

COUNTY OF LEWIS, NEW YORK

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

December 31, 2020

COUNTY OF LEWIS, NEW YORK

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INDEPENDENT AUDITORS' REPORT

Chairman and Members of the Lewis
County Board of Legislators
County of Lewis, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Lewis, New York (the County), as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Lewis County General Hospital and Residential Health Care Facility which represents 94 percent, 99 percent, and 96 percent, respectively, of the assets, net position (deficit), and revenue of the Enterprise Funds. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Lewis County General Hospital and Residential Health Care Facility, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of Lewis County General Hospital and Residential Health Care Facility were not audited in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Lewis, New York, as of December 31, 2020, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 13 and additional information on pages 57 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Lewis, New York's basic financial statements. The combining and individual fund financial statements on pages 61 and 62 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements 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 other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements and schedules 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 June 10, 2021, on our consideration of the County of Lewis, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 10, 2021

COUNTY OF LEWIS, NEW YORK
Management's Discussion and Analysis
December 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and supplementary information.

Basic Financial Statements

Government-Wide financial statements consist of two statements designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The statement of net position presents information on all County assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases and 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 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, revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these Government-Wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community services, interest on debt and self-funded Health Insurance Plan internal service fund. The business-type activities operated by the County are the Hospital, Solid Waste Fund, self-funded Workers' Compensation Plan.

The Government-Wide financial statements can be found on pages 14 through 16 of this report.

Fund financial statements are groupings of related accounts that are 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 finance-related legal compliance. All funds of the County can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

COUNTY OF LEWIS, NEW YORK
Management's Discussion and Analysis, Continued

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 Funds 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 county'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 revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between Governmental Funds and governmental activities.

The County maintains six (6) individual Governmental Funds. Data from the general fund and the five (5) aggregated nonmajor funds are combined into a single presentation.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The Governmental Fund financial statements and statements reconciling the fund statements to Government-Wide statements can be found on pages 17 through 20 of this report.

The County has four (4) proprietary funds. The Enterprise funds are used to report the functions presented as business-type activity in the Government-Wide financial statements. The County uses the enterprise fund to account for the Lewis County General Hospital (the Hospital), Solid Waste Fund and self-funded Workers' Compensation Plan. The self funded Health Insurance Plan internal service fund is reported as a proprietary fund and is reported within the governmental activities on the Government-Wide financial statements.

Proprietary funds provides 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 through 23 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the Government-Wide financial statements because the resources of those funds are not available to support the County's programs. The County has two (2) Fiduciary Funds. The Custodial Fund, which is used to account for funds held by the County as agent for purposes such as guarantee and bid deposits, court funds, monies due to other governments, and other miscellaneous items and the Private-Purpose Trust Fund, which is used to account for funds held by the County as agent for the donations made to the Hospital for specific trusts. The Fiduciary Funds financial statements can be found on pages 24 and 25 of this report.

COUNTY OF LEWIS, NEW YORK
Management's Discussion and Analysis, Continued

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and fund financial statements. The notes can be found on pages 26 through 56 of this report.

Required supplementary information presents a budget to actual comparison for the general fund, schedule of County's proportionate share of the net pension liability, the schedule of County's pension contributions, and schedule of changes in the County's total OPEB liability and related ratios on pages 57 through 60.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time, as a useful indicator of a government's financial position. The following table is a summary presentation of the County's net position at December 31, 2020.

Summary of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Assets:			
Current and other assets	\$ 37,072,531	55,254,380	92,326,911
Noncurrent assets	<u>88,149,971</u>	<u>18,778,317</u>	<u>106,928,288</u>
Total assets	<u>125,222,502</u>	<u>74,032,697</u>	<u>199,255,199</u>
Deferred outflows of resources	<u>16,952,923</u>	<u>32,522,942</u>	<u>49,475,865</u>
Liabilities:			
Current liabilities	11,665,201	23,471,595	35,136,796
Long term liabilities	<u>89,249,760</u>	<u>152,242,816</u>	<u>241,492,576</u>
Total liabilities	<u>100,914,961</u>	<u>175,714,411</u>	<u>276,629,372</u>
Deferred inflows of resources	<u>4,623,683</u>	<u>10,595,118</u>	<u>15,218,801</u>
Net position:			
Net investment in capital assets	80,493,398	15,882,324	96,375,722
Restricted	2,050,371	642,230	2,692,601
Unrestricted (deficit)	<u>(45,906,988)</u>	<u>(96,278,444)</u>	<u>(142,185,432)</u>
Total net position (deficit)	<u>\$ 36,636,781</u>	<u>(79,753,890)</u>	<u>(43,117,109)</u>

COUNTY OF LEWIS, NEW YORK
Management's Discussion and Analysis, Continued

Net investment in capital assets of \$96,375,722 reflects the historical cost of capital assets (e.g., land, buildings, improvements, infrastructure, and equipment) less any accumulated depreciation as well as 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 from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the County's net position in the amount of \$2,692,601 represents assets that are subject to restrictions on how they may be used or are nonspendable.

The remaining balance of the County's net position is a \$(142,185,432) deficit representing the amount that the County's non-capital related liabilities and deferred inflows of resources exceeded its remaining assets and non-capital deferred outflows of resources, primarily as a result of the County's total OPEB liability of \$184,982,301, as described in note 7 of the financial statements.

The County's net position decreased by \$1,685,793. Governmental activities increased the County's net position by \$1,013,932 while business-type activities decreased net position by \$2,699,725.

The following table details the changes in net position for governmental and business-type activities:

Summary of Changes in Net Position

	<u>Governmental</u> <u>activities</u>	<u>Business-type</u> <u>activities</u>	<u>Total</u>
Revenues:			
Program revenue	\$ 35,368,100	85,869,003	121,237,103
Tax revenue	33,127,487	-	33,127,487
Other revenue	<u>4,507,796</u>	<u>445,462</u>	<u>4,953,258</u>
Total revenues	<u>73,003,383</u>	<u>86,314,465</u>	<u>159,317,848</u>
Expenses:			
General government support	12,356,326	-	12,356,326
Education	820,323	-	820,323
Public safety	17,921,794	-	17,921,794
Health	6,835,358	86,553,422	93,388,780
Transportation	9,788,813	-	9,788,813
Economic assistance and opportunity	20,125,506	-	20,125,506

(Continued)

COUNTY OF LEWIS, NEW YORK
Management's Discussion and Analysis, Continued

	Governmental <u>activities</u>	Business-type <u>activities</u>	<u>Total</u>
Expenses, continued:			
Culture and recreation	\$ 868,014	-	868,014
Home and community services	3,004,712	2,460,768	5,465,480
Interest on debt	<u>268,605</u>	<u>-</u>	<u>268,605</u>
Total expenses	<u>71,989,451</u>	<u>89,014,190</u>	<u>161,003,641</u>
Change in net position	1,013,932	(2,699,725)	(1,685,793)
Net position (deficit) at beginning of year	<u>35,622,849</u>	<u>(77,054,165)</u>	<u>(41,431,316)</u>
Net position (deficit) at end of year	<u>\$ 36,636,781</u>	<u>(79,753,890)</u>	<u>(43,117,109)</u>

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds - The general government functions are contained in the General, Special Revenue, Capital Projects and Debt Service 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 spending at the end of the fiscal year.

At December 31, 2020, the County's Governmental Funds reported combined fund balances of \$20,605,434, an increase of \$4,169,729 from the prior year. Approximately 69.9% of the combined fund balances, \$14,395,092, constitutes unassigned fund balance which is available to meet the County's current and future operational and capital needs. The remainder of fund balance is not available for new spending because it has already been committed as the following; (1) classified as nonspendable for prepaid expenditures (\$479,930); (2) restricted for specific programs including E911 (\$183,920), Trail Maintenance (\$68,755), DWI (\$29,995), and restricted for bus operations (\$396,595); (3) used to offset property taxes (\$1,820,000); or (4) classified as assigned for the liquidation of contracts and purchase orders of the prior period (\$322,608).

All other positive fund balances are reported as assigned - unappropriated. All other negative fund balances are reported as unassigned.

The general fund is the chief operating fund of the County. At December 31, 2020 unassigned fund balance of the general fund was \$14,395,092 while total fund balance increased to \$17,447,563. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to expenditures. Unassigned fund balance represents 32.6% of total fund expenditures and transfers out while total fund balance represents 39.5% of that same amount.

COUNTY OF LEWIS, NEW YORK
Management's Discussion and Analysis, Continued

The following table presents the changes in the balance sheet from the prior year:

	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>Percent Change</u>
Assets:				
Cash and investments	\$ 25,868,577	23,587,345	2,281,232	9.7%
Receivables	8,561,232	7,437,222	1,124,010	15.1%
Prepaid expenditures	<u>479,930</u>	<u>483,339</u>	<u>(3,409)</u>	-0.7%
Total assets	<u>\$ 34,909,739</u>	<u>31,507,906</u>	<u>3,401,833</u>	10.8%
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities	<u>12,078,956</u>	<u>12,698,219</u>	<u>(619,263)</u>	-4.9%
Deferred inflows of resources	<u>2,225,349</u>	<u>2,373,982</u>	<u>(148,633)</u>	-6.3%
Fund balances:				
Nonspendable	479,930	483,339	(3,409)	-0.7%
Restricted	679,265	836,528	(157,263)	-18.8%
Assigned - appropriated	2,142,608	2,337,875	(195,267)	-8.4%
Assigned - unappropriated	2,908,539	3,174,988	(266,449)	-8.4%
Unassigned	<u>14,395,092</u>	<u>9,602,975</u>	<u>4,792,117</u>	49.9%
Total fund balances	<u>\$ 20,605,434</u>	<u>16,435,705</u>	<u>4,169,729</u>	25.4%

Local source revenue for governmental funds totaled \$37,732,032 in fiscal year 2020 which represents an increase of 0.8% from fiscal year 2019.

The following table presents the amount of revenue from various sources as well as increases or decreases from the prior year:

Comparison of Local Source Revenue <u>2020 and 2019</u>						
	<u>2020</u>	<u>Percent of total</u>	<u>2019</u>	<u>Percent of total</u>	<u>Change</u>	<u>Percent change</u>
Real property taxes	\$ 19,717,083	52.4%	\$ 19,209,967	51.3%	507,116	2.6%
Non-property tax items	13,514,902	35.8%	13,161,240	35.2%	353,662	2.7%
Departmental income	2,080,104	5.5%	2,316,171	6.2%	(236,067)	-10.2%
Intergovernmental charges	160,198	0.4%	187,872	0.5%	(27,674)	-14.7%
Use of money and property	576,470	1.5%	649,189	1.7%	(72,719)	-11.2%
Licenses and permits	382,468	1.0%	95,561	0.3%	286,907	300.2%
Fines and forfeitures	33,814	0.1%	32,268	0.1%	1,546	4.8%
Sale of property and compensation for loss	692,397	1.8%	911,467	2.4%	(219,070)	-24.0%
Miscellaneous local sources	<u>574,596</u>	<u>1.5%</u>	<u>861,958</u>	<u>2.3%</u>	<u>(287,362)</u>	<u>-33.3%</u>
Total	<u>\$ 37,732,032</u>	<u>100.0%</u>	<u>37,425,693</u>	<u>100.0%</u>	<u>306,339</u>	<u>0.8%</u>

COUNTY OF LEWIS, NEW YORK
Management's Discussion and Analysis, Continued

The following will provide some explanation for significant changes in certain local source revenue in comparing the current to prior year revenue:

- Real property taxes increased due to growth in total taxable value.
- Non-property tax items increased due to a \$353,662 increase in sales tax revenue.
- Licenses and permits revenue increased due to higher construction activity and building permits.
- Sale of property and compensation for loss decreased primarily due to a \$114,830 decrease in fuel sales as a result of COVID related shutdowns and a \$152,821 decrease in insurance recoveries.
- Miscellaneous local sources decreased due to a new funding source in the community services department for \$600,000 in 2019.

The following table presents expenditures by function compared to prior year amounts:

Comparison of Expenditures by Function						
<u>2020 and 2019</u>						
	<u>2020</u>	<u>Percent of total</u>	<u>2019</u>	<u>Percent of total</u>	<u>Change</u>	<u>Percent change</u>
General government support	\$ 7,268,088	13.7%	7,303,629	13.9%	(35,541)	-0.5%
Education	820,323	1.6%	951,854	1.8%	(131,531)	-13.8%
Public safety	8,082,230	15.9%	7,483,098	14.3%	599,132	8.0%
Health	4,944,243	9.8%	5,400,412	10.3%	(456,169)	-8.4%
Transportation	8,279,281	16.3%	8,826,124	16.8%	(546,843)	-6.2%
Economic assistance and opportunity	14,550,443	30.7%	17,772,121	33.9%	(3,221,678)	-18.1%
Culture and recreation	638,450	1.3%	429,604	0.8%	208,846	48.6%
Home and community services	2,012,688	4.0%	1,119,525	2.1%	893,163	79.8%
Employee benefits	2,453,220	4.8%	2,298,091	4.4%	155,129	6.8%
Debt service	<u>959,737</u>	<u>1.9%</u>	<u>910,660</u>	<u>1.7%</u>	<u>49,077</u>	<u>5.4%</u>
Total	<u>\$ 50,008,703</u>	<u>100.0%</u>	<u>52,495,118</u>	<u>100.0%</u>	<u>(2,486,415)</u>	<u>-4.7%</u>

The following will provide some explanation for significant changes in certain expenditures in comparing current to prior year expenditures:

- Public safety expenditures increased due to payroll and related employee benefit costs.
- Culture and recreation expenditures increased due to snowmobile trail expenditures.
- Home and community services expenditures increased due to reforestation and census expenditures.
- Various other expenditure categories decreased due to COVID related shutdowns.

COUNTY OF LEWIS, NEW YORK
Management's Discussion and Analysis, Continued

The current year revenue and other financing sources over/under expenditures and other financing uses is presented below:

Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds

	Major Fund - <u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenue	\$ 48,651,593	5,526,839	54,178,432
Expenditures	39,446,978	10,561,725	50,008,703
Other sources (uses), net	<u>(4,692,687)</u>	<u>4,692,687</u>	<u>-</u>
Change in fund balances	4,511,928	(342,199)	4,169,729
Fund balances at beginning of year	<u>12,935,635</u>	<u>3,500,070</u>	<u>16,435,705</u>
Fund balances at end of year	<u>\$ 17,447,563</u>	<u>3,157,871</u>	<u>20,605,434</u>

Proprietary funds - The County's proprietary funds provide the same type of information found in the Government-Wide financial statements but in more detail.

Statement of Revenue, Expenses and Changes in Net Position - Proprietary Funds

Business-type activities - Enterprise Funds

	<u>Hospital</u>	Workers' <u>Compensation</u>	Solid <u>Waste</u>	<u>Total</u>	Internal <u>Service Fund</u>
Operating revenue	\$ 74,770,316	1,450,850	2,215,173	78,436,339	19,877,113
Operating expenses	<u>85,700,352</u>	<u>831,477</u>	<u>2,460,768</u>	<u>88,992,597</u>	<u>19,671,215</u>
Operating gain (loss)	<u>(10,930,036)</u>	<u>619,373</u>	<u>(245,595)</u>	<u>(10,556,258)</u>	<u>205,898</u>
Non-operating revenue/ expense (net)	<u>7,480,841</u>	<u>1,202</u>	<u>133</u>	<u>7,482,176</u>	<u>-</u>
Contributions and transfers	<u>374,357</u>	<u>-</u>	<u>-</u>	<u>374,357</u>	<u>-</u>
Change in net position	(3,074,838)	620,575	(245,462)	(2,699,725)	205,898
Net position (deficit) at beginning of year	<u>(76,137,020)</u>	<u>-</u>	<u>(917,145)</u>	<u>(77,054,165)</u>	<u>5,226,351</u>
Net position (deficit) at end of year	<u>\$ (79,211,858)</u>	<u>620,575</u>	<u>(1,162,607)</u>	<u>(79,753,890)</u>	<u>5,432,249</u>

COUNTY OF LEWIS, NEW YORK
Management's Discussion and Analysis, Continued

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget appropriations and the final amended budget appropriations as presented on page 57 resulted in an increase in appropriations of \$4,565,863 which includes both expenditures and other uses. Most of these increases can be summarized as follows:

- Public safety budgets were modified to reflect additional costs in Sheriff and Dispatch departments as well as to recognized costs expected for grant funded programs.
- Economic assistance and opportunity budgets were amended to reflect higher than anticipated intergovernmental transfer expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounted to \$104,902,756 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, improvements other than buildings, equipment, construction in progress and machinery and equipment.

The following table summarizes the capital assets of the County at December 31, 2020:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
<u>Summary of Capital Assets</u>			
Capital assets, not being depreciated:			
Land	\$ 117,642	607,034	724,676
Construction in process	<u>4,621,946</u>	<u>2,184,831</u>	<u>6,806,777</u>
Total capital assets, not being depreciated	<u>4,739,588</u>	<u>2,791,865</u>	<u>7,531,453</u>
Capital assets, being depreciated:			
Land improvements	-	1,723,202	1,723,202
Buildings and improvements	28,814,564	41,552,130	70,366,694
Infrastructure	125,794,440	-	125,794,440
Machinery and equipment	<u>20,796,323</u>	<u>34,296,436</u>	<u>55,092,759</u>
Total capital assets, being depreciated	175,405,327	77,571,768	252,977,095
Less accumulated depreciation	<u>(91,994,944)</u>	<u>(63,610,848)</u>	<u>(155,605,792)</u>
Capital assets (net)	<u>\$ 88,149,971</u>	<u>16,752,785</u>	<u>104,902,756</u>

COUNTY OF LEWIS, NEW YORK
Management's Discussion and Analysis, Continued

The County's infrastructure assets are recorded at historical cost in the Government-Wide financial statements as required by GASB Statement No. 34. The County has elected to depreciate their infrastructure assets. Additional information on the County's capital assets can be found in note 4 on pages 38 and 39 of this report.

LONG-TERM OBLIGATIONS

At December 31, 2020, the County had total long-term liabilities outstanding of \$92,142,784 for governmental activities and \$160,205,622 for business-type activities. A major portion of this is the liability for other postemployment benefits in the amount of \$68,440,604 for governmental activities and \$116,541,697 for business-type activities.

New York State Statutes limit the amount of general obligation debt a government entity may issue to 7% of its 5 year average full valuation. At December 31, 2020, the County's general obligation debt is \$7,330,000. The current debt limitation for the County is \$154,919,831. The County's rating is A+ by Standard & Poor's and Moody's rating is Baa1.

Additional information on the County's long term debt can be found in note 5 on pages 39 through 42 of this report.

ECONOMIC FACTORS IMPACTING THE COUNTY'S FUTURE

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the County and its future results and financial position is not presently determinable.

The County anticipates receiving an estimated \$5.1 million in funding under the Coronavirus Local Fiscal Recovery Fund within the American Rescue Plan signed into law on March 11, 2021.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to:

Lewis County Treasurer
7660 State Street
Lowville, New York 13367

COUNTY OF LEWIS, NEW YORK
Statement of Net Position
December 31, 2020

<u>Assets</u>	Primary Government		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current assets:			
Cash and equivalents	\$ 17,924,718	5,200,836	23,125,554
Investments	15,888,441	29,738,285	45,626,726
Accounts receivable, net of allowance	969,051	6,318,003	7,287,054
Taxes receivable, net	2,836,399	-	2,836,399
State and federal receivables	4,418,715	3,572,261	7,990,976
Due from other governments	64,014	-	64,014
Internal balances	(5,842,137)	5,842,137	-
Inventory	65,000	2,318,430	2,383,430
Prepaid expenses	748,330	2,264,428	3,012,758
Total current assets	<u>37,072,531</u>	<u>55,254,380</u>	<u>92,326,911</u>
Noncurrent assets:			
Capital assets:			
Land	117,642	607,034	724,676
Construction in progress	4,621,946	2,184,831	6,806,777
Capital assets - depreciable, net	83,410,383	13,960,920	97,371,303
Restricted cash and equivalents	-	1,870,343	1,870,343
Other assets	-	155,189	155,189
Total noncurrent assets	<u>88,149,971</u>	<u>18,778,317</u>	<u>106,928,288</u>
Total assets	<u>125,222,502</u>	<u>74,032,697</u>	<u>199,255,199</u>
Deferred outflows of resources:			
Loss on refunding	498,246	-	498,246
Pensions	10,092,106	22,311,682	32,403,788
OPEB	6,362,571	10,211,260	16,573,831
Total deferred outflows of resources	<u>16,952,923</u>	<u>32,522,942</u>	<u>49,475,865</u>

(Continued)

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Statement of Net Position, Continued

<u>Liabilities</u>	Primary Government		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current liabilities:			
Accounts payable and accrued expenses	\$ 4,721,060	9,746,152	14,467,212
Accrued interest	27,678	-	27,678
Due to other governments	4,023,439	-	4,023,439
Estimated third party payor settlements	-	5,925,338	5,925,338
General obligation bonds	360,000	-	360,000
Capital lease obligations	360,821	1,865,390	2,226,211
Advance liability - Medicare accelerated payments	-	1,989,554	1,989,554
Paycheck protection program loan	-	779,364	779,364
Total OPEB liability	2,172,203	3,165,797	5,338,000
Total current liabilities	11,665,201	23,471,595	35,136,796
Noncurrent liabilities:			
General obligation bonds	6,970,000	-	6,970,000
Capital lease obligations	463,998	453,247	917,245
Advance liability - Medicare accelerated payments	-	5,190,775	5,190,775
Total OPEB liability	66,268,401	113,375,900	179,644,301
Net pension liability	14,539,802	31,957,343	46,497,145
Compensated absences	1,007,559	-	1,007,559
Other liabilities	-	1,265,551	1,265,551
Total noncurrent liabilities	89,249,760	152,242,816	241,492,576
Total liabilities	100,914,961	175,714,411	276,629,372
Deferred inflows of resources:			
Advances	63,480	-	63,480
Pensions	953,989	2,096,794	3,050,783
OPEB	3,606,214	8,498,324	12,104,538
Total deferred inflows of resources	4,623,683	10,595,118	15,218,801
<u>Net Position</u>			
Net investment in capital assets	80,493,398	15,882,324	96,375,722
Restricted	2,050,371	642,230	2,692,601
Unrestricted (deficit)	(45,906,988)	(96,278,444)	(142,185,432)
Total net position (deficit)	\$ 36,636,781	(79,753,890)	(43,117,109)

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Statement of Activities
Year ended December 31, 2020

Functions	Expenses	Program Revenue			Net Revenue (Expense) and Changes in Net Position Primary Government		
		Charges for services	Operating grants	Capital grants	Governmental activities	Business-type activities	Total
Primary government:							
Governmental activities:							
General government support	\$ 12,356,326	1,457,393	746,716	-	(10,152,217)	-	(10,152,217)
Education	820,323	-	-	-	(820,323)	-	(820,323)
Public safety	17,921,794	109,648	910,352	-	(16,901,794)	-	(16,901,794)
Health	6,835,358	467,515	3,208,801	-	(3,159,042)	-	(3,159,042)
Transportation	9,788,813	131,982	2,543,184	1,528,312	(5,585,335)	-	(5,585,335)
Economic assistance and opportunity	20,125,506	345,308	5,079,099	-	(14,701,099)	-	(14,701,099)
Culture and recreation	868,014	139,923	290,844	-	(437,247)	-	(437,247)
Home and community services	3,004,712	24,995	1,271,975	-	(1,707,742)	-	(1,707,742)
Employee benefits	-	17,112,053	-	-	17,112,053	-	17,112,053
Interest on debt	268,605	-	-	-	(268,605)	-	(268,605)
Total governmental activities	<u>71,989,451</u>	<u>19,788,817</u>	<u>14,050,971</u>	<u>1,528,312</u>	<u>(36,621,351)</u>	<u>-</u>	<u>(36,621,351)</u>
Business-type activities:							
Hospital	85,721,945	70,198,051	11,672,867	374,357	-	(3,476,670)	(3,476,670)
Workers' compensation	831,477	1,450,850	-	-	-	619,373	619,373
Solid waste	2,460,768	2,172,878	-	-	-	(287,890)	(287,890)
Total business-type activities	<u>89,014,190</u>	<u>73,821,779</u>	<u>11,672,867</u>	<u>374,357</u>	<u>-</u>	<u>(3,145,187)</u>	<u>(3,145,187)</u>
Total primary government	<u>\$ 161,003,641</u>	<u>93,610,596</u>	<u>25,723,838</u>	<u>1,902,669</u>	<u>(36,621,351)</u>	<u>(3,145,187)</u>	<u>(39,766,538)</u>
<u>General revenue:</u>							
Property taxes					19,612,585	-	19,612,585
Non-property tax items					13,514,902	-	13,514,902
Use of money and property					576,470	328,386	904,856
Gain on sale of assets					3,356,730	-	3,356,730
Miscellaneous					574,596	117,076	691,672
Total general revenue					<u>37,635,283</u>	<u>445,462</u>	<u>38,080,745</u>
Change in net position					1,013,932	(2,699,725)	(1,685,793)
Net position (deficit) at beginning of year					<u>35,622,849</u>	<u>(77,054,165)</u>	<u>(41,431,316)</u>
Net position (deficit) at end of year					<u>\$ 36,636,781</u>	<u>(79,753,890)</u>	<u>(43,117,109)</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Balance Sheet - Governmental Funds
December 31, 2020

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and equivalents	\$ 10,298,345	2,073,247	12,371,592
Investments	12,220,273	1,276,712	13,496,985
Taxes receivable, net	2,836,399	-	2,836,399
State and federal receivables	4,418,715	-	4,418,715
Other receivables	457,749	504,514	962,263
Due from other funds	278,911	930	279,841
Due from other governments	4,163	59,851	64,014
Prepaid expenditures	<u>431,178</u>	<u>48,752</u>	<u>479,930</u>
Total assets	<u>\$ 30,945,733</u>	<u>3,964,006</u>	<u>34,909,739</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts payable	1,130,808	149,840	1,280,648
Accrued liabilities	581,417	71,474	652,891
Due to other funds	5,747,177	374,801	6,121,978
Due to other governments	<u>4,023,439</u>	<u>-</u>	<u>4,023,439</u>
Total liabilities	<u>11,482,841</u>	<u>596,115</u>	<u>12,078,956</u>
Deferred inflows of resources	<u>2,015,329</u>	<u>210,020</u>	<u>2,225,349</u>
 <u>Fund Balances:</u>			
Nonspendable	431,178	48,752	479,930
Restricted	679,265	-	679,265
Assigned - appropriated	1,942,028	200,580	2,142,608
Assigned - unappropriated	-	2,908,539	2,908,539
Unassigned	<u>14,395,092</u>	<u>-</u>	<u>14,395,092</u>
Total fund balances	<u>17,447,563</u>	<u>3,157,871</u>	<u>20,605,434</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,945,733</u>	<u>3,964,006</u>	<u>34,909,739</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
 Reconciliation of the Balance Sheet - Governmental Fund
 to the Statement of Net Position
 December 31, 2020

Total fund balances - governmental funds	\$ 20,605,434
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The assets consist of:	
Land	\$ 117,642
Construction in progress	4,621,946
Depreciable assets (net of accumulated depreciation)	<u>83,410,383</u>
Total capital assets	88,149,971
Deferred revenue from receivables and notes receivable not available to pay for current period expenditures and is therefore deferred in the funds.	2,161,869
Inventory type items for materials and supplies are reported as assets. In the fund financial statements, they are reported as current year expenditures.	65,000
Net position of internal service fund not reported in governmental funds but included in the government-wide statement of net position.	5,432,249
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Compensated absences	(1,007,559)
Total OPEB liability	(68,440,604)
Accrued interest	(27,678)
Capital leases	(824,819)
Net pension liability	(14,539,802)
Some deferred inflows and outflows of resources are not reported in the governmental funds. These consist of the following:	
Deferred outflows of resources - pensions	10,092,106
Deferred outflows of resources - OPEB	6,362,571
Deferred inflows of resources - pensions	(953,989)
Deferred inflows of resources - OPEB	(3,606,214)
Deferred loss on refunding on bonds payable is not reported in the governmental funds but is reported in the government-wide statement of net position.	498,246
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(7,330,000)</u>
Total net position - end of year	<u>\$ 36,636,781</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Statement of Revenue, Expenditures
and Changes in Fund Balances -
Governmental Funds
Year ended December 31, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue:			
Real property tax	\$ 17,102,446	-	17,102,446
Real property tax items	2,614,637	-	2,614,637
Non-property tax items	13,514,902	-	13,514,902
Departmental income	2,080,104	-	2,080,104
Intergovernmental charges	48,341	111,857	160,198
Use of money and property	574,668	1,802	576,470
Licenses and permits	382,468	-	382,468
Fines and forfeitures	33,814	-	33,814
Sale of property and compensation for loss	485,619	206,778	692,397
Miscellaneous local sources	564,008	10,588	574,596
Interfund revenue	-	754,664	754,664
State aid	6,843,707	1,937,220	8,780,927
Federal aid	4,406,879	2,503,930	6,910,809
Total revenue	<u>48,651,593</u>	<u>5,526,839</u>	<u>54,178,432</u>
Expenditures:			
General government support	6,394,551	873,537	7,268,088
Education	820,323	-	820,323
Public safety	8,082,230	-	8,082,230
Health	4,944,243	-	4,944,243
Transportation	468,259	7,811,022	8,279,281
Economic assistance and opportunity	14,424,803	125,640	14,550,443
Culture and recreation	638,450	-	638,450
Home and community services	1,072,219	940,469	2,012,688
Employee benefits	1,755,752	697,468	2,453,220
Debt service:			
Principal	621,173	98,380	719,553
Interest	224,975	15,209	240,184
Total expenditures	<u>39,446,978</u>	<u>10,561,725</u>	<u>50,008,703</u>
Other financing sources (uses):			
Operating transfers in	100,358	5,072,772	5,173,130
Operating transfers out	<u>(4,793,045)</u>	<u>(380,085)</u>	<u>(5,173,130)</u>
Total other financing sources (uses)	<u>(4,692,687)</u>	<u>4,692,687</u>	<u>-</u>
Change in fund balance	4,511,928	(342,199)	4,169,729
Fund balances at beginning of year	<u>12,935,635</u>	<u>3,500,070</u>	<u>16,435,705</u>
Fund balances at end of year	<u>\$ 17,447,563</u>	<u>3,157,871</u>	<u>20,605,434</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
 Reconciliation of the Statement of Revenue, Expenditures and Changes in
 Fund Balances - Governmental Funds to the Statement of Activities
 Year ended December 31, 2020

Net change in fund balances - governmental funds		\$ 4,169,729
Amounts reported for governmental activities in the statement of activities are different because:		
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 as depreciation expense. In the current period, these amounts are:		
Capital outlay	\$ 5,144,232	
Disposals	(100,727)	
Depreciation	<u>(6,538,044)</u>	
Change in capital assets		(1,494,539)
Change in net position from internal service fund not reported in governmental funds but included in government-wide statement of activities.		205,898
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These amounts changed by:		
Compensated absences		(141,748)
Other postemployment benefits obligation:		
Total OPEB liability	(7,140,008)	
Deferred outflows of resources - OPEB	(4,822,274)	
Deferred inflows of resources - OPEB	<u>12,441,194</u>	478,912
Accrued interest		888
Pensions:		
Net pension liability	(10,555,592)	
Deferred outflows of resources - pensions	6,771,801	
Deferred inflows of resources - pensions	<u>1,085,110</u>	(2,698,681)
Some revenue is reported in the statement of activities that does not result in current financial resources and therefore is not reported as revenue in the governmental funds.		(196,771)
Deferred loss on refunding from bonds payable that was reported as expenditures in the governmental funds is deferred on the government-wide statements.		(29,309)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		364,553
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		<u>355,000</u>
Change in net position of governmental activities		<u>\$ 1,013,932</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-Type Activities - Enterprise Funds				
	Lewis County General Hospital and Residential Health Care Facility	Workers' Compensation Fund	Solid Waste Fund	Total	Internal Service Fund
Assets:					
Current assets:					
Cash and equivalents	\$ 3,258,838	1,403,000	538,998	5,200,836	5,553,126
Investments	28,625,378	985,258	127,649	29,738,285	2,391,456
Accounts receivable, net of allowance	6,111,015	-	206,988	6,318,003	6,788
Intergovernmental transfer revenue receivable	3,572,261	-	-	3,572,261	-
Due from other funds	5,747,177	-	94,960	5,842,137	-
Inventory	2,318,430	-	-	2,318,430	-
Prepaid expenses and other current assets	2,187,969	64,629	11,830	2,264,428	268,400
Total current assets	51,821,068	2,452,887	980,425	55,254,380	8,219,770
Restricted assets - cash and equivalents	1,870,343	-	-	1,870,343	-
Noncurrent assets:					
Capital assets:					
Land	540,534	-	66,500	607,034	-
Construction in progress	2,184,831	-	-	2,184,831	-
Capital assets - depreciable	75,013,568	-	2,558,200	77,571,768	-
Accumulated depreciation	(61,817,091)	-	(1,793,757)	(63,610,848)	-
Net capital assets	15,921,842	-	830,943	16,752,785	-
Other assets	155,189	-	-	155,189	-
Total assets	69,768,442	2,452,887	1,811,368	74,032,697	8,219,770
Deferred outflows of resources:					
Pensions	21,533,991	-	777,691	22,311,682	-
OPEB	10,034,774	-	176,486	10,211,260	-
Total deferred outflows of resources	31,568,765	-	954,177	32,522,942	-
Liabilities:					
Current liabilities:					
Accounts payable and accrued expenses	7,783,729	1,832,312	130,111	9,746,152	2,787,521
Estimated third party payor settlements	5,925,338	-	-	5,925,338	-
Capital lease obligations	1,865,390	-	-	1,865,390	-
Advance liability - Medicare accelerated payments	1,989,554	-	-	1,989,554	-
Paycheck protection program loan	779,364	-	-	779,364	-
Total OPEB liability	3,100,000	-	65,797	3,165,797	-
Total current liabilities	21,443,375	1,832,312	195,908	23,471,595	2,787,521
Noncurrent liabilities:					
Capital lease obligations	453,247	-	-	453,247	-
Advance liability - Medicare accelerated payments	5,190,775	-	-	5,190,775	-
Total OPEB liability	110,918,683	-	2,457,217	113,375,900	-
Net pension liability	30,841,412	-	1,115,931	31,957,343	-
Other liabilities	1,265,551	-	-	1,265,551	-
Total noncurrent liabilities	148,669,668	-	3,573,148	152,242,816	-
Total liabilities	170,113,043	1,832,312	3,769,056	175,714,411	2,787,521
Deferred inflows of resources:					
Pensions	2,023,575	-	73,219	2,096,794	-
OPEB	8,412,447	-	85,877	8,498,324	-
Total deferred inflows of resources	10,436,022	-	159,096	10,595,118	-
Net position:					
Net investment in capital assets	15,051,381	-	830,943	15,882,324	-
Restricted	642,230	-	-	642,230	268,400
Unrestricted (deficit)	(94,905,469)	620,575	(1,993,550)	(96,278,444)	5,163,849
Total net position (deficit)	\$ (79,211,858)	620,575	(1,162,607)	(79,753,890)	5,432,249

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Statement of Revenue, Expenses
and Changes in Net Position
Proprietary Funds
Year ended December 31, 2020

Business-Type Activities - Enterprise Funds					
	Lewis County General Hospital and Residential Health Care Facility	Workers' Compensation Fund	Solid Waste Fund	Total	Internal Service Fund
Operating revenue:					
Charges for services	\$ 64,111,991	1,350,864	2,172,878	67,635,733	3,508,606
Interfund revenue	-	-	-	-	13,603,447
Sale of property and compensation for loss	-	-	-	-	2,765,060
Miscellaneous	-	-	42,295	42,295	-
Intergovernmental transfer	4,572,265	-	-	4,572,265	-
Other	6,086,060	99,986	-	6,186,046	-
Total operating revenue	<u>74,770,316</u>	<u>1,450,850</u>	<u>2,215,173</u>	<u>78,436,339</u>	<u>19,877,113</u>
Operating expenses:					
Personnel services	31,902,817	12,186	391,702	32,306,705	-
Employee benefits	18,570,643	659,369	635,844	19,865,856	18,496,357
Supplies and other	10,620,386	-	2,822	10,623,208	-
Purchased services	22,065,045	159,922	1,300,856	23,525,823	1,174,858
Depreciation and amortization	2,541,461	-	129,544	2,671,005	-
Total operating expenses	<u>85,700,352</u>	<u>831,477</u>	<u>2,460,768</u>	<u>88,992,597</u>	<u>19,671,215</u>
Gain (loss) from operations	<u>(10,930,036)</u>	<u>619,373</u>	<u>(245,595)</u>	<u>(10,556,258)</u>	<u>205,898</u>
Non-operating revenue (expenses):					
Provider relief fund grant	7,100,602	-	-	7,100,602	-
Interest income	327,051	1,202	133	328,386	-
Interest expense	(21,593)	-	-	(21,593)	-
Other	74,781	-	-	74,781	-
Total non-operating revenue	<u>7,480,841</u>	<u>1,202</u>	<u>133</u>	<u>7,482,176</u>	<u>-</u>
Other changes in unrestricted net position - capital grant and contributions	<u>374,357</u>	<u>-</u>	<u>-</u>	<u>374,357</u>	<u>-</u>
Change in net position	<u>(3,074,838)</u>	<u>620,575</u>	<u>(245,462)</u>	<u>(2,699,725)</u>	<u>205,898</u>
Net position (deficit) at beginning of year	<u>(76,137,020)</u>	<u>-</u>	<u>(917,145)</u>	<u>(77,054,165)</u>	<u>5,226,351</u>
Net position (deficit) at end of year	<u>\$ (79,211,858)</u>	<u>620,575</u>	<u>(1,162,607)</u>	<u>(79,753,890)</u>	<u>5,432,249</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Statement of Cash Flows
Proprietary Funds
Year ended December 31, 2020

	Business-Type Activities - Enterprise Funds				
	Lewis County General Hospital and Residential Health Care Facility	Workers' Compensation Fund	Solid Waste Fund	Total	Internal Service Fund
Cash flows from operating activities:					
Cash received from patients, customer and governmental funds	\$ 75,886,291	1,564,387	2,137,334	79,588,012	19,877,113
Cash payments for services and payables	(32,699,631)	(159,922)	(1,303,678)	(34,163,231)	(1,174,858)
Cash paid to employees and benefits	(47,373,566)	(898,403)	(712,103)	(48,984,072)	(16,405,610)
Other receipts and payments, net	6,147,052	-	(94,960)	6,052,092	-
Net cash provided by operating activities	<u>1,960,146</u>	<u>506,062</u>	<u>26,593</u>	<u>2,492,801</u>	<u>2,296,645</u>
Cash flows from noncapital financing activities:					
Noncapital contributions	7,291,290	-	-	7,291,290	-
Proceeds from paycheck protection program loan	779,364	-	-	779,364	-
Other	(108,032)	-	-	(108,032)	-
Net cash provided by noncapital financing activities	<u>7,962,622</u>	<u>-</u>	<u>-</u>	<u>7,962,622</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Proceeds from issuance of long-term debt	1,647,581	-	-	1,647,581	-
Principal payments on long-term debt	(212,136)	-	-	(212,136)	-
Interest payments on long-term debt	(22,062)	-	-	(22,062)	-
Purchase of capital assets	(2,621,896)	-	(266,618)	(2,888,514)	-
Proceeds from sale of capital assets	-	-	65,084	65,084	-
Capital grants and contributions	255,116	-	-	255,116	-
Net cash used in capital and related financing activities	<u>(953,397)</u>	<u>-</u>	<u>(201,534)</u>	<u>(1,154,931)</u>	<u>-</u>
Cash flows from investing activities:					
Purchases of investments, net	(7,487,730)	(985,258)	(127,649)	(8,600,637)	(2,391,456)
Investment income	354,222	1,202	133	355,557	-
Repayment of loaned advances from Lewis County	252,823	-	-	252,823	-
Net cash used in investing activities	<u>(6,880,685)</u>	<u>(984,056)</u>	<u>(127,516)</u>	<u>(7,992,257)</u>	<u>(2,391,456)</u>
Changes in cash and equivalents	2,088,686	(477,994)	(302,457)	1,308,235	(94,811)
Cash and equivalents at beginning of year	3,040,495	1,880,994	841,455	5,762,944	5,647,937
Cash and equivalents at end of year	<u>\$ 5,129,181</u>	<u>1,403,000</u>	<u>538,998</u>	<u>7,071,179</u>	<u>5,553,126</u>
Reconciliation of cash and equivalents to the balance sheet:					
Current	3,258,838	1,403,000	538,998	5,200,836	5,553,126
Non-current	1,870,343	-	-	1,870,343	-
	<u>\$ 5,129,181</u>	<u>1,403,000</u>	<u>538,998</u>	<u>7,071,179</u>	<u>5,553,126</u>
Reconciliation of gain (loss) from operations to net cash provided by operating activities:					
Gain (loss) from operations	(10,930,036)	619,373	(245,595)	(10,556,258)	205,898
Adjustments to reconcile gain (loss) from operations to net cash provided by operating activities:					
Depreciation expense	2,541,461	-	129,544	2,671,005	-
Provision for bad debts	819,420	-	-	819,420	-
Gain on disposal	-	-	(34,071)	(34,071)	-
Changes in:					
Accounts receivable	1,073,357	113,537	(43,768)	1,143,126	-
Intergovernmental transfer revenue receivable	(153,350)	-	-	(153,350)	-
Due from other funds	-	-	(94,960)	(94,960)	-
Inventory	(257,133)	-	-	(257,133)	-
Prepaid expenses and other current assets	144,129	15,272	2,842	162,243	-
Deferred outflows of resources - pensions	-	-	(677,076)	(677,076)	-
Deferred outflows of resources - other postemployment benefit obligation	-	-	146,070	146,070	-
Accounts payable and accrued expenses	(164,842)	(242,120)	(2,442)	(409,404)	2,090,747
Total OPEB liability	(2,491,935)	-	216,274	(2,275,661)	-
Net pension liability	5,916,467	-	995,197	6,911,664	-
Estimated third party payor settlements	(1,717,721)	-	-	(1,717,721)	-
Advance liability - Medicare accelerated payments	7,180,329	-	-	7,180,329	-
Deferred inflows of resources - pensions	-	-	(451,299)	(451,299)	-
Deferred inflows of resources - other postemployment benefit obligation	-	-	85,877	85,877	-
Net cash provided by operating activities	<u>\$ 1,960,146</u>	<u>506,062</u>	<u>26,593</u>	<u>2,492,801</u>	<u>2,296,645</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
 Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2020

	Custodial Fund	Private Purpose Trust Fund	<u>Total</u>
Assets - cash and equivalents	\$ <u>756,422</u>	<u>27,559</u>	<u>783,981</u>
Net position	\$ <u><u>756,422</u></u>	<u><u>27,559</u></u>	<u><u>783,981</u></u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Statement of Change in Fiduciary Net Position
Fiduciary Funds
Year ended December 31, 2020

	<u>Custodial Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Total</u>
Additions:			
Bail collections	\$ 7,950	-	7,950
DSS medical collections	39,857	-	39,857
Mortgage collections	740,662	-	740,662
District attorney collections	23,511	-	23,511
Aid and incentives for municipalities collections	185,403	-	185,403
Investment earnings	-	14	14
Miscellaneous collections	<u>1,034,675</u>	<u>-</u>	<u>1,034,675</u>
Total additions	<u>2,032,058</u>	<u>14</u>	<u>2,032,072</u>
Deductions:			
Bail payments	25,850	-	25,850
DSS medical payments	37,243	-	37,243
Mortgage payments	735,436	-	735,436
District attorney payments	16,530	-	16,530
Aid and incentives for municipalities payments	185,403	-	185,403
Miscellaneous payments	<u>1,034,068</u>	<u>-</u>	<u>1,034,068</u>
Total deductions	<u>2,034,530</u>	<u>-</u>	<u>2,034,530</u>
Change in fiduciary net position	(2,472)	14	(2,458)
Fiduciary net position at beginning of year	<u>758,894</u>	<u>27,545</u>	<u>786,439</u>
Fiduciary net position at end of year	<u>\$ 756,422</u>	<u>27,559</u>	<u>783,981</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK

Notes to Financial Statements

December 31, 2020

(1) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The County of Lewis, New York (the County) is governed by a ten member legislative body with each member controlling one non-weighted vote. The Chairman of the County Legislature serves as Chief Executive Officer, the County Manager serves as Chief Operating Officer and the County Treasurer serves as Chief Fiscal Officer of the County. The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB).

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the County is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a majority of the component unit's board, and either (i) the County's ability to impose its will on the organization or (ii) the potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements do not include either blended or discretely presented component units.

Omitted Component Units

Lewis County Soil and Water Conservation District

The Lewis County Soil and Water Conservation District (the District) is a public benefit corporation organized in January 1946. The District works diligently to implement the mission statement of the New York State (the State) Soil and Water Conservation Committee with an emphasis on drainage and water management. The District is governed by a board consisting of five members, of which two are appointed by the Legislature of the County. The County also provides economic support to the District through annual appropriations that fund District administrative costs.

The District qualifies for inclusion in the County's annual financial statement; however, the County has elected to omit the District from these financial statements due to the lack of financial materiality to the County, as the net position and revenue of the District are each less than 1% of the County's net position and revenue taken as a whole.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Financial Reporting Entity, Continued

Omitted Component Units, Continued

County of Lewis Industrial Development Agency

The County of Lewis Industrial Development Agency (the Agency) is a public benefit corporation created by State legislation to promote the economic welfare, recreation opportunities, and prosperity of the County inhabitants. Members of the Agency are appointed by the County Board of Legislators, which exercises no oversight responsibility. 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.

Development Authority of the North Country

The Counties of Lewis, Jefferson and St. Lawrence, and the City of Watertown are joint participants in the Development Authority of the North Country (DANC).

The accounts of the DANC are excluded from the accompanying financial statements because the DANC is an autonomous agency that operates independently of the County. The purpose of the DANC is to promote the economic growth and development of the North Country. Funding for DANC comes from fees from the participating counties as well as New York State grants.

Each participating entity appoints two members to DANC's Board of Directors. The Board of Directors and the paid employees of DANC have responsibility for management of DANC and accountability for fiscal matters.

Snow Belt Housing Authority

The Snow Belt Housing Authority (SBHA) is a private non-profit agency selected by the County to be responsible for the administration of the Lewis County Community Development Block Grant (CDBG) and Rental Rehabilitation Grant (RRG), First Time Homebuyers Program and Micro Loan Program. Members of the SBHA's Board of Directors are chosen by the existing members of the Board and are responsible to report to the County Board of Legislators. Funding of the SBHA comes in part from CDBG grants awarded to the County by the U.S. Department of Housing and Urban Development.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation

(1) Government-Wide Financial Statements

The statement of net position and the statement of activities present financial information about the County's primary government. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of the internal transactions. Governmental activities generally are financed through taxes, State and Federal aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the County's primary government. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue include charges paid by the recipients of goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Government-wide financial statements include all applicable GASB pronouncements required to have been adopted as of December 31, 2020.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

(2) Fund Financial Statements

The fund financial statements provide information about the County's funds, including Fiduciary Funds. Separate statements for each fund category (Governmental, Proprietary and Fiduciary) are presented. The emphasis of fund financial statements is on major Governmental Funds, each as displayed in a separate column. The County reports the following major Governmental Fund:

General Fund - The principal operating fund that includes all operations that are not required to be recorded in other funds.

The other funds, which do not meet the major fund criteria, are aggregated and reported as nonmajor Governmental Funds. The County reports the following as nonmajor Governmental Funds:

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

(2) Fund Financial Statements, Continued

Special Revenue Funds - Used to account for user fees, or other revenue that is raised or received to provide special services. The County reports the following nonmajor special revenue funds:

- Special Grants Fund
- County Road Fund
- Road Machinery Fund

Capital Projects Fund - Used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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 debt.

Proprietary Funds are used to account for the County's ongoing organizations or activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income. The County reports the following Proprietary Funds:

Enterprise Funds are used to account for operations that provide a service and are financed primarily by a user charge for the provision of that service or the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Funds include the Lewis County General Hospital and Residential Health Care Facility, Workers' Compensation Fund and Solid Waste Fund.

Lewis County General Hospital and Residential Health Care Facility

The Lewis County General Hospital and Residential Health Care Facility (the Hospital) is a County public general hospital established and operated under the provisions of Article 6 of the General Municipal Law. The Hospital Board of Managers is appointed by the Lewis County Board of Legislators. The Board of Legislators acquires real property used by the Hospital and all expenditures for new buildings or alterations require the approval of that body. The Board of Legislators retains general responsibility for the Hospital and the Hospital is required to make a detailed annual report of its operations to the Board of Legislators. The Hospital is accounted for as an Enterprise Fund of the County, and is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code. The Hospital is economically dependent upon the continuation of funding, as necessary, from the County to sustain operations. The Hospital issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Lewis County General Hospital, 7785 North State Street, Lowville, New York 13367.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

(2) Fund Financial Statements, Continued

Internal Service Funds

Used to account for administrative operations within the County. The County accounts for its self-insured health expenses in its internal service fund.

The County reports the following Fiduciary Fund types that are used to account for assets held by the County in a custodial capacity:

Custodial Fund - Is custodial in nature and does not present results of operations or have a measurement focus. The Custodial Fund is accounted for using the accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

Private-Purpose Trust Fund - Is custodial in nature and presents all other trust arrangements where principal and income benefit individuals, private organizations and other governments. The Private-Purpose Trust Fund is accounted for using the accrual basis of accounting.

As a general rule the effects of interfund activity have been eliminated from the government-wide financial statements.

(c) Measurement Focus, Basis of Accounting

The government-wide financial statements are reported using the economic measurement focus and the accrual basis of accounting, as are the Proprietary Fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized when the underlying transactions take place. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Available means collectible within the current period or soon enough thereafter, to be used to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred. The County considers property tax receivables collected within 60 days after year-end to be available and recognizes them as revenue of the current year. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due and payable. General capital asset acquisitions are reported as expenditures in the Governmental Funds. Proceeds from general long-term debt are reported as other financing sources.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Measurement Focus, Basis of Accounting, Continued

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

(d) Cash and Equivalents and Investments

For the purposes of the financial statements, the County considers all highly-liquid investments with maturity of three months or less when purchased to be cash and equivalents.

Statutes authorize the County to invest its surplus cash in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, public authorities, public housing authorities, urban renewal agencies, and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments. The Hospital is authorized to invest its surplus cash in the same manner as the County as well as short-term commercial paper. Investments for the County are reported at fair value.

(e) Property Tax Revenue Recognition

Real property taxes are levied as of January 1st on property values assessed in the prior year. Along with the current year's property taxes, the prior year's unpaid school taxes are levied to make up the total tax warrant. This warrant enables the County to collect taxes based on the full assessed value of the real property within the County. The property tax revenue is recognized in the fiscal year for which it is levied, provided it is due and collected within 60 days after fiscal year-end.

County real property taxes are levied annually no later than December 31st, and become a lien on January 1st. Taxes for County purposes are levied together with taxes for town and special district purposes as a single bill. Taxes are collected by town collectors during the period January 1st to no later than May 31st. The towns and special districts receive the full amounts levied on the combined bills. The County assumes enforcement responsibility for all taxes levied in the towns.

Unpaid village and school district taxes are turned over to the County for enforcement. Any such taxes remaining unpaid at the end of the year are re-levied as County taxes in the subsequent year.

(f) Inventory and Prepaid Items

Inventory in the Enterprise Fund and business-type activities represent supplies and are stated at the lower of cost or market, on the first-in/first-out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Capital Assets

General capital assets are capital assets, which are associated with and generally arise from governmental activities. They generally result from expenditures in Governmental Funds. General capital assets are reported in the governmental-activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets used by the Enterprise Funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

The County's infrastructure assets are recorded at historical or estimated historical cost in the government-wide financial statements as required by GASB Statement No. 34. The County has elected to depreciate its infrastructure assets. Additional information on the County's capital assets can be found at note 4.

All capital assets are depreciated, except for land and construction in progress. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Years</u>
Buildings and improvements	30
Infrastructure	20 - 40
Machinery and equipment	3 - 10

Major outlays for capital assets and improvements are capitalized as projects are completed.

(h) Long-Term Obligations

In the Government-Wide financial statements, and Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported a period charge.

In the fund financial statements, Governmental Fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(i) Compensated Absences

Pursuant to the contractual agreements, the County employees are entitled to accrue a maximum of 180 days of sick leave and 25 days of vacation leave. An individual who leaves the employ of the County is entitled to be paid for unused vacation leave. Upon retirement, the unused sick leave may be applied towards additional service credit pursuant to Sections 33 and 41J of the Retirement and Social Security Law; therefore, no payments are made for accumulated unused sick leave.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(i) Compensated Absences, Continued

The expenditures for these fringe benefits are recorded in the applicable Governmental Fund at the time the benefit is paid. The County has computed the value of earned and unused vacation leave as of December 31, 2020 to be \$1,007,559. This represents vacation earned in 2020 but not usable until 2021. In accordance with GASB Statement No. 16 - "Accounting for Compensated Absences," the earned and unused vacation leave has been recorded as a liability in the government-wide financial statements.

(j) Other Postemployment Benefits (OPEB)

The County provides other postemployment health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the County's employees become eligible for these benefits if they reach normal retirement age while working for the County. Healthcare benefits and survivor benefits are provided by the County and administered through an insurance company whose premiums are based on the benefits paid during the year. The County recognizes the cost of providing benefits by recording its share of insurance premiums as expenditures in the year paid. During the year ended December 31, 2020, \$1,838,449 was paid on behalf of 227 retirees and recorded as expenditures in the General Fund and Special Revenue Funds.

The Hospital, in addition to providing pension benefits, also provides other postemployment health care benefits for retired employees. Substantially all of the Hospital's employees become eligible for those benefits if they reach normal retirement age while working at the Hospital. The Hospital recognizes the cost of providing those benefits by expensing annual insurance premiums. The cost of providing healthcare benefits for the 328 retirees was \$2,843,741 for the year ended December 31, 2020.

The Solid Waste Fund, in addition to providing pension benefits, also provides postemployment health care benefits for retired employees. Substantially all of the Solid Waste Fund's employees become eligible for those benefits if they reach normal retirement age while working for the Solid Waste Fund. The Solid Waste Fund recognizes the cost of providing those benefits by expensing annual insurance premiums. The cost of providing healthcare benefits for 3 retirees was \$55,688 for the year ended December 31, 2020.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(k) Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and the business type activities are reported in the government-wide financial statements as “internal balances.”

Short-term advances between funds are accounted for in the appropriate due from (to) other funds accounts. Transactions between funds that would be treated as revenue or expenditures if they involved organizations external to the governmental unit are accounted for as revenue or expenditures in the funds involved. Transactions that constitute reimbursements of a fund for expenditures initially made from that fund, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of the expenditure in the fund that is reimbursed. All other legally authorized transfers are treated as operating transfers and are included in the results of operations of both Governmental and Proprietary Funds.

(l) Fund Equity

In the fund financial statements, Governmental Funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

(m) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies. Estimates also affect the reported amounts of revenue and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

(n) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has five items that qualify for reporting in this category. The first item is the deferred loss the County incurred on its debt refunding transaction. The second item is related to pensions reported in the Government-Wide Statement of Net Position. This represents the effect of the net change in the County’s proportion of the collective net pension liability and difference during the measurement period between the County’s contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is the County’s contributions to the pension system subsequent to the measurement date. The fourth item is the difference between actual and expected experience related to OPEB as well as changes of assumptions or other inputs. The fifth item is the County’s contributions to OPEB subsequent to the measurement date.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Deferred Outflows of Resources and Deferred Inflows of Resources, Continued

Deferred inflows of resources reflects an increase in net position that applies to future periods. The County will not recognize the related revenue until a future event occurs. The County has four types of items that qualify for reporting in this category. The first item occurs because governmental fund revenue is not recognized until available (collected not later than 60 days after the end of the fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred property taxes and grants are reported in the governmental funds' balance sheet. The second item is related to pensions reported in the County's Statement of Net Position, and represents the change in the proportion between the County's contributions and proportionate share of contributions. The third item is changes of assumptions or other inputs related to OPEB. The fourth item is advances which is related to funds received by the County that will be earned in a future period.

(o) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the County and its future results and financial position is not presently determinable.

(p) Subsequent Events

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

(2) Cash and Equivalents and Investments

The County's investment policies are governed by State statutes. The County's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts, certificates of deposit and other similar instruments allowed by the Office of the State Comptroller. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(2) Cash and Equivalents and Investments, Continued

For purposes of financial statements, cash equivalents are defined as short-term, highly-liquid investments that are both readily convertible to known amounts of cash and near their maturity.

Deposits and investments at year-end were entirely covered by Federal depository insurance or by collateral held by the County's custodial banks in the County's name. All deposits, including certificates of deposit, are carried at cost.

The following table describes cash and equivalent balances and related collateralization:

<u>Fund Type</u>	<u>Book balance</u>	<u>Bank balance</u>
Governmental activities	\$ 17,924,718	19,094,652
Business-type activities	7,071,179	8,740,757
Fiduciary funds	<u>783,981</u>	<u>887,463</u>
Total cash balances	\$ <u>25,779,878</u>	28,722,872
Insured (FDIC)		1,466,628
Deposits held in trust for the County's benefit		957
Uncollateralized Hospital deposits		2,110
Uncollateralized County deposits		<u>4,750,493</u>
Collateral held in the County's name		\$ <u>22,502,684</u>

The following table describes investment balances and related collateralization:

<u>Fund Type</u>	<u>Book balance</u>	<u>Fair value</u>
Governmental activities	\$ 15,888,441	15,888,441
Business-type activities	<u>1,112,907</u>	<u>1,112,907</u>
Total investment balance	\$ <u>17,001,348</u>	17,001,348
Insured (FDIC)		\$ <u>17,001,348</u>

The following table is a summary of the County's investments:

<u>Investment Type</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Fair Value</u>
Certificate of Deposit	12/24/2020	06/24/2021	0.34940%	\$ 4,000,306
Certificate of Deposit	12/24/2020	12/23/2021	0.39922%	10,000,875
Certificate of Deposit	12/24/2020	12/23/2022	0.44901%	1,500,148
Certificate of Deposit	12/31/2020	12/29/2022	0.44901%	<u>1,500,019</u>
				\$ <u>17,001,348</u>

The Hospital has \$28,625,378 of investments as of December 31, 2020, which is excluded from the investment tables above.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(3) Interfund Balances and Transfers

Funds

Interfund receivables/payables exist for cash flow purposes. These are generally short-term in nature and paid within the next fiscal year. The composition of interfund balances at December 31, 2020 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 278,911	5,747,177
Special Grants Fund	-	18,455
County Road Fund	930	-
Capital Projects Fund	-	356,346
Solid Waste Fund	94,960	-
Lewis County General Hospital and Residential Health Care Facility	<u>5,747,177</u>	<u> -</u>
	<u>\$ 6,121,978</u>	<u>6,121,978</u>

Cash transfers from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds. Operating transfers in, and operating transfers out, for the year ended December 31, 2020 for the Governmental Funds were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 100,358	4,793,045
County Road Fund	3,971,842	-
Road Machinery Fund	293,082	-
Capital Projects Fund	<u>807,848</u>	<u>380,085</u>
Total	<u>\$ 5,173,130</u>	<u>5,173,130</u>

Governmental Activities

Balances and transfers in the governmental activities are presented on the accrual basis of accounting as internal balances. These amounts also reflect certain reclassifications of balances in the conversion of the Governmental Funds from the modified accrual basis. The Proprietary Funds are presented throughout these financial statements on the accrual basis and no conversion or adjustments are necessary to present them as business-type activities.

	<u>Internal Balances Receivable</u>	<u>Internal Balances Payable</u>
Primary government:		
Governmental activities	\$ -	5,842,137
Business-type activities	<u>5,842,137</u>	<u> -</u>
	<u>\$ 5,842,137</u>	<u>5,842,137</u>

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(4) Capital Assets

Capital assets activity for the year ended December 31, 2020 are as follows:

	January 1, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	December 31, <u>2020</u>
<u>Primary Government</u>				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 117,642	-	-	117,642
Construction in progress	<u>4,080,576</u>	<u>2,471,906</u>	<u>(1,930,536)</u>	<u>4,621,946</u>
Total capital assets, not being depreciated	<u>4,198,218</u>	<u>2,471,906</u>	<u>(1,930,536)</u>	<u>4,739,588</u>
Capital assets, being depreciated:				
Buildings and improvements	28,472,154	342,410	-	28,814,564
Infrastructure	122,714,893	3,079,547	-	125,794,440
Machinery and equipment	<u>20,382,490</u>	<u>1,180,905</u>	<u>(767,072)</u>	<u>20,796,323</u>
Total capital assets, being depreciated	<u>171,569,537</u>	<u>4,602,862</u>	<u>(767,072)</u>	<u>175,405,327</u>
Less accumulated depreciation for:				
Buildings and improvements	10,315,922	865,918	-	11,181,840
Infrastructure	67,621,537	3,319,531	-	70,941,068
Machinery and equipment	<u>8,185,786</u>	<u>2,352,595</u>	<u>(666,345)</u>	<u>9,872,036</u>
Total accumulated depreciation	<u>86,123,245</u>	<u>6,538,044</u>	<u>(666,345)</u>	<u>91,994,944</u>
Total capital assets, being depreciated, net	<u>85,446,292</u>	<u>(1,935,182)</u>	<u>(100,727)</u>	<u>83,410,383</u>
Governmental activities capital assets, net	<u>89,644,510</u>	<u>536,724</u>	<u>(2,031,263)</u>	<u>88,149,971</u>
Business-type activities:				
Lewis County General Hospital and Residential Health Care Facility:				
Capital assets, not being depreciated:				
Land	540,534	-	-	540,534
Construction in progress	<u>218,069</u>	<u>2,621,896</u>	<u>(655,134)</u>	<u>2,184,831</u>
Total capital assets, not being depreciated	<u>758,603</u>	<u>2,621,896</u>	<u>(655,134)</u>	<u>2,725,365</u>
Capital assets, being depreciated:				
Land improvements	1,723,202	-	-	1,723,202
Buildings and improvements	40,659,258	10,578	-	40,669,836
Moveable equipment	<u>33,220,970</u>	<u>-</u>	<u>(600,440)</u>	<u>32,620,530</u>
Total capital assets, being depreciated	<u>75,603,430</u>	<u>10,578</u>	<u>(600,440)</u>	<u>75,013,568</u>
Less accumulated depreciation	<u>60,517,730</u>	<u>2,541,461</u>	<u>(1,242,100)</u>	<u>61,817,091</u>
Total capital assets, being depreciated, net	<u>15,085,700</u>	<u>(2,530,883)</u>	<u>641,660</u>	<u>13,196,477</u>
Lewis County General Hospital and Residential Health Care Facility capital assets, net	<u>15,844,303</u>	<u>91,013</u>	<u>(13,474)</u>	<u>15,921,842</u>

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(4) Capital Assets, Continued

	January 1, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	December 31, <u>2020</u>
<u>Primary Government, Continued</u>				
Solid Waste Fund:				
Capital assets, not being depreciated - land	\$ 66,500	-	-	66,500
Capital assets being depreciated:				
Buildings and improvements	882,294	-	-	882,294
Machinery and equipment	<u>1,565,389</u>	<u>266,618</u>	<u>(156,101)</u>	<u>1,675,906</u>
Total capital assets, being depreciated	<u>2,447,683</u>	<u>266,618</u>	<u>(156,101)</u>	<u>2,558,200</u>
Less accumulated depreciation for:				
Buildings and improvements	838,185	29,410	-	867,595
Machinery and equipment	<u>951,116</u>	<u>100,134</u>	<u>(125,088)</u>	<u>926,162</u>
Total accumulated depreciation	<u>1,789,301</u>	<u>129,544</u>	<u>(125,088)</u>	<u>1,793,757</u>
Total assets being depreciated, net	<u>658,382</u>	<u>137,074</u>	<u>(31,013)</u>	<u>764,443</u>
Total Solid Waste Fund capital assets, net	<u>724,882</u>	<u>137,074</u>	<u>(31,013)</u>	<u>830,943</u>
Total business-type activities capital assets, net	<u>\$ 16,569,185</u>	<u>228,087</u>	<u>(44,487)</u>	<u>16,752,785</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government support	\$ 791,448
Public safety	1,757,290
Health	20,951
Transportation	3,900,675
Economic assistance and opportunity	51,907
Culture and recreation	<u>15,773</u>
Total governmental activities	<u>\$ 6,538,044</u>

Business-type activities:

Lewis County General Hospital and Residential Health Care Facility	\$ 2,541,461
Solid Waste	<u>129,544</u>
Total business-type activities	<u>\$ 2,671,005</u>

(5) General Long-Term Obligations

The County generally borrows funds on a long-term basis for the purpose of financing the acquisition of land, equipment, construction of buildings and improvements, and infrastructure. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of capital assets. Interest associated with long-term debt is recorded as an expenditure when such amounts are due.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(5) General Long-Term Obligations, Continued

During 2017, the County started a program with Enterprise Rent-A-Car (Enterprise) in which they are leasing vehicles. The cumulative amount of leased Enterprise vehicles amounted to \$882,319. During 2017, the County has leased a plow for highway purposes amounting to \$226,580. Additionally during 2019, the County has leased two buildings, a Mack truck and John Deere equipment in the amount of \$174,119, \$68,400, \$242,075 and \$175,546, respectively. The amount outstanding at December 31, 2020 is summarized below:

	<u>Maturity date</u>	<u>Interest rate</u>	<u>Amount Outstanding</u>
Governmental activities - capital lease obligations	04/30/2021 - 07/31/2024	0.000% - 9.250%	\$ <u>824,819</u>
Business type activities - capital lease obligations, at varying rates of imputed interest of 2.65%-6.11% collateralized by leased equipment and an escrow account with net book value of approximately \$2,262,000 and \$819,000, respectively.			\$ <u>2,318,637</u>

Details relating to long-term debt outstanding at December 31, 2020 is as follows:

	<u>Maturity date</u>	<u>Interest rate</u>	<u>Amount Outstanding</u>
Governmental activities - general obligation - serial bonds issued 10/08/2015	05/15/2037	2.000% - 4.000%	\$ <u>7,330,000</u>

Future maturities of long-term debt payable at December 31, 2020 are as follows:

	<u>Governmental Activities</u>	<u>Business-type</u>
	<u>Capital lease</u>	<u>activities</u>
	<u>obligations</u>	<u>Capital lease</u>
		<u>obligations</u>
	<u>General</u>	
	<u>obligation</u>	
	<u>bonds</u>	
Principal:		
2021	\$ 360,821	1,865,390
2022	230,923	223,633
2023	176,404	229,614
2024	56,671	-
2025	-	-
2026 - 2030	-	-
2031 - 2035	-	-
2036 - 2037	-	-
Total principal	<u>824,819</u>	<u>2,318,637</u>

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(5) General Long-Term Obligations, Continued

	<u>Governmental Activities</u>		<u>Business-type activities</u>
	<u>Capital lease obligations</u>	<u>General obligation bonds</u>	<u>Capital lease obligations</u>
Interest:			
2021	\$ 11,240	217,375	69,646
2022	7,133	208,763	10,566
2023	4,294	199,113	4,585
2024	1,387	188,400	-
2025	-	177,000	-
2026 - 2030	-	665,600	-
2031 - 2035	-	285,813	-
2036 - 2037	-	25,186	-
Total interest	<u>24,054</u>	<u>1,967,250</u>	<u>84,797</u>
Total principal and interest	\$ <u>848,873</u>	<u>9,297,250</u>	<u>2,403,434</u>

Long-term liability activity for the year ended December 31, 2020 was as follows:

	<u>January 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2020</u>	<u>Due within one year</u>	<u>Due after one year</u>
<u>Governmental activities:</u>						
Bonds payable	\$ 7,685,000	-	(355,000)	7,330,000	360,000	6,970,000
Capital leases	1,189,372	-	(364,553)	824,819	360,821	463,998
Total OPEB liability	61,300,596	7,140,008	-	68,440,604	2,172,203	66,268,401
Net pension liability	3,984,210	10,555,592	-	14,539,802	-	14,539,802
Compensated absences, net	865,811	141,748	-	1,007,559	-	1,007,559
Total governmental activities	<u>75,024,989</u>	<u>17,837,348</u>	<u>(719,553)</u>	<u>92,142,784</u>	<u>2,893,024</u>	<u>89,249,760</u>
<u>Business-type activities:</u>						
Lewis County General Hospital and Residential Health Care Facility:						
Capital lease obligations	883,192	1,647,581	(212,136)	2,318,637	1,865,390	453,247
Paycheck protection program loan	-	779,364	-	779,364	779,364	-
Total OPEB liability	105,511,584	8,507,099	-	114,018,683	3,100,000	110,918,683
Net pension liability	7,990,389	22,851,023	-	30,841,412	-	30,841,412
Advance liability - Medicare - accelerated payments	-	7,180,329	-	7,180,329	1,989,554	5,190,775
Other liabilities	1,969,993	93,499	(635,240)	1,428,252	162,701	1,265,551
Total Lewis County General Hospital and Residential Health Care Facility	<u>116,355,158</u>	<u>41,058,895</u>	<u>(847,376)</u>	<u>156,566,677</u>	<u>7,897,009</u>	<u>148,669,668</u>

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(5) General Long-Term Obligations, Continued

	January 1, <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	December 31, <u>2020</u>	Due within <u>one year</u>	Due after <u>one year</u>
<u>Business-type activities, continued:</u>						
Solid Waste Fund:						
Total OPEB liability	\$ 2,306,740	216,274	-	2,523,014	65,797	2,457,217
Net pension liability	<u>120,734</u>	<u>995,197</u>	-	<u>1,115,931</u>	-	<u>1,115,931</u>
Total Solid Waste Fund	<u>2,427,474</u>	<u>1,211,471</u>	-	<u>3,638,945</u>	<u>65,797</u>	<u>3,573,148</u>
Business-type activities	<u>\$ 118,782,632</u>	<u>42,270,366</u>	<u>(847,376)</u>	<u>160,205,622</u>	<u>7,962,806</u>	<u>152,242,816</u>

Other liabilities of the Hospital consist of its Workers' Compensation accrued liability and cash held in trust for patients.

(6) Employee Retirement Plan

(a) Plan Descriptions and Benefits Provided

Employees' Retirement System

The County participates in the New York State and Local Employees' Retirement System (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the County and is the administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The County also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(6) Employee Retirement Plan, Continued

(a) Plan Descriptions and Benefits Provided, Continued

Employees' Retirement System, Continued

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 and before April 1, 2012 who generally contribute 3 percent of their salary for their entire length of service. Those joining on or after April 1, 2012 are required to contribute between 3 to 6 percent, dependent on salary, throughout their working careers. In addition, employee contribution rates under the System 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.

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

At December 31, 2020, the County reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The County's proportionate share of the net pension liability was based on a projection of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the County.

	<u>Governmental</u> <u>Activities</u>	<u>Hospital</u>	<u>Solid</u> <u>Waste</u>	<u>Total</u>
Measurement date	3/31/2020	3/31/2020	3/31/2020	3/31/2020
Net pension liability	14,539,802	30,841,412	1,115,931	46,497,145
County's proportion of the Plan's net pension liability	0.0549286%	0.1164468%	0.0042142%	0.1755896%
Change from the prior year	(0.0013034)	0.0036728	0.0025102	(0.0048796)

For the year ended December 31, 2020, the County recognized pension expense of \$14,788,306 for the System in the statement of activities. At December 31, 2020 the County's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(6) Employee Retirement Plan, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

	<u>Deferred Outflows of Resources</u>			
	<u>Governmental Activities</u>	<u>Hospital</u>	<u>Solid Waste</u>	<u>Total</u>
Differences between expected and actual experience	\$ 855,727	1,815,142	65,676	2,736,545
Changes of assumptions	292,762	621,000	22,470	936,232
Net difference between projected and actual investment earnings on pension plan investments	7,453,808	15,810,807	572,081	23,836,696
Changes in proportion and differences between the County's contributions and proportionate share of contributions	156,156	331,233	11,985	499,374
County's contributions subsequent to the measurement date	<u>1,333,653</u>	<u>2,955,809</u>	<u>105,479</u>	<u>4,394,941</u>
Total	\$ <u>10,092,106</u>	<u>21,533,991</u>	<u>777,691</u>	<u>32,403,788</u>

	<u>Deferred Inflows of Resources</u>			
	<u>Governmental Activities</u>	<u>Hospital</u>	<u>Solid Waste</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	-	-	-
Changes of assumptions	252,796	536,223	19,402	808,421
Net difference between projected and actual investment earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	<u>701,193</u>	<u>1,487,352</u>	<u>53,817</u>	<u>2,242,362</u>
Total	\$ <u>953,989</u>	<u>2,023,575</u>	<u>73,219</u>	<u>3,050,783</u>

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(6) Employee Retirement Plan, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

<u>Year ending</u>	<u>Governmental Activities</u>	<u>Hospital</u>	<u>Solid Waste</u>	<u>Total</u>
2021	\$ 1,163,197	2,467,341	89,276	3,719,814
2022	1,934,387	4,103,165	148,464	6,186,016
2023	2,589,173	5,492,083	198,719	8,279,975
2024	2,117,707	4,492,018	162,534	6,772,259
2025	-	-	-	-
Thereafter	-	-	-	-
Total	\$ <u>7,804,464</u>	<u>16,554,607</u>	<u>598,993</u>	<u>24,958,064</u>

(c) Actuarial Assumptions

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

Measurement date	March 31, 2020
Actuarial valuation date	April 1, 2019
Investment rate of return (net of investment expense, including inflation)	6.8%
Salary increases	4.2%
Inflation	2.5%
Cost-of-living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2018.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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 the target asset allocation percentage and by adding expected inflation. The previous actuarial valuation as of April 1, 2018 used a long-term expected rate of 7.0%.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(6) Employee Retirement Plan, Continued

(c) Actuarial Assumptions, Continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies (1)	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation - indexed bonds	4.00%	0.50%
	<u>100.00%</u>	

*The real rate of return is net of the long-term inflation assumption of 2.5%.

(1) Excludes equity oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

(d) Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. 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 determined. 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.

(e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.8%) or 1-percentage point higher (7.8%) than the current rate:

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(6) Employee Retirement Plan, Continued

(e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate, Continued

	1% Decrease <u>(5.8%)</u>	Current Assumption <u>(6.8%)</u>	1% Increase <u>(7.8%)</u>
Employer's proportionate share of the net pension asset (liability):			
Governmental Activities	\$ (26,684,641)	(14,539,802)	(3,354,353)
Hospital	(56,602,698)	(30,841,412)	(7,115,158)
Solid Waste	<u>(2,048,049)</u>	<u>(1,115,931)</u>	<u>(257,447)</u>
Total	\$ <u>(85,335,388)</u>	<u>(46,497,145)</u>	<u>(10,726,958)</u>

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of all participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)
Measurement date	3/31/2020
Employers' total pension liability	\$ (194,596)
Plan fiduciary net position	<u>168,115</u>
Employers' net pension liability	\$ <u>(26,481)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	86.39%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of December 31, 2020 represent the projected employer contribution for the period of April 1, 2020 through March 31, 2021, respectively based on paid ERS wages multiplied by the employer's contribution rate, by tier. The retirement contributions paid to the System for the year ended December 31, 2020 was \$5,649,911.

(7) Other Postemployment Benefits (OPEB)

(a) Plan Description and Benefits

In addition to providing retirement benefits, the County, Solid Waste Fund and the Hospital provide certain health insurance benefits to retired employees and their families. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working. Policy has been to account for and fund these benefits on a pay-as-you-go basis.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(7) Other Postemployment Benefits, Continued

(a) Plan Description and Benefits, Continued

The County administers the plan as a single-employer defined benefit other postemployment benefit plan. The plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the County subject to the applicable collective bargaining and employment agreements. The plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

(b) Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

Active not eligible to retire	711
Active eligible to retire	121
Retired and surviving spouses	406
Retiree spouses covered	<u>156</u>
	<u>1,394</u>

(c) Total OPEB Liability

The County's total OPEB liability of \$184,982,301 was measured as of September 30, 2020 and was determined by an actuarial valuation as of December 31, 2020.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.11%
Discount rate	2.41%
Healthcare Cost Trend Rates	From 6.00% for 2020, decreasing to an ultimate rate of 4.23%

The single discount rate reflects a blending of the investment rate of return and the long-term bond rate using expected plan benefit payments.

Mortality rates were based on the Pub-2010 public retirement plans mortality tables.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(7) Other Postemployment Benefits, Continued

(e) Changes in the Total OPEB Liability

	Governmental <u>Activities</u>	<u>Hospital</u>	Solid <u>Waste</u>	<u>Total</u>
Total OPEB liability as of January 1, 2020	\$ 61,300,596	105,511,584	2,306,740	169,118,920
Changes for the year:				
Service cost	920,008	2,106,370	27,868	3,054,246
Interest	1,672,519	2,881,291	50,661	4,604,471
Difference between expected and actual experience	3,891,328	1,721,994	117,870	5,731,192
Changes in assumptions or other inputs	2,494,602	4,641,185	75,563	7,211,350
Benefit payments	<u>(1,838,449)</u>	<u>(2,843,741)</u>	<u>(55,688)</u>	<u>(4,737,878)</u>
Total changes	<u>7,140,008</u>	<u>8,507,099</u>	<u>216,274</u>	<u>15,863,381</u>
Total OPEB liability as of December 31, 2020	<u>\$ 68,440,604</u>	<u>114,018,683</u>	<u>2,523,014</u>	<u>184,982,301</u>

(f) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the County recognized OPEB expense of \$1,733,398. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>			
	Governmental <u>Activities</u>	<u>Hospital</u>	Solid <u>Waste</u>	<u>Total</u>
Differences between expected and actual experience	\$ 2,138,304	973,301	48,531	3,160,136
Changes of assumptions or other inputs	3,760,877	8,344,694	113,919	12,219,490
Net difference between projected and actual investment earnings on plan investments	-	-	-	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	-	-	-	-
County's contributions subsequent to the measurement date	<u>463,390</u>	<u>716,779</u>	<u>14,036</u>	<u>1,194,205</u>
Total	<u>\$ 6,362,571</u>	<u>10,034,774</u>	<u>176,486</u>	<u>16,573,831</u>

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(7) Other Postemployment Benefits, Continued

(f) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB, Continued

	<u>Deferred Inflows of Resources</u>			
	<u>Governmental Activities</u>	<u>Hospital</u>	<u>Solid Waste</u>	<u>Total</u>
Differences between expected and actual experience	\$ 3,606,214	8,412,447	85,877	12,104,538
Changes of assumptions or other inputs	-	-	-	-
Net difference between projected and actual investment earnings on plan investments	-	-	-	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	-	-	-	-
Total	\$ <u>3,606,214</u>	<u>8,412,447</u>	<u>85,877</u>	<u>12,104,538</u>

County contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized as follows:

<u>Year ending</u>	<u>Governmental Activities</u>	<u>Hospital</u>	<u>Solid Waste</u>	<u>Total</u>
2021	\$ 1,719,337	75,569	52,080	1,846,986
2022	573,630	829,979	24,493	1,428,102
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-
Thereafter	-	-	-	-
Total	\$ <u>2,292,967</u>	<u>905,548</u>	<u>76,573</u>	<u>3,275,088</u>

(g) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.41%) or 1-percentage-point higher (3.41%) than the current discount rate:

	1% Decrease <u>(1.41%)</u>	Discount Rate <u>(2.41%)</u>	1% Increase <u>(3.41%)</u>
Governmental Activities	\$ (81,771,741)	(68,440,604)	(58,805,716)
Hospital	(136,880,671)	(114,018,683)	(96,348,265)
Solid Waste	<u>(2,476,910)</u>	<u>(2,523,014)</u>	<u>(1,781,257)</u>
Total	\$ <u>(221,129,322)</u>	<u>(184,982,301)</u>	<u>(156,935,238)</u>

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(7) Other Postemployment Benefits, Continued

(h) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Costs Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a trend rate that is 1-percentage point lower or 1-percentage point higher than the current trend rate:

	1%	Trend	1%
	<u>Decrease</u>	<u>Rate</u>	<u>Increase</u>
Governmental Activities	\$ (58,414,921)	(68,440,604)	(82,267,869)
Hospital	(95,520,774)	(114,018,683)	(137,993,758)
Solid Waste	<u>(1,769,420)</u>	<u>(2,523,014)</u>	<u>(2,491,938)</u>
Total	\$ <u>(155,705,115)</u>	<u>(184,982,301)</u>	<u>(222,753,565)</u>

(8) Other Information

(a) Net Position/Fund Balances

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.
- Restricted net position - This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Also included in this is the positive fund balances of the governmental special revenue funds and the debt service fund.
- Unrestricted net position - This category represents the net position (deficit) of the County, not restricted for any project or other purpose.

GASB Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions" categorizes fund balance based on the nature and extent of the constraints placed on fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which fund balance can be used:

- Nonspendable fund balance - This category represents amounts that are not in spendable form (such as inventory, prepaids and long-term receivables) or are required to be maintained intact.
- Restricted fund balance - This category represents amounts with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(8) Other Information, Continued

(a) Net Position/Fund Balances, Continued

- Committed fund balance - This category represents amounts constrained to specific purposes by the County itself, by adopting a formal resolution from the County Legislature. To be reported as committed, amounts cannot be used for any other purpose unless the County Legislature adopts a resolution to remove or change the constraint.
- Assigned fund balance - This category represents amounts a government intends to use for a specific purpose. Intent can be expressed by the County Legislature or by an official or body to which the County Legislature delegates the authority.
- Unassigned fund balance - This category represents amounts that are available for any purpose.

For the classification of governmental fund balances, the County considers an expenditure to be made from the budgetary appropriations first when more than one classification is available. The County established and modifies fund balance commitments by the passage of a legislative resolution in meetings of the County Legislature. Assigned fund balance is established by the County through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt service or for other purposes). The County's Treasurer and County Legislature are responsible for all the purchasing activities of the County and encumbrances at year end, which are considered assigned funds and therefore, be used for specific purposes. The County Legislature approves the adoption and amendment of the budget and has the authority of final review of all assignments of fund balance.

The following is a detail summary of the different classifications of fund balance within the County:

Nonspendable

Represents amounts classified as nonspendable, generally for prepaid expenditures, inventory and long-term receivables. Nonspendable fund balance amounted to \$479,930 for all governmental funds as of December 31, 2020.

Restricted

Represents amounts restricted for specific programs including E911 (\$183,920), Trail Maintenance (\$68,755), DWI (\$29,995) and bus operations of (\$396,595) as of December 31, 2020.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(8) Other Information, Continued

(a) Net Position/Fund Balances, Continued

Assigned Appropriated

Represents amounts to offset 2021 property taxes appropriated by the County Legislature through the formal budget process. This amounted to \$1,820,000 for all governmental funds including General Fund \$1,650,000 and County Road \$170,000 as of December 31, 2020.

In addition to property taxes appropriated by the County Legislature there are encumbrances that account for the remainder of these balances:

General Fund	\$ 292,028
County Road Fund	29,747
Road Machinery Fund	<u>833</u>
	\$ <u>322,608</u>

Encumbrance accounting, under which purchase orders, contracts or other commitments for the expenditures of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the general fund. Encumbrances are reported as assigned fund balance since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

Assigned - Unappropriated

County Road Fund - represents uncommitted amounts strictly related to the operation and activities of the county road fund. This amounted to \$485,735 as of December 31, 2020.

Road Machinery Fund - represents uncommitted amounts strictly related to the operation and activities of the road machinery fund. This amounted to \$366,682 as of December 31, 2020.

Capital Projects Fund - represents uncommitted amounts strictly related to the operation and activities of the capital projects fund. This amounted to \$2,055,165 as of December 31, 2020.

Debt Service Fund - represents uncommitted amounts strictly related to the operation and activities of the debt service fund. This amounted to \$957 as of December 31, 2020.

Unassigned

Unassigned fund balance consists of excess funds that have not been classified in the previous categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. This amounted to \$14,395,092 for all governmental funds as of December 31, 2020 and was recorded solely in the general fund.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(8) Other Information, Continued

(b) Risk Management

Workers' Compensation

The County has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for reported and unreported claims which were incurred on or before year-end but not reported (IBNR). As of December 31, 2020, the County has recorded potential workers' compensation claims of \$1,832,312.

Claims reported for the year ended:	Balance at beginning of year	Claims and changes in estimates	Claims payments	Balance at end of year
Claims payable	\$ <u>2,074,432</u>	<u>659,959</u>	<u>(902,079)</u>	<u>1,832,312</u>

Health Insurance

The County is self-insured for health insurance. At December 31, 2020, the estimated liability for claims payable was \$2,787,521. Management does not record an incurred but not reported liability as it is estimated to be immaterial. Additionally, the County has stop loss insurance to limit exposure from individual claims.

General Liability

The County is exposed to various risks of loss related to general liability. The County is insured up to \$1,000,000 with a deductible of \$100,000 per occurrence, subject to an aggregate annual limit of \$3,000,000. The County also has umbrella coverage with a \$5,000,000 aggregate limit.

(c) Contingencies

Litigation

The County and/or its agencies are named in various lawsuits, none of which are for substantial amounts. These claims are either covered by insurance or, in the opinion of County officials, will not result in material judgments against the County or will not be pursued, and, therefore, are not expected to have a material effect on the financial statements.

Grants

The County has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. Based on past audits, the County believes disallowances, if any, will be immaterial.

(d) Tax Abatements

As of December 31, 2020 the County tax abatement programs include abatements on property taxes and sales taxes. All abatements agreements are made by either Lewis County Industrial Agency (the Agency).

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(8) Other Information, Continued

(d) Tax Abatements, Continued

(1) Property Taxes

All property tax abatements are performed through Payment In Lieu of Tax (PILOT) agreements made by the Agency. The PILOT agreements are made to support manufacturing, utilities, medical and other purposes. Total taxes abated by the Agency in each of these categories for the year ended December 31, 2020 is as follows:

Manufacturing	\$ 16,709
Utilities	95,300
Medical	1,729

(2) Sales Tax

Under agreements entered into by the Agency, County sales tax revenues were reduced by \$33,860.

(e) Remedies for Default

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness."

(9) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required.

The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

COUNTY OF LEWIS, NEW YORK
Notes to Financial Statements, Continued

(9) Accounting Standards Issued But Not Yet Implemented, Continued

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

COUNTY OF LEWIS, NEW YORK
Required Supplementary Information
Schedule of Revenue and Expenditures - Budget to Actual - General Fund
Year ended December 31, 2020

	Budget		Actual	Encumbrances	Variance
	Original	Modified			with Modified Budget Positive (Negative)
Revenue:					
Real property tax	\$ 17,034,619	17,653,311	17,102,446	-	(550,865)
Real property tax items	2,585,101	2,585,101	2,614,637	-	29,536
Non-property tax items	12,017,000	12,017,000	13,514,902	-	1,497,902
Departmental income	2,535,729	2,568,093	2,080,104	-	(487,989)
Intergovernmental charges	349,262	360,382	48,341	-	(312,041)
Use of money and property	569,284	570,676	574,668	-	3,992
Licenses and permits	82,000	82,000	382,468	-	300,468
Fines and forfeitures	61,500	48,813	33,814	-	(14,999)
Sale of property and compensation for loss	415,212	422,662	485,619	-	62,957
Miscellaneous local sources	178,167	139,592	564,008	-	424,416
State aid	7,999,900	11,091,814	6,843,707	-	(4,248,107)
Federal aid	4,637,886	5,338,471	4,406,879	-	(931,592)
Total revenue	<u>48,465,660</u>	<u>52,877,915</u>	<u>48,651,593</u>	<u>-</u>	<u>(4,226,322)</u>
Expenditures:					
General government support	6,778,081	7,253,979	6,394,551	114,908	744,520
Education	805,000	820,323	820,323	-	-
Public safety	7,816,308	9,196,818	8,082,230	37,332	1,077,256
Health	6,850,914	7,463,246	4,944,243	81,662	2,437,341
Transportation	781,000	1,763,158	468,259	-	1,294,899
Economic assistance and opportunity	17,742,318	18,225,960	14,424,803	32,052	3,769,105
Culture and recreation	443,384	781,259	638,450	2,105	140,704
Home and community services	738,009	1,155,276	1,072,219	23,969	59,088
Employee benefits	1,743,952	1,778,715	1,755,752	-	22,963
Debt service	579,975	579,975	846,148	-	(266,173)
Total expenditures	<u>44,278,941</u>	<u>49,018,709</u>	<u>39,446,978</u>	<u>292,028</u>	<u>9,279,703</u>
Other financing sources (uses):					
Operating transfers in	-	153,608	100,358	-	(53,250)
Operating transfers out	(5,836,719)	(5,662,814)	(4,793,045)	-	869,769
Total other financing sources (uses)	<u>(5,836,719)</u>	<u>(5,509,206)</u>	<u>(4,692,687)</u>	<u>-</u>	<u>816,519</u>
Change in fund balance	<u>\$ (1,650,000)</u>	<u>(1,650,000)</u>	<u>4,511,928</u>	<u>(292,028)</u>	<u>5,869,900</u>

COUNTY OF LEWIS, NEW YORK
 Required Supplementary Information
 Schedule of County's Proportionate Share of the Net Pension Liability
 Year ended December 31, 2020

<u>NYSERS Pension Plan</u>							
	<u>Total</u>						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability	0.1755896%	0.1707100%	0.1641784%	0.1624383%	0.17258223%	0.173647%	0.173647%
County's proportionate share of the net pension liability	\$ 46,497,145	12,095,333	5,314,149	15,120,095	27,738,463	5,866,220	7,846,864
County's covered payroll	\$ 42,565,455	43,221,146	40,504,295	37,437,095	37,656,909	37,359,670	38,626,610
County's proportionate share of the net pension liability as a percentage of its covered - payroll	109.24%	27.98%	13.12%	40.39%	73.66%	15.70%	20.31%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	97.40%	90.70%	97.95%	97.20%
<u>Governmental Activities</u>							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability	0.0549286%	0.0562320%	0.0541789%	0.0506807%	0.05281016%	0.053831%	0.053830%
County's proportionate share of the net pension liability	\$ 14,539,802	3,984,210	1,748,592	4,619,109	8,511,434	1,818,528	2,432,528
County's covered payroll	\$ 11,664,988	13,814,874	12,891,306	11,621,197	11,523,015	11,196,217	11,575,903
County's proportionate share of the net pension liability as a percentage of its covered - payroll	124.64%	28.84%	13.56%	39.75%	73.86%	16.24%	21.01%
<u>Hospital</u>							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Hospital's proportion of the net pension liability	0.1164468%	0.1127740%	0.1088344%	0.1101332%	0.11804625%	0.118080%	0.118080%
Hospital's proportionate share of the net pension liability	\$ 30,841,412	7,990,389	3,512,569	10,348,356	18,949,645	3,989,030	5,335,868
Hospital's covered payroll	\$ 29,878,716	28,987,639	27,222,343	25,443,940	25,757,326	25,789,858	26,864,443
Hospital's proportionate share of the net pension liability as a percentage of its covered - payroll	103.22%	27.56%	12.90%	40.67%	73.57%	15.47%	19.86%
<u>Solid Waste Fund</u>							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Fund's proportion of the net pension liability	0.0042142%	0.0017040%	0.0016418%	0.0016244%	0.00172582%	0.001736%	0.001736%
Fund's proportionate share of the net pension liability	\$ 1,115,931	120,734	52,988	152,630	277,384	58,662	78,468
Fund's covered payroll	\$ 1,021,751	418,633	390,646	372,474	376,568	373,595	386,264
Fund's proportionate share of the net pension liability as a percentage of its covered - payroll	109.22%	28.84%	13.56%	40.98%	73.66%	15.70%	20.31%

* The schedule is presented to illustrate the requirement for 10 years. However, until a full 10 year trend is compiled, the County is presenting information for those years for which information is available from the NYS Retirement System.

COUNTY OF LEWIS, NEW YORK
 Required Supplementary Information
 Schedule of County's Pension Contributions
 Year ended December 31, 2020

NYSERS Pension Plan

	<u>Total</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 5,649,911	5,714,298	5,533,388	5,494,514	5,583,970	6,339,671	7,073,937	7,221,537	7,083,415	6,099,397
Contributions in relation to the contractually required contribution	<u>5,649,911</u>	<u>5,714,298</u>	<u>5,533,388</u>	<u>5,494,514</u>	<u>5,583,970</u>	<u>6,339,671</u>	<u>7,073,937</u>	<u>7,221,537</u>	<u>7,083,415</u>	<u>6,099,397</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
County's covered payroll	\$ 42,148,453	44,413,580	41,901,879	39,033,738	37,656,909	37,359,670	38,626,610	38,449,370	40,096,478	39,326,386
Contributions as a percentage of covered payroll	13.40%	12.87%	13.21%	14.08%	14.83%	16.97%	18.31%	18.78%	17.67%	15.51%

Governmental Activities

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 1,598,814	1,878,772	1,815,435	1,711,675	1,786,870	1,965,298	2,135,408	2,143,953	2,218,309	1,767,150
Contributions in relation to the contractually required contribution	<u>1,598,814</u>	<u>1,878,772</u>	<u>1,815,435</u>	<u>1,711,675</u>	<u>1,786,870</u>	<u>1,965,298</u>	<u>2,135,408</u>	<u>2,143,953</u>	<u>2,218,309</u>	<u>1,767,150</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
County's covered payroll	\$ 11,664,988	13,814,874	12,891,306	11,621,197	11,523,015	11,196,217	11,575,903	11,522,786	12,016,403	11,785,617
Contributions as a percentage of covered payroll	13.71%	13.60%	14.08%	14.73%	15.51%	17.55%	18.45%	18.61%	18.46%	14.99%

Hospital

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 3,911,055	3,778,594	3,662,940	3,727,978	3,741,260	4,310,976	4,879,254	5,025,249	4,626,031	4,271,253
Contributions in relation to the contractually required contribution	<u>3,911,055</u>	<u>3,778,594</u>	<u>3,662,940</u>	<u>3,727,978</u>	<u>3,741,260</u>	<u>4,310,976</u>	<u>4,879,254</u>	<u>5,025,249</u>	<u>4,626,031</u>	<u>4,271,253</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Hospital's covered payroll	\$ 29,461,714	30,180,073	28,619,927	27,040,067	25,757,326	25,789,858	26,864,443	26,542,092	27,679,112	27,147,507
Contributions as a percentage of covered payroll	13.28%	12.52%	12.80%	13.79%	14.53%	16.72%	18.16%	18.93%	16.71%	15.73%

Solid Waste Fund

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 140,042	56,932	55,013	54,861	55,840	63,397	59,275	52,335	50,659	60,994
Contributions in relation to the contractually required contribution	<u>140,042</u>	<u>56,932</u>	<u>55,013</u>	<u>54,861</u>	<u>55,840</u>	<u>63,397</u>	<u>59,275</u>	<u>52,335</u>	<u>50,659</u>	<u>60,994</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Fund's covered payroll	\$ 1,021,751	418,633	390,646	372,474	376,568	373,595	386,264	384,492	400,963	393,262
Contributions as a percentage of covered payroll	13.71%	13.60%	14.08%	14.61%	14.83%	16.97%	15.35%	13.61%	12.63%	15.51%

COUNTY OF LEWIS, NEW YORK
Required Supplementary Information
Schedule of Changes in the County's
Total OPEB Liability and Related Ratios
Year ended December 31, 2020

	2020				2019				2018			
	Governmental Activities	Hospital	Solid Waste	Total	Governmental Activities	Hospital	Solid Waste	Total	Governmental Activities	Hospital	Solid Waste	Total
Total OPEB liability (dollar amounts in thousands)												
Service cost	\$ 920	2,106	28	3,054	1,196	2,686	34	3,916	1,229	2,756	36	4,021
Interest	1,673	2,881	51	4,605	2,620	4,488	75	7,183	2,389	4,106	69	6,564
Changes of benefit terms	-	-	-	-	(108)	-	(3)	(111)	-	-	-	-
Differences between expected and actual experience	3,891	1,722	118	5,731	(27,513)	(50,475)	(792)	(78,780)	2,237	2,791	65	5,093
Changes of assumptions or other inputs	2,494	4,641	75	7,210	18,428	34,328	531	53,287	(3,808)	(6,871)	(110)	(10,789)
Benefit payments	(1,838)	(2,843)	(56)	(4,737)	(1,890)	(2,856)	(54)	(4,800)	(1,716)	(2,601)	(50)	(4,367)
Net change in total OPEB liability	7,140	8,507	216	15,863	(7,267)	(11,829)	(209)	(19,305)	331	181	10	522
Total OPEB liability - beginning	61,301	105,511	2,307	169,119	68,568	117,340	2,516	188,424	68,568	117,340	2,516	188,424
Total OPEB liability- ending	\$ 68,441	114,018	2,523	184,982	61,301	105,511	2,307	169,119	68,899	117,521	2,526	188,946
Covered payroll	\$ 11,092	26,372	336	37,800	10,759	25,549	312	36,620	10,759	25,549	312	36,620
Total OPEB liability as a percentage of covered payroll	617.03%	432.34%	750.89%	489.37%	569.76%	412.98%	739.42%	461.82%	640.38%	459.98%	809.62%	515.96%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each

2020	2.41%
2019	2.75%
2018	3.83%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the County is presenting information for those years for which information is available.

COUNTY OF LEWIS, NEW YORK
Other Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2020

<u>Assets</u>	Special Revenue Funds					<u>Total</u>
	Special Grants <u>Fund</u>	County Road <u>Fund</u>	Road Machinery <u>Fund</u>	Capital Projects <u>Fund</u>	Debt Service <u>Fund</u>	
Cash and equivalents	\$ 71,548	537,824	287,789	1,175,129	957	2,073,247
Investments	-	179,208	113,543	983,961	-	1,276,712
Other receivables	10,387	121,167	18,885	354,075	-	504,514
Due from other funds	-	930	-	-	-	930
Due from other governments	59,851	-	-	-	-	59,851
Prepaid expenditures	-	42,826	5,926	-	-	48,752
Total assets	<u>\$ 141,786</u>	<u>881,955</u>	<u>426,143</u>	<u>2,513,165</u>	<u>957</u>	<u>3,964,006</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>						
<u>Liabilities:</u>						
Accounts payable	-	3,093	45,093	101,654	-	149,840
Accrued liabilities	-	63,906	7,568	-	-	71,474
Due to other funds	18,455	-	-	356,346	-	374,801
Total liabilities	<u>18,455</u>	<u>66,999</u>	<u>52,661</u>	<u>458,000</u>	<u>-</u>	<u>596,115</u>
Deferred inflows of resources	123,331	86,648	41	-	-	210,020
<u>Fund balances:</u>						
Nonspendable	-	42,826	5,926	-	-	48,752
Assigned - appropriated	-	199,747	833	-	-	200,580
Assigned - unappropriated	-	485,735	366,682	2,055,165	957	2,908,539
Total fund balances	<u>-</u>	<u>728,308</u>	<u>373,441</u>	<u>2,055,165</u>	<u>957</u>	<u>3,157,871</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 141,786</u>	<u>881,955</u>	<u>426,143</u>	<u>2,513,165</u>	<u>957</u>	<u>3,964,006</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Other Supplementary Information
Combining Statement of Revenue, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
Year ended December 31, 2020

	Special Revenue Funds					Total
	Special Grants Fund	County Road Fund	Road Machinery Fund	Capital Projects Fund	Debt Service Fund	
Revenue:						
Intergovernmental charges	\$ -	91,505	20,352	-	-	111,857
Use of money and property	-	188	118	1,496	-	1,802
Sale of property and compensation for loss	-	39,835	166,943	-	-	206,778
Miscellaneous local sources	-	9,088	1,500	-	-	10,588
Interfund revenue	-	603	754,061	-	-	754,664
State aid	-	1,897,194	-	40,026	-	1,937,220
Federal aid	<u>969,474</u>	<u>46,170</u>	<u>-</u>	<u>1,488,286</u>	<u>-</u>	<u>2,503,930</u>
Total revenue	<u>969,474</u>	<u>2,084,583</u>	<u>942,974</u>	<u>1,529,808</u>	<u>-</u>	<u>5,526,839</u>
Expenditures:						
General government support	-	-	-	873,537	-	873,537
Transportation	-	5,309,616	905,112	1,596,294	-	7,811,022
Economic assistance and opportunity	125,640	-	-	-	-	125,640
Home and community services	843,834	-	-	96,635	-	940,469
Employee benefits	-	614,388	83,080	-	-	697,468
Debt service:						
Principal	-	-	98,380	-	-	98,380
Interest	-	-	15,209	-	-	15,209
Total expenditures	<u>969,474</u>	<u>5,924,004</u>	<u>1,101,781</u>	<u>2,566,466</u>	<u>-</u>	<u>10,561,725</u>
Other financing sources (uses):						
Operating transfers in	-	3,971,842	293,082	807,848	-	5,072,772
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(380,085)</u>	<u>-</u>	<u>(380,085)</u>
Total other financing sources (uses)	<u>-</u>	<u>3,971,842</u>	<u>293,082</u>	<u>427,763</u>	<u>-</u>	<u>4,692,687</u>
Change in fund balance	-	132,421	134,275	(608,895)	-	(342,199)
Fund balances at beginning of year	<u>-</u>	<u>595,887</u>	<u>239,166</u>	<u>2,664,060</u>	<u>957</u>	<u>3,500,070</u>
Fund balances at end of year	<u>\$ -</u>	<u>728,308</u>	<u>373,441</u>	<u>2,055,165</u>	<u>957</u>	<u>3,157,871</u>

See accompanying notes to financial statements.