,656
Passed through NYS Department of Health:				
Special Education - Grants for Infants and Families	84.181	C36410GG	-	74,400
<b>Total U.S. Department of Education</b>			-	87,056

(continued)



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

Federal Grantor/Pass Through Grantor/Program Cluster Title (1a)	Federal Assistance Listing Number (1b)	Entity Identifying Number (1c)	Passed Through to Sub- recipients	Total Federal Expenditures (1d)
<b>U.S. Department of Health and Human Services:</b>				
Passed through NYS Office for the Aging:				
<i>Aging Cluster:</i>				
Special Programs for Aging, Title III, Part B—Grants for Supportive Services and Senior Centers	93.044	Title III-B	-	91,687
Special Programs for Aging, Title III, Part C—Nutrition Services	93.045	Title III-C	-	200,953
<i>Total Aging Cluster</i>			-	292,640
Special Programs for Aging Title III, Part D—Disease Prevention and Health Promotion Services	93.043	Title III-D	-	6,539
National Family Caregiver Support Title III, Part E	93.052	Title III-E	-	49,829
Medicare Enrollment Research Program	93.071	MIPPA/ADRC	-	29,882
Lifespan Respite Care Program	93.072	HHS-2020-ACL-AOA	-	7,862
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	HIICAP	-	18,773
Passed through the Health Research Institute:				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6433-01	-	292,690
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6852-01	-	436,186
<i>Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</i>			-	728,876
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	6952-01	-	307,705
<i>Public Health Emergency Preparedness:</i>				
Public Health Emergency Preparedness	93.069	1615-15	-	52,454
Public Health Emergency Preparedness	93.069	1615-14	-	28,405
<i>Total Public Health Emergency Preparedness</i>			-	80,859
Passed through NYS Department of Health:				
<i>Immunization Cooperative Agreements:</i>				
Immunization Cooperative Agreements	93.268	C36936GG	-	136,124
<i>Total Immunization Cooperative Agreements</i>			-	136,124
Passed through NYS Office of Temporary and Disability Assistance:				
Child Support Enforcement	93.563	N/A	-	605,122
Low Income Home Energy Assistance	93.568	N/A	-	6,628,678
ARPA Low Income Home Energy Assistance	93.568	N/A	-	26,676
<i>Total Low Income Home Energy Assistance</i>			-	7,260,476
Passed through the Office of Children and Family Services:				
<i>Kinship Guardianship Assistance Program:</i>				
Kinship Guardianship Assistance	93.090	N/A	-	43,570
COVID-19 Kinship Guardianship Assistance	93.090	N/A	-	1,607
<i>Total Kinship Guardianship Assistance Program</i>			-	45,177
Promoting Safe and Stable Families	93.556	N/A	-	37,884
<i>CCDF Cluster:</i>				
Child Care and Development Block Grant	93.575	CCRR15	-	1,882,775
<i>Total CCDF Cluster</i>			-	1,882,775
Stephanie Tubbs Jones Child Welfare Service Program	93.645	N/A	-	57,897
<i>Foster Care Program:</i>				
Foster Care—Title IV-E	93.658	N/A	-	2,069,709
COVID-19 Foster Care—Title IV-E	93.658	N/A	-	72,305
<i>Total Foster Care Program</i>			-	2,142,014
<i>Adoption Assistance Program:</i>				
Adoption Assistance	93.659	N/A	-	1,961,669
COVID-19 Adoption Assistance	93.659	N/A	-	99,861
<i>Total Adoption Assistance Program</i>			-	2,061,530
Social Services Block Grant	93.667	N/A	-	3,908,832
Child Abuse and Neglect State Grants	93.669	N/A	-	70,000
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	N/A	-	9,402
Elder Abuse Prevention Interventions Program	93.747	N/A	-	16,028

(continued)

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

Federal Grantor/Pass Through Grantor/Program Cluster Title (1a)	Federal Assistance Listing Number (1b)	Entity Identifying Number (1c)	Passed Through to Sub- recipients	Total Federal Expenditures (1d)
Passed through NYS Department of Health:				
<i>Maternal and Child Health Services Block Grant to the States:</i>				
Maternal and Child Health Services Block Grant to the States	93.994	C35721GG	-	28,477
<i>Total Maternal and Child Health Services Block Grant to the States</i>			-	28,477
<i>Medicaid Cluster:</i>				
Passed through NYS Department of Health:				
Medical Assistance Program	93.778	N/A	-	1,127,665
Passed through NYS Office of Mental Health:				
Medical Assistance Program	93.778	Medicaid Admin	-	53,112
<i>Total Medicaid Cluster</i>			-	1,180,777
<i>TANF Cluster:</i>				
Passed through NYS Office of Temporary and Disability Assistance:				
Temporary Assistance to Needy Families	93.558	N/A	-	8,203,128
Temporary Assistance to Needy Families	93.558	SYEP	-	273,129
<i>Total TANF Cluster</i>			-	8,476,257
<b>Total U.S. Department of Health and Human Services</b>			-	28,836,615
<b>U.S. Department of Homeland Security:</b>				
Passed through NYS Division of Homeland Security and Emergency Services:				
<i>Disaster Grants-Public Assistance:</i>				
Disaster Grants-Public Assistance	97.036	4472 DR NY	-	171,833
<i>Total Disaster Grants-Public Assistance</i>			-	171,833
<i>Emergency Management Performance Grant:</i>				
Emergency Management Performance Grant	97.042	T835915	-	3,841
<i>Total Emergency Management Performance Grant</i>			-	3,841
<i>Homeland Security Grant Program:</i>				
Homeland Security Grant Program	97.067	C971189	-	26,845
Homeland Security Grant Program	97.067	C173489	-	62,954
Homeland Security Grant Program	97.067	C971199	-	70,405
Homeland Security Grant Program	97.067	C971109	-	14,950
Homeland Security Grant Program	97.067	T971102	-	15,993
Homeland Security Grant Program	97.067	T835911	-	23,332
Homeland Security Grant Program	97.067	C835998	-	15,290
Homeland Security Grant Program	98.067	C971180	-	2,297
Homeland Security Grant Program	99.067	C971190	-	29,996
Homeland Security Grant Program	97.067	C971100	-	3,978
Homeland Security Grant Program	97.067	C835910	-	49,231
<i>Total Homeland Security Grant Program</i>			-	315,271
Direct Program:				
<i>Law Enforcement Officer Reimbursement Agreement Program:</i>				
Law Enforcement Officer Reimbursement Agreement Program	97.090	70T02021T6114N010	-	43,800
<i>Total Enforcement Officer Reimbursement Agreement Program</i>			-	43,800
<b>Total U.S. Department of Homeland Security</b>			-	534,745
<b>Total Expenditures of Federal Awards (1e)</b>			\$ 786,906	\$ 47,853,087

(concluded)

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

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

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the County of Jefferson, 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 Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a select 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 of expenditures of federal awards:

- (a) Includes all federal award programs of the County of Jefferson, New York. The federal expenditures of the Jefferson Community College and Jefferson County Industrial Development Agency have not been included.
- (b) Source: Assistance Listing Numbers, previously known as the 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 principle contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

**3. MATCHING COSTS**

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

**4. DEPARTMENT OF SOCIAL SERVICES – ADMINISTRATIVE COSTS**

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

**5. 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.

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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 County Board of Legislators and County Administrator  
County of Jefferson, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Jefferson, 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 July 20, 2023. Our report includes a reference to other auditors who audited the financial statements of the Jefferson Community College and Jefferson County Industrial Development Agency, 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.

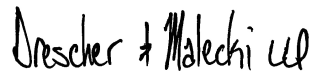
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



July 20, 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 County Board of Legislators and County Administrator  
County of Jefferson, New York:

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

##### ***Opinion on Each Federal Program***

We have audited the County of Jefferson, 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 Jefferson Community College (the "College") and Jefferson County Industrial Development Agency (the "Agency"), which received \$17,068,949 and \$9,009,433 in federal awards, respectively, which are not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2022. Our audit, described below, did not include the operations of the College and the Agency because other auditors were engaged to perform an audit in accordance with the Uniform Guidance.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's 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***

The County's 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

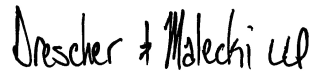


weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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.



July 20, 2023



**COUNTY OF JEFFERSON, NEW YORK**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2022**

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**Section I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

Type of report the auditor issued: Unmodified\*  
 \*(which report 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 report the auditor 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 Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	<i>WIOA Cluster:</i>
17.258	WIOA Adult Program
17.259	WIOA Youth Activities
17.278	WIOA Dislocated Worker Formula Grants
20.106	Airport Improvement Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.568	Low Income Home Energy Assistance
93.575	Child Care and Development Block Grant
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs? \$ 1,435,593

Auditee qualified as low-risk auditee? \_\_\_\_\_  Yes \_\_\_\_\_ No

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

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**Section II. FINANCIAL STATEMENT FINDINGS**

No findings noted.

**Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings noted.

**COUNTY OF JEFFERSON, NEW YORK**  
**Summary Schedule of Prior Audit Findings and Corrective Action Plan**  
**Year Ended December 31, 2022**  
**(Follow-Up on December 31, 2021 Findings)**

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No findings were reported.