

COUNTY OF LEWIS, NEW YORK

Basic Financial Statements,  
Supplementary Information and  
Independent Auditors' Report

December 31, 2021

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 Audit of the Financial Statements

#### Opinions

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, 2021, and the related notes to financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the 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, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Lewis County General Hospital and Residential Health Care Facility (the Hospital), which represents 93 percent, 99 percent, and 95 percent, respectively, of the assets, deficit net position, and revenue of the business-type activities as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hospital, is based solely on the report of the other auditors.

#### Basis for Opinions

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

## Responsibilities of Management for the Financial Statements

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information on pages 56 through 59 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 27, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
July 27, 2022

COUNTY OF LEWIS, NEW YORK  
Management's Discussion and Analysis  
December 31, 2021

Our discussion and analysis of the County of Lewis, New York's (the County) financial performance provides an overview of the County's financial activities for the year ended December 31, 2021. Please read it in conjunction with the County's basic financial statements.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$46.2 million (deficit net position), as compared to \$43.1 million in 2020.
- The County's overall net position, decreased by \$3.1 million compared to a decrease of \$1.7 million in 2020.
- During the year, the County had revenue of \$159.0 million, as compared to \$159.3 million in 2020. Expenses increased from \$161.0 million to \$162.1 million.
- The general fund recorded a surplus of \$3.9 million during 2021, compared to a surplus of \$4.5 million during 2020 and ended the year with a fund balance of \$21.3 million.

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).

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

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 Lewis County General Hospital and Residential Health Care Facility (the Hospital), Solid Waste Fund, self-funded Workers' Compensation Plan.

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.

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 individual Governmental Funds. Data from the general fund and the five 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 County has four 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 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.

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

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 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.

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.

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

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, 2021.

Summary of Statement of Net Position

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
<b>Assets:</b>			
Current and other assets	\$ 44,735,001	49,562,843	94,297,844
Noncurrent assets	<u>89,062,167</u>	<u>17,364,421</u>	<u>106,426,588</u>
Total assets	<u>133,797,168</u>	<u>66,927,264</u>	<u>200,724,432</u>
Deferred outflows of resources	<u>16,868,112</u>	<u>34,518,039</u>	<u>51,386,151</u>
<b>Liabilities:</b>			
Current liabilities	11,608,509	24,652,053	36,260,562
Long term liabilities	<u>80,027,475</u>	<u>126,168,554</u>	<u>206,196,029</u>
Total liabilities	<u>91,635,984</u>	<u>150,820,607</u>	<u>242,456,591</u>
Deferred inflows of resources	<u>18,969,564</u>	<u>36,869,095</u>	<u>55,838,659</u>
<b>Net position:</b>			
Net investment in capital assets	82,097,106	16,512,875	98,609,981
Restricted	2,741,409	601,281	3,342,690
Unrestricted (deficit)	<u>(44,778,783)</u>	<u>(103,358,555)</u>	<u>(148,137,338)</u>
Total net position (deficit)	<u>\$ 40,059,732</u>	<u>(86,244,399)</u>	<u>(46,184,667)</u>



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

Net investment in capital assets of \$98,609,981 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 \$3,342,690 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 \$(148,137,338) deficit representing the amount that the County's non-capital related liabilities and deferred inflows of resources exceeded its remaining non-capital assets and non-capital deferred outflows of resources, primarily as a result of the County's total OPEB liability of \$202,426,811.

The County's net position decreased by \$3,067,558. Governmental activities increased the County's net position by \$3,422,951 while business-type activities decreased net position by \$6,490,509.

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>
Revenue:			
Program revenue	\$ 35,535,168	83,345,989	118,881,157
Tax revenue	34,979,229	-	34,979,229
Other revenue	<u>4,793,090</u>	<u>369,929</u>	<u>5,163,019</u>
Total revenue	<u>75,307,487</u>	<u>83,715,918</u>	<u>159,023,405</u>
Expenses:			
General government support	13,011,756	-	13,011,756
Education	783,691	-	783,691
Public safety	17,663,487	-	17,663,487
Health	8,076,964	86,237,729	94,314,693
Transportation	10,178,103	-	10,178,103
Economic assistance and opportunity	19,948,716	-	19,948,716

(Continued)

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

	<u>Governmental</u> <u>activities</u>	<u>Business-type</u> <u>activities</u>	<u>Total</u>
Expenses, continued:			
Culture and recreation	\$ 951,705	-	951,705
Home and community services	2,742,336	2,239,564	4,981,900
Interest on debt	<u>256,912</u>	<u>-</u>	<u>256,912</u>
Total expenses	<u>73,613,670</u>	<u>88,477,293</u>	<u>162,090,963</u>
Excess (deficiency) of revenue over expenses	1,693,817	(4,761,375)	(3,067,558)
Transfers in (out)	<u>1,729,134</u>	<u>(1,729,134)</u>	<u>-</u>
Change in net position	3,422,951	(6,490,509)	(3,067,558)
Net position (deficit) at beginning of year	<u>36,636,781</u>	<u>(79,753,890)</u>	<u>(43,117,109)</u>
Net position (deficit) at end of year	<u>\$40,059,732</u>	<u>(86,244,399)</u>	<u>(46,184,667)</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, 2021, the County's Governmental Funds reported a combined fund balance of \$28,470,843, an increase of \$7,865,409 from the prior year. Approximately 54.6% of the combined fund balance, \$15,536,160, 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 (\$542,371); (2) nonspendable for a long-term due from other fund receivable (\$1,500,000); (3) restricted for specific programs including E911 (\$227,317), Trail Maintenance (\$154,685), DWI (\$47,678), and restricted for bus operations (\$386,884); (4) used to offset property taxes (\$2,145,000); or (5) classified as assigned for the liquidation of contracts and purchase orders of the prior period (\$1,295,772).

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, 2021 unassigned fund balance of the general fund was \$15,536,160 while total fund balance increased to \$21,348,052. 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 30.8% of total fund expenditures and transfers out while total fund balance represents 42.4% 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>2021</u>	<u>2020</u>	<u>Change</u>	<u>Percent Change</u>
<b>Assets:</b>				
Cash and investments	\$ 34,132,595	25,868,577	8,264,018	31.9%
Receivables	9,732,758	8,561,232	1,171,526	13.7%
Prepaid expenditures	<u>542,371</u>	<u>479,930</u>	<u>62,441</u>	13.0%
Total assets	<u>\$ 44,407,724</u>	<u>34,909,739</u>	<u>9,497,985</u>	27.2%
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>				
Liabilities	<u>11,964,575</u>	<u>12,078,956</u>	<u>(114,381)</u>	-0.9%
Deferred inflows of resources	<u>3,972,306</u>	<u>2,225,349</u>	<u>1,746,957</u>	78.5%
<b>Fund balances:</b>				
Nonspendable	2,042,371	479,930	1,562,441	325.6%
Restricted	816,564	679,265	137,299	20.2%
Assigned - appropriated	3,440,772	2,142,608	1,298,164	60.6%
Assigned - unappropriated	6,634,976	2,908,539	3,726,437	128.1%
Unassigned	<u>15,536,160</u>	<u>14,395,092</u>	<u>1,141,068</u>	7.9%
Total fund balances	<u>\$ 28,470,843</u>	<u>20,605,434</u>	<u>7,865,409</u>	38.2%

Local source revenue for governmental funds totaled \$39,936,957 in fiscal year 2021 which represents an increase of 5.8% from fiscal year 2020.

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>2021 and 2020</u>						
	<u>2021</u>	Percent <u>of total</u>	<u>2020</u>	Percent <u>of total</u>	<u>Change</u>	Percent <u>change</u>
Real property taxes	\$ 19,345,240	48.4%	\$ 19,717,083	52.3%	(371,843)	-1.9%
Non-property tax items	15,419,076	38.6%	13,514,902	35.8%	1,904,174	14.1%
Departmental income	2,195,912	5.5%	2,080,104	5.5%	115,808	5.6%
Intergovernmental charges	149,999	0.4%	160,198	0.4%	(10,199)	-6.4%
Use of money and property	619,709	1.6%	576,470	1.5%	43,239	7.5%
Licenses and permits	319,318	0.8%	382,468	1.0%	(63,150)	-16.5%
Fines and forfeitures	43,606	0.1%	33,814	0.1%	9,792	29.0%
Sale of property and compensation for loss	1,154,272	2.9%	692,397	1.8%	461,875	66.7%
Miscellaneous	<u>689,825</u>	1.7%	<u>574,596</u>	1.5%	<u>115,229</u>	20.1%
Total	<u>\$ 39,936,957</u>	100.0%	<u>37,732,032</u>	100.0%	<u>2,204,925</u>	5.8%

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 decreased due to less revenue received from payment in lieu of taxes agreements.
- Non-property tax items increased due to a \$1,808,513 increase in sales tax revenue.
- Sale of property and compensation for loss increased primarily due to a \$254,630 increase in equipment sales and an increase in fuel sales due to increased activity in 2021 due to reopenings.

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

Comparison of Expenditures by Function <u>2021 and 2020</u>						
	<u>2021</u>	Percent <u>of total</u>	<u>2020</u>	Percent <u>of total</u>	<u>Change</u>	Percent <u>change</u>
General government support	\$ 9,477,214	17.5%	7,268,088	14.5%	2,209,126	30.4%
Education	783,691	1.5%	820,323	1.6%	(36,632)	-4.5%
Public safety	8,293,804	15.4%	8,082,230	16.2%	211,574	2.6%
Health	5,815,011	10.8%	4,944,243	9.9%	870,768	17.6%
Transportation	9,492,991	17.6%	8,279,281	16.6%	1,213,710	14.7%
Economic assistance and opportunity	14,591,463	27.0%	14,550,443	29.1%	41,020	0.3%
Culture and recreation	697,441	1.3%	638,450	1.3%	58,991	9.2%
Home and community services	1,741,035	3.2%	2,012,688	4.0%	(271,653)	-13.5%
Employee benefits	2,179,599	4.0%	2,453,220	4.9%	(273,621)	-11.2%
Debt service	<u>949,436</u>	1.8%	<u>959,737</u>	1.9%	<u>(10,301)</u>	-1.1%
Total	<u>\$ 54,021,685</u>	100.0%	<u>50,008,703</u>	100.0%	<u>4,012,982</u>	8.0%

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

- General government support expenditures increased due to increases in capital projects that began during the current year.
- Health expenditures increased due to increases in payroll and related benefits as well as increased Pre-K childcare usage.
- Transportation expenditures increased due to increases in road work due to the lifting of COVID-19 related restrictions.

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	\$ 54,000,156	6,157,804	60,157,960
Expenditures	41,230,995	12,790,690	54,021,685
Other financing sources (uses), net	<u>(8,868,672)</u>	<u>10,597,806</u>	<u>1,729,134</u>
Change in fund balances	3,900,489	3,964,920	7,865,409
Fund balances at beginning of year	<u>17,447,563</u>	<u>3,157,871</u>	<u>20,605,434</u>
Fund balances at end of year	<u>\$ 21,348,052</u>	<u>7,122,791</u>	<u>28,470,843</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	\$ 75,759,088	1,566,544	2,415,626	79,741,258	16,525,802
Operating expenses	<u>85,495,713</u>	<u>726,108</u>	<u>2,239,564</u>	<u>88,461,385</u>	<u>18,566,967</u>
Operating gain (loss)	<u>(9,736,625)</u>	<u>840,436</u>	<u>176,062</u>	<u>(8,720,127)</u>	<u>(2,041,165)</u>
Nonoperating revenue/expense (net)	<u>3,394,143</u>	<u>4,014</u>	<u>520</u>	<u>3,398,677</u>	<u>-</u>
Contributions and transfers	<u>560,075</u>	<u>-</u>	<u>(1,729,134)</u>	<u>(1,169,059)</u>	<u>-</u>
Change in net position	(5,782,407)	844,450	(1,552,552)	(6,490,509)	(2,041,165)
Net position (deficit) at beginning 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>
Net position (deficit) at end of year	<u>\$ (84,994,265)</u>	<u>1,465,025</u>	<u>(2,715,159)</u>	<u>(86,244,399)</u>	<u>3,391,084</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 56 resulted in an increase in appropriations of \$12,076,909 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, 2021 amounted to \$106,027,691 (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, 2021:

Summary of Capital Assets

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Capital assets, not being depreciated:			
Land	\$ 117,642	607,034	724,676
Construction in process	<u>7,491,619</u>	<u>1,967,543</u>	<u>9,459,162</u>
Total capital assets, not being depreciated	<u>7,609,261</u>	<u>2,574,577</u>	<u>10,183,838</u>
Capital assets, being depreciated:			
Land improvements	-	1,773,802	1,773,802
Buildings and improvements	28,814,564	44,122,426	72,936,990
Infrastructure	129,710,960	-	129,710,960
Machinery and equipment	<u>20,015,345</u>	<u>34,648,647</u>	<u>54,663,992</u>
Total capital assets, being depreciated	178,540,869	80,544,875	259,085,744
Less accumulated depreciation	<u>(97,087,963)</u>	<u>(66,153,928)</u>	<u>(163,241,891)</u>
Capital assets, net	<u>\$ 89,062,167</u>	<u>16,965,524</u>	<u>106,027,691</u>

The County's infrastructure assets are recorded at historical cost in the Government-Wide financial statements as required by Governmental Accounting Standards Board Statement No. 34. The County has elected to depreciate their infrastructure assets.

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

LONG-TERM OBLIGATIONS

At December 31, 2021, the County had total long-term liabilities outstanding of \$80,027,475 for governmental activities and \$126,168,554 for business-type activities. A major portion of this is the liability for other postemployment benefits in the amount of \$72,205,666 for governmental activities and \$124,891,145 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, 2021, the County's general obligation debt is \$6,970,000. The current debt limitation for the County is \$158,216,820. The County's rating is A+ by Standard & Poor's and Moody's rating is Baa1.

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 on a national, regional and local level are unknown, but have 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.

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, 2021

<u>Assets</u>	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and equivalents	\$ 10,842,005	8,078,709	18,920,714
Investments	28,958,702	23,243,773	52,202,475
Taxes receivable, net	2,860,634	-	2,860,634
State and federal receivables	4,646,340	2,757,565	7,403,905
Accounts receivable, net of allowance	483,463	6,500,118	6,983,581
Due from other governments	83,862	-	83,862
Internal balances	(3,997,084)	3,997,355	271
Inventory	65,000	2,459,594	2,524,594
Prepaid expenses and other current assets	792,079	2,525,729	3,317,808
Total current assets	44,735,001	49,562,843	94,297,844
Noncurrent assets:			
Capital assets:			
Land	117,642	607,034	724,676
Construction in progress	7,491,619	1,967,543	9,459,162
Capital assets - depreciable, net	81,452,906	14,390,947	95,843,853
Restricted cash and equivalents	-	393,730	393,730
Other assets	-	5,167	5,167
Total noncurrent assets	89,062,167	17,364,421	106,426,588
Total assets	133,797,168	66,927,264	200,724,432
<u>Deferred outflows of resources</u>			
Loss on refunding	468,937	-	468,937
Pension	12,307,324	27,393,722	39,701,046
OPEB	4,091,851	7,124,317	11,216,168
Total deferred outflows of resources	16,868,112	34,518,039	51,386,151

(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	\$ 5,079,836	8,630,521	13,710,357
Accrued interest	26,666	-	26,666
Due to other governments	3,755,932	-	3,755,932
Estimated third party payor settlements	-	7,424,389	7,424,389
General obligation bonds	365,000	-	365,000
Capital lease obligations	230,923	223,633	454,556
Advance liability - medicare accelerated payments	-	5,193,662	5,193,662
Total OPEB liability	2,150,152	3,179,848	5,330,000
Total current liabilities	11,608,509	24,652,053	36,260,562
Noncurrent liabilities:			
General obligation bonds	6,605,000	-	6,605,000
Capital lease obligations	233,075	229,614	462,689
Total OPEB liability	72,205,666	124,891,145	197,096,811
Net pension liability	54,441	121,174	175,615
Compensated absences	929,293	23,218	952,511
Other liabilities	-	903,403	903,403
Total noncurrent liabilities	80,027,475	126,168,554	206,196,029
Total liabilities	91,635,984	150,820,607	242,456,591
<u>Deferred inflows of resources</u>			
Advances	2,405,187	-	2,405,187
Pension	16,564,377	36,869,095	53,433,472
Total deferred inflows of resources	18,969,564	36,869,095	55,838,659
<u>Net position</u>			
Net investment in capital assets	82,097,106	16,512,875	98,609,981
Restricted	2,741,409	601,281	3,342,690
Unrestricted (deficit)	(44,778,783)	(103,358,555)	(148,137,338)
Total net position (deficit)	\$ 40,059,732	(86,244,399)	(46,184,667)

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK  
Statement of Activities  
Year ended December 31, 2021

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net Revenue (Expense) and Changes in Net Position Primary Government</u>		
		<u>Charges for services</u>	<u>Operating grants</u>	<u>Capital grants</u>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Primary government:							
Governmental activities:							
General government support	\$ 13,011,756	1,401,102	1,146,279	-	(10,464,375)	-	(10,464,375)
Education	783,691	-	-	-	(783,691)	-	(783,691)
Public safety	17,663,487	129,322	1,211,595	-	(16,322,570)	-	(16,322,570)
Health	8,076,964	356,261	4,231,074	-	(3,489,629)	-	(3,489,629)
Transportation	10,178,103	113,524	4,226,879	293,519	(5,544,181)	-	(5,544,181)
Economic assistance and opportunity	19,948,716	388,957	6,514,740	-	(13,045,019)	-	(13,045,019)
Culture and recreation	951,705	207,991	296,732	-	(446,982)	-	(446,982)
Home and community services	2,742,336	24,989	795,686	-	(1,921,661)	-	(1,921,661)
Employee benefits	-	14,196,518	-	-	14,196,518	-	14,196,518
Interest on debt	256,912	-	-	-	(256,912)	-	(256,912)
Total governmental activities	<u>73,613,670</u>	<u>16,818,664</u>	<u>18,422,985</u>	<u>293,519</u>	<u>(38,078,502)</u>	<u>-</u>	<u>(38,078,502)</u>
Business-type activities:							
Hospital	85,511,621	71,663,251	7,182,150	560,075	-	(6,106,145)	(6,106,145)
Workers' compensation	726,108	1,566,544	-	-	-	840,436	840,436
Solid waste	2,239,564	2,373,969	-	-	-	134,405	134,405
Total business-type activities	<u>88,477,293</u>	<u>75,603,764</u>	<u>7,182,150</u>	<u>560,075</u>	<u>-</u>	<u>(5,131,304)</u>	<u>(5,131,304)</u>
Total primary government	<u>\$ 162,090,963</u>	<u>92,422,428</u>	<u>25,605,135</u>	<u>853,594</u>	<u>(38,078,502)</u>	<u>(5,131,304)</u>	<u>(43,209,806)</u>
General revenue:							
Property taxes					19,560,153	-	19,560,153
Non-property tax items					15,419,076	-	15,419,076
Use of money and property					619,709	5,625	625,334
Sale of property and compensation for loss					3,483,556	24,200	3,507,756
Miscellaneous					689,825	340,104	1,029,929
Transfers in (out)					1,729,134	(1,729,134)	-
Total general revenue					<u>41,501,453</u>	<u>(1,359,205)</u>	<u>40,142,248</u>
Change in net position					3,422,951	(6,490,509)	(3,067,558)
Net position (deficit) at beginning of year					36,636,781	(79,753,890)	(43,117,109)
Net position (deficit) at end of year					<u>\$ 40,059,732</u>	<u>(86,244,399)</u>	<u>(46,184,667)</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK  
Balance Sheet - Governmental Funds  
December 31, 2021

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and equivalents	\$ 1,081,884	6,493,207	7,575,091
Investments	25,496,987	1,060,517	26,557,504
Taxes receivable, net	2,860,634	-	2,860,634
State and federal receivables	4,534,411	111,929	4,646,340
Other receivables	355,318	128,145	483,463
Due from other funds	1,591,695	66,764	1,658,459
Due from other governments	5,781	78,081	83,862
Prepaid expenditures	490,720	51,651	542,371
Total assets	<u>\$ 36,417,430</u>	<u>7,990,294</u>	<u>44,407,724</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Liabilities:			
Accounts payable	1,429,666	545,235	1,974,901
Accrued liabilities	506,105	72,094	578,199
Due to other funds	5,497,355	158,188	5,655,543
Due to other governments	3,755,932	-	3,755,932
Total liabilities	<u>11,189,058</u>	<u>775,517</u>	<u>11,964,575</u>
Deferred inflows of resources	<u>3,880,320</u>	<u>91,986</u>	<u>3,972,306</u>
Fund balances:			
Nonspendable	1,990,720	51,651	2,042,371
Restricted	816,564	-	816,564
Assigned - appropriated	3,004,608	436,164	3,440,772
Assigned - unappropriated	-	6,634,976	6,634,976
Unassigned	15,536,160	-	15,536,160
Total fund balances	<u>21,348,052</u>	<u>7,122,791</u>	<u>28,470,843</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,417,430</u>	<u>7,990,294</u>	<u>44,407,724</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK  
 Reconciliation of the Balance Sheet - Governmental Funds  
 to the Statement of Net Position  
 December 31, 2021

Total fund balances - governmental funds	\$ 28,470,843
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	7,491,619
Depreciable assets (net of accumulated depreciation)	<u>81,452,906</u>
Total capital assets	89,062,167
Deferred revenue from receivables and notes receivable not available to pay for current period expenditures and is therefore deferred in the funds.	618,277
Deferred property tax revenue not available to pay for current-period expenditures and is therefore deferred in the funds.	948,842
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.	3,391,084
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	(929,293)
Total OPEB liability	(74,355,818)
Accrued interest	(26,666)
Capital leases	(463,998)
Net pension liability	(54,441)
Some deferred inflows and outflows of resources are not reported in the governmental funds. These consist of the following:	
Deferred outflows of resources - pension	12,307,324
Deferred outflows of resources - OPEB	4,091,851
Deferred inflows of resources - pension	(16,564,377)
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.	468,937
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>(6,970,000)</u>
Total net position - end of year - governmental activities	<u>\$ 40,059,732</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, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue:			
Real property tax	\$ 17,482,144	-	17,482,144
Real property tax items	1,863,096	-	1,863,096
Non-property tax items	15,419,076	-	15,419,076
Departmental income	2,195,912	-	2,195,912
Intergovernmental charges	63,850	86,149	149,999
Use of money and property	612,715	6,994	619,709
Licenses and permits	319,318	-	319,318
Fines and forfeitures	43,606	-	43,606
Sale of property and compensation for loss	616,267	538,005	1,154,272
Miscellaneous	683,762	6,063	689,825
Interfund revenue	80	781,444	781,524
State aid	8,772,366	3,562,914	12,335,280
Federal aid	5,927,964	1,176,235	7,104,199
Total revenue	<u>54,000,156</u>	<u>6,157,804</u>	<u>60,157,960</u>
Expenditures:			
General government support	7,120,442	2,356,772	9,477,214
Education	783,691	-	783,691
Public safety	8,293,804	-	8,293,804
Health	5,815,011	-	5,815,011
Transportation	684,705	8,808,286	9,492,991
Economic assistance and opportunity	14,383,100	208,363	14,591,463
Culture and recreation	697,441	-	697,441
Home and community services	1,089,247	651,788	1,741,035
Employee benefits	1,555,834	623,765	2,179,599
Debt service:			
Principal	590,345	130,476	720,821
Interest	217,375	11,240	228,615
Total expenditures	<u>41,230,995</u>	<u>12,790,690</u>	<u>54,021,685</u>
Other financing sources (uses):			
Operating transfers in	305,394	11,361,192	11,666,586
Operating transfers out	(9,174,066)	(763,386)	(9,937,452)
Total other financing sources (uses)	<u>(8,868,672)</u>	<u>10,597,806</u>	<u>1,729,134</u>
Change in fund balances	3,900,489	3,964,920	7,865,409
Fund balances at beginning of year	<u>17,447,563</u>	<u>3,157,871</u>	<u>20,605,434</u>
Fund balances at end of year	<u>\$ 21,348,052</u>	<u>7,122,791</u>	<u>28,470,843</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, 2021

Net change in fund balances - governmental funds		\$ 7,865,409
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	\$ 7,558,715	
Depreciation	<u>(6,646,519)</u>	
Change in capital assets		912,196
Change in net position from internal service fund not reported in governmental funds but included in government-wide statement of activities.		(2,041,165)
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		78,266
Other postemployment benefits obligation:		
Total OPEB liability	(5,915,214)	
Deferred outflows of resources - OPEB	(2,270,720)	
Deferred inflows of resources - OPEB	<u>3,606,214</u>	(4,579,720)
Accrued interest		1,012
Pension:		
Net pension liability	14,485,361	
Deferred outflows of resources - pension	2,215,218	
Deferred inflows of resources - pension	<u>(15,610,388)</u>	1,090,191
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.		(594,750)
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.		360,821
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>360,000</u>
Change in net position of governmental activities		<u>\$ 3,422,951</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK  
Statement of Net Position  
Proprietary Funds  
December 31, 2021

	<u>Business-type Activities - Enterprise Funds</u>				
	Lewis County General Hospital and Residential Health Care Facility	Workers' Compensation Fund	Solid Waste Fund	Total	Internal Service Fund
<u>Assets</u>					
Current assets:					
Cash and equivalents	\$ 5,664,495	1,935,444	478,770	8,078,709	3,266,914
Investments	22,126,332	989,272	128,169	23,243,773	2,401,198
Accounts receivable, net of allowance	6,282,931	10,203	206,984	6,500,118	-
Intergovernmental transfer revenue receivable	2,757,565	-	-	2,757,565	-
Due from other funds	5,497,355	-	-	5,497,355	-
Inventory	2,459,594	-	-	2,459,594	-
Prepaid expenses and other current assets	2,413,354	98,207	14,168	2,525,729	249,708
Total current assets	<u>47,201,626</u>	<u>3,033,126</u>	<u>828,091</u>	<u>51,062,843</u>	<u>5,917,820</u>
Noncurrent assets:					
Capital assets:					
Land	540,534	-	66,500	607,034	-
Construction in progress	1,967,543	-	-	1,967,543	-
Capital assets - depreciable, net	13,420,977	-	969,970	14,390,947	-
Restricted cash and equivalents	393,730	-	-	393,730	-
Other assets	5,167	-	-	5,167	-
Total noncurrent assets	<u>16,327,951</u>	<u>-</u>	<u>1,036,470</u>	<u>17,364,421</u>	<u>-</u>
Total assets	<u>63,529,577</u>	<u>3,033,126</u>	<u>1,864,561</u>	<u>68,427,264</u>	<u>5,917,820</u>
<u>Deferred outflows of resources</u>					
Pension	26,361,495	-	1,032,227	27,393,722	-
OPEB	7,013,147	-	111,170	7,124,317	-
Total deferred outflows of resources	<u>33,374,642</u>	<u>-</u>	<u>1,143,397</u>	<u>34,518,039</u>	<u>-</u>
<u>Liabilities</u>					
Current liabilities:					
Accounts payable and accrued expenses	6,949,518	1,568,101	112,902	8,630,521	2,526,736
Estimated third party payor settlements	7,424,389	-	-	7,424,389	-
Capital lease obligations	223,633	-	-	223,633	-
Advance liability - medicare accelerated payments	5,193,662	-	-	5,193,662	-
Due to other funds	-	-	1,500,000	1,500,000	-
Total OPEB liability	3,118,000	-	61,848	3,179,848	-
Total current liabilities	<u>22,909,202</u>	<u>1,568,101</u>	<u>1,674,750</u>	<u>26,152,053</u>	<u>2,526,736</u>
Noncurrent liabilities:					
Capital lease obligations	229,614	-	-	229,614	-
Total OPEB liability	122,259,832	-	2,631,313	124,891,145	-
Net pension liability	116,608	-	4,566	121,174	-
Compensated absences	-	-	23,218	23,218	-
Other liabilities	903,403	-	-	903,403	-
Total noncurrent liabilities	<u>123,509,457</u>	<u>-</u>	<u>2,659,097</u>	<u>126,168,554</u>	<u>-</u>
Total liabilities	<u>146,418,659</u>	<u>1,568,101</u>	<u>4,333,847</u>	<u>152,320,607</u>	<u>2,526,736</u>
<u>Deferred inflows of resources</u>					
Pension	35,479,825	-	1,389,270	36,869,095	-
<u>Net position</u>					
Net investment in capital assets	15,476,405	-	1,036,470	16,512,875	-
Restricted	601,281	-	-	601,281	249,708
Unrestricted (deficit)	(101,071,951)	1,465,025	(3,751,629)	(103,358,555)	3,141,376
Total net position (deficit)	<u>\$ (84,994,265)</u>	<u>1,465,025</u>	<u>(2,715,159)</u>	<u>(86,244,399)</u>	<u>3,391,084</u>

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, 2021

	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	\$ 66,745,940	1,374,127	2,373,969	70,494,036	3,151,321
Interfund revenue	-	-	-	-	11,045,197
Sale of property and compensation for loss	-	-	24,200	24,200	2,329,284
Miscellaneous	-	-	17,457	17,457	-
Intergovernmental transfer	4,095,837	-	-	4,095,837	-
Other	4,917,311	192,417	-	5,109,728	-
Total operating revenue	<u>75,759,088</u>	<u>1,566,544</u>	<u>2,415,626</u>	<u>79,741,258</u>	<u>16,525,802</u>
Operating expenses:					
Personnel services	33,717,779	11,946	402,446	34,132,171	-
Employee benefits	18,145,827	544,850	397,148	19,087,825	17,296,778
Supplies and other	10,375,832	-	1,230	10,377,062	-
Purchased services	20,606,885	169,312	1,302,908	22,079,105	1,270,189
Depreciation and amortization	2,649,390	-	135,832	2,785,222	-
Total operating expenses	<u>85,495,713</u>	<u>726,108</u>	<u>2,239,564</u>	<u>88,461,385</u>	<u>18,566,967</u>
Gain (loss) from operations	<u>(9,736,625)</u>	<u>840,436</u>	<u>176,062</u>	<u>(8,720,127)</u>	<u>(2,041,165)</u>
Nonoperating revenue (expenses):					
Provider relief fund grant	3,086,313	-	-	3,086,313	-
Interest income	1,091	4,014	520	5,625	-
Interest expense	(15,908)	-	-	(15,908)	-
Other	322,647	-	-	322,647	-
Total nonoperating revenue	<u>3,394,143</u>	<u>4,014</u>	<u>520</u>	<u>3,398,677</u>	<u>-</u>
Other financing sources (uses):					
Operating transfers in	-	-	170,866	170,866	-
Operating transfers out	-	-	(1,900,000)	(1,900,000)	-
Capital grant and contributions	560,075	-	-	560,075	-
Total other financing sources (uses)	<u>560,075</u>	<u>-</u>	<u>(1,729,134)</u>	<u>(1,169,059)</u>	<u>-</u>
Change in net position	(5,782,407)	844,450	(1,552,552)	(6,490,509)	(2,041,165)
Net position (deficit) at beginning 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>
Net position (deficit) at end of year	<u>\$ (84,994,265)</u>	<u>1,465,025</u>	<u>(2,715,159)</u>	<u>(86,244,399)</u>	<u>3,391,084</u>

See accompanying notes to financial statements.



COUNTY OF LEWIS, NEW YORK  
Statement of Cash Flows  
Proprietary Funds  
Year ended December 31, 2021

	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	\$ 70,996,941	1,556,341	2,415,627	74,968,909	16,532,590
Cash payments for services and payables	(32,284,688)	(169,312)	(1,304,138)	(33,758,138)	(1,270,188)
Cash paid to employees and benefits	(48,396,787)	(854,585)	(696,185)	(49,947,557)	(17,538,872)
Other receipts and payments, net	5,058,744	-	1,594,961	6,653,705	-
Net cash provided by (used in) operating activities	<u>(4,625,790)</u>	<u>532,444</u>	<u>2,010,265</u>	<u>(2,083,081)</u>	<u>(2,276,470)</u>
Cash flows from noncapital financing activities:					
Noncapital contributions	2,775,666	-	(1,729,134)	1,046,532	-
Other	(142,506)	-	-	(142,506)	-
Net cash provided by (used in) noncapital financing activities	<u>2,633,160</u>	<u>-</u>	<u>(1,729,134)</u>	<u>904,026</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Principal payments on long-term debt	(1,865,390)	-	-	(1,865,390)	-
Interest payments on long-term debt	(16,391)	-	-	(16,391)	-
Purchase of capital assets	(2,656,602)	-	(341,359)	(2,997,961)	-
Proceeds from sale of capital assets	-	-	-	-	-
Capital grants and contributions	710,098	-	-	710,098	-
Net cash used in capital and related financing activities	<u>(3,828,285)</u>	<u>-</u>	<u>(341,359)</u>	<u>(4,169,644)</u>	<u>-</u>
Cash flows from investing activities:					
Purchases of investments, net	6,423,288	-	-	6,423,288	(9,742)
Investment income	76,849	-	-	76,849	-
Repayment of loaned advances from Lewis County	249,822	-	-	249,822	-
Net cash provided by (used in) investing activities	<u>6,749,959</u>	<u>-</u>	<u>-</u>	<u>6,749,959</u>	<u>(9,742)</u>
Changes in cash and equivalents	929,044	532,444	(60,228)	1,401,260	(2,286,212)
Cash and equivalents at beginning of year	5,129,181	1,403,000	538,998	7,071,179	5,553,126
Cash and equivalents at end of year	<u>\$ 6,058,225</u>	<u>1,935,444</u>	<u>478,770</u>	<u>8,472,439</u>	<u>3,266,914</u>
Reconciliation of cash and equivalents to the statement of net position:					
Current	5,664,495	1,935,444	478,770	8,078,709	3,266,914
Noncurrent	393,730	-	-	393,730	-
	<u>\$ 6,058,225</u>	<u>1,935,444</u>	<u>478,770</u>	<u>8,472,439</u>	<u>3,266,914</u>
Reconciliation of gain (loss) from operations to net cash provided by (used in) operating activities:					
Gain (loss) from operations	(9,736,625)	840,436	176,062	(8,720,127)	(2,041,165)
Adjustments to reconcile gain (loss) from operations to net cash provided by (used in) operating activities:					
Depreciation expense	2,649,390	-	135,832	2,785,222	-
Provision for bad debts	1,325,170	-	-	1,325,170	-
Changes in:					
Accounts receivable	(1,497,086)	(10,203)	-	(1,507,289)	6,788
Intergovernmental transfer revenue receivable	814,696	-	-	814,696	-
Due from other funds	-	-	94,961	94,961	-
Inventory	(141,164)	-	-	(141,164)	-
Prepaid expenses and other current assets	(224,058)	(33,578)	(2,338)	(259,974)	18,692
Deferred outflows of resources - pensions	-	-	(254,536)	(254,536)	-
Deferred outflows of resources - OPEB	-	-	65,316	65,316	-
Accounts payable and accrued expenses	(1,200,768)	(264,211)	6,012	(1,458,967)	(260,785)
Total OPEB liability	5,968,329	-	170,147	6,138,476	-
Net pension liability	(2,096,058)	-	(1,111,365)	(3,207,423)	-
Estimated third party payor settlements	1,499,051	-	-	1,499,051	-
Advance liability - medicare accelerated payments	(1,986,667)	-	-	(1,986,667)	-
Due to other funds	-	-	1,500,000	1,500,000	-
Deferred inflows of resources - pensions	-	-	1,230,174	1,230,174	-
Net cash provided by (used in) operating activities	<u>\$ (4,625,790)</u>	<u>532,444</u>	<u>2,010,265</u>	<u>(2,083,081)</u>	<u>(2,276,470)</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK  
 Statement of Fiduciary Net Position  
 Fiduciary Funds  
 December 31, 2021

	<u>Custodial Fund</u>	Private Purpose Trust <u>Fund</u>	<u>Total</u>
Assets - cash and equivalents	\$ 1,264,183	<u>27,562</u>	<u>1,291,745</u>
Liabilities - due to other funds	<u>271</u>	<u>-</u>	<u>271</u>
Fiduciary net position	<u>\$ 1,263,912</u>	<u>27,562</u>	<u>1,291,474</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 Year ended December 31, 2021

	<u>Custodial</u> <u>Fund</u>	<u>Private</u> <u>Purpose</u> <u>Trust Fund</u>	<u>Total</u>
Additions:			
Bail collections	\$ 302,300	-	302,300
DSS medical collections	34,615	-	34,615
Mortgage collections	879,723	-	879,723
District attorney collections	20,103	-	20,103
Aid and incentives for municipalities collections	185,403	-	185,403
Investment earnings	-	3	3
Miscellaneous collections	<u>1,185,803</u>	<u>-</u>	<u>1,185,803</u>
Total additions	<u>2,607,947</u>	<u>3</u>	<u>2,607,950</u>
Deductions:			
Bail payments	5,100	-	5,100
DSS medical payments	39,726	-	39,726
Mortgage payments	836,591	-	836,591
District attorney payments	22,037	-	22,037
Aid and incentives for municipalities payments	185,403	-	185,403
Miscellaneous payments	<u>1,011,600</u>	<u>-</u>	<u>1,011,600</u>
Total deductions	<u>2,100,457</u>	<u>-</u>	<u>2,100,457</u>
Change in fiduciary net position	507,490	3	507,493
Fiduciary net position at beginning of year	<u>756,422</u>	<u>27,559</u>	<u>783,981</u>
Fiduciary net position at end of year	<u>\$ 1,263,912</u>	<u>27,562</u>	<u>1,291,474</u>

See accompanying notes to financial statements.

## COUNTY OF LEWIS, NEW YORK

### Notes to Financial Statements

December 31, 2021

#### (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 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 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.

(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.

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

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

(1) Government-Wide Financial Statements, Continued

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, 2021.

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:

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.

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

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 (the Hospital), Workers' Compensation Fund and Solid Waste Fund.

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.

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.

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

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.

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.



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

(1) Summary of Significant Accounting Policies, Continued

(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 1<sup>st</sup> on property values assessed in the prior year. Along with the current year's property taxes, the prior year's unpaid school and village 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 31<sup>st</sup>, and become a lien on January 1<sup>st</sup>. 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 1<sup>st</sup> to no later than May 31<sup>st</sup>. 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.

(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.

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

(1) Summary of Significant Accounting Policies, Continued

(g) Capital Assets, Continued

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.

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 in the period the bond is issued.

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.

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, 2021 to be \$952,511. This represents vacation earned in 2021 but not usable until 2022. 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.

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

(1) Summary of Significant Accounting Policies, Continued

(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, 2021, \$2,175,333 was paid on behalf of 231 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 \$3,100,419 for the year ended December 31, 2021.

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 \$62,572 for the year ended December 31, 2021.

(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 to/from 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.

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

(1) Summary of Significant Accounting Policies, Continued

(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 GAAP 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 the pension 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.

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.

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

(1) Summary of Significant Accounting Policies, Continued

(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 on a national, regional and local level are unknown, but have 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

The County has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued and have determined the following subsequent event requires disclosure under GAAP.

The County issued a general obligation serial bond on April 20, 2022. Principal payments for the bond will total \$50,000,000 and interest payments will total \$20,405,551. The bond is set to mature in 2042 and has a started interest rate of 3.25% - 3.50%.

(2) Cash and Equivalents and Investments

The County's investment policies are governed by State statutes. The County's monies must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts, 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 the State or its localities.

Collateral is required for demand deposits and certificates of deposit at 100% of all deposits not covered by FDIC 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.

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 FDIC 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.

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

(2) Cash and Equivalents and Investments, Continued

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	\$ 10,842,005	11,463,148
Business-type activities	8,472,439	9,764,608
Fiduciary funds	<u>1,291,745</u>	<u>1,361,621</u>
Total cash balances	\$ <u>20,606,189</u>	<u>22,589,377</u>
Insured (FDIC)		1,019,619
Deposits held in trust for the County's benefit		957
Uncollateralized Hospital deposits		<u>1,910</u>
Collateral held in the County's name		\$ <u>21,567,161</u>

The following table describes investment balances and related collateralization:

<u>Fund Type</u>	<u>Book balance</u>	<u>Fair value</u>
Governmental activities	\$ 31,515,222	31,515,222
Business-type activities	<u>23,243,773</u>	<u>23,243,773</u>
Total investment balance	\$ <u>54,758,995</u>	<u>54,758,995</u>
Insured (FDIC)		\$ <u>54,758,995</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	12/22/2022	0.44901%	\$ 1,506,899
Certificate of Deposit	12/31/2020	12/29/2022	0.44901%	1,506,769
Certificate of Deposit	01/07/2021	01/05/2023	0.44901%	1,506,639
Certificate of Deposit	01/14/2021	01/12/2023	0.44901%	1,506,509
Certificate of Deposit	01/21/2021	01/19/2023	0.44901%	1,506,380
Certificate of Deposit	01/28/2021	01/26/2023	0.44901%	502,083
CDARS	N/A	N/A	0.01000%	10,040,864
Certificate of Deposit	03/19/2021	03/19/2022	0.30000%	5,000,000
Certificate of Deposit	06/11/2021	06/10/2022	0.25000%	<u>7,000,000</u>
				\$ <u>30,076,143</u>

The Hospital has \$22,126,332 of investments as of December 31, 2021, 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, 2021 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,591,695	5,497,355
Special Grants Fund	-	18,455
County Road Fund	1,065	-
Capital Projects Fund	65,699	139,733
Solid Waste Fund	-	1,500,000
Hospital	5,497,355	-
Custodial	-	271
Total	\$ <u>7,155,814</u>	<u>7,155,814</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, 2021 for the Governmental Funds were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 305,394	9,174,066
County Road Fund	4,350,652	-
Road Machinery Fund	273,771	-
Capital Projects Fund	6,736,769	763,386
Solid Waste Fund	170,866	1,900,000
Total	\$ <u>11,837,452</u>	<u>11,837,452</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	\$ -	3,997,084
Business-type activities	3,997,355	-
Custodial fund	-	271
Total	\$ <u>3,997,355</u>	<u>3,997,355</u>

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

(4) Capital Assets

Capital assets activity for the year ended December 31, 2021 are as follows:

	January 1, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	December 31, <u>2021</u>
<u>Primary Government</u>				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 117,642	-	-	117,642
Construction in progress	<u>4,621,946</u>	<u>2,869,673</u>	-	<u>7,491,619</u>
Total capital assets, not being depreciated	<u>4,739,588</u>	<u>2,869,673</u>	-	<u>7,609,261</u>
Capital assets, being depreciated:				
Buildings and improvements	28,814,564	-	-	28,814,564
Infrastructure	125,794,440	3,916,520	-	129,710,960
Machinery and equipment	<u>20,796,323</u>	<u>772,522</u>	<u>(1,553,500)</u>	<u>20,015,345</u>
Total capital assets, being depreciated	<u>175,405,327</u>	<u>4,689,042</u>	<u>(1,553,500)</u>	<u>178,540,869</u>
Less accumulated depreciation for:				
Buildings and improvements	11,181,840	794,793	-	11,976,633
Infrastructure	70,941,068	3,459,754	-	74,400,822
Machinery and equipment	<u>9,872,036</u>	<u>2,391,972</u>	<u>(1,553,500)</u>	<u>10,710,508</u>
Total accumulated depreciation	<u>91,994,944</u>	<u>6,646,519</u>	<u>(1,553,500)</u>	<u>97,087,963</u>
Total capital assets, being depreciated, net	<u>83,410,383</u>	<u>(1,957,477)</u>	-	<u>81,452,906</u>
Governmental activities capital assets, net	<u>88,149,971</u>	<u>912,196</u>	-	<u>89,062,167</u>
Business-type activities:				
Hospital:				
Capital assets, not being depreciated:				
Land	540,534	-	-	540,534
Construction in progress	<u>2,184,831</u>	<u>2,656,602</u>	<u>(2,873,890)</u>	<u>1,967,543</u>
Total capital assets, not being depreciated	<u>2,725,365</u>	<u>2,656,602</u>	<u>(2,873,890)</u>	<u>2,508,077</u>
Capital assets, being depreciated:				
Land improvements	1,723,202	50,600	-	1,773,802
Buildings and improvements	40,669,836	2,570,296	-	43,240,132
Moveable equipment	<u>32,620,530</u>	<u>10,852</u>	-	<u>32,631,382</u>
Total capital assets, being depreciated	<u>75,013,568</u>	<u>2,631,748</u>	-	<u>77,645,316</u>
Less accumulated depreciation	<u>61,817,091</u>	<u>2,649,390</u>	<u>(242,142)</u>	<u>64,224,339</u>
Total capital assets, being depreciated, net	<u>13,196,477</u>	<u>(17,642)</u>	<u>242,142</u>	<u>13,420,977</u>
Hospital capital assets, net	<u>15,921,842</u>	<u>2,638,960</u>	<u>(2,631,748)</u>	<u>15,929,054</u>



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

(4) Capital Assets, Continued

	January 1, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	December 31, <u>2021</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>1,675,906</u>	<u>341,359</u>	-	<u>2,017,265</u>
Total capital assets, being depreciated	<u>2,558,200</u>	<u>341,359</u>	-	<u>2,899,559</u>
Less accumulated depreciation for:				
Buildings and improvements	867,595	14,699	-	882,294
Machinery and equipment	<u>926,162</u>	<u>121,133</u>	-	<u>1,047,295</u>
Total accumulated depreciation	<u>1,793,757</u>	<u>135,832</u>	-	<u>1,929,589</u>
Total assets being depreciated, net	<u>764,443</u>	<u>205,527</u>	-	<u>969,970</u>
Total Solid Waste Fund capital assets, net	<u>830,943</u>	<u>205,527</u>	-	<u>1,036,470</u>
Total business-type activities capital assets, net	<u>\$ 16,752,785</u>	<u>2,844,487</u>	<u>(2,631,748)</u>	<u>16,965,524</u>

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

Governmental activities:

General government support	\$ 797,324
Public safety	1,634,057
Health	627
Transportation	4,160,065
Economic assistance and opportunity	41,834
Culture and recreation	<u>12,612</u>
Total governmental activities	\$ <u>6,646,519</u>

Business-type activities:

Hospital	\$ 2,649,390
Solid Waste	<u>135,832</u>
Total business-type activities	\$ <u>2,785,222</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, 2021 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	0.00% - 9.25%	\$ <u>463,998</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 \$409,000.			\$ <u>453,247</u>

Details relating to long-term debt outstanding at December 31, 2021 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	2.00% - 4.00%	\$ <u>6,970,000</u>

Future maturities of long-term debt payable at December 31, 2021 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:		
2022	\$ 230,923	223,633
2023	176,404	229,614
2024	56,671	-
2025	-	-
2026	-	-
2027 - 2031	-	-
2032 - 2036	-	-
2037	-	-
	<u>463,998</u>	<u>453,247</u>
Total principal	<u>463,998</u>	<u>453,247</u>

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

(5) General Long-Term Obligations, Continued

	<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>obligations</u>
	<u>General</u>	<u>obligations</u>
	<u>obligation</u>	<u>obligations</u>
	<u>bonds</u>	<u>obligations</u>
Interest:		
2022	\$ 7,133	208,763
2023	4,294	199,113
2024	1,387	188,400
2025	-	177,000
2026	-	163,819
2027 - 2031	-	587,519
2032 - 2036	-	218,950
2037	-	6,313
Total interest	<u>12,814</u>	<u>1,749,875</u>
Total principal and interest	<u>\$ 476,812</u>	<u>8,719,875</u>

Long-term liability activity for the year ended December 31, 2021 was as follows:

	January 1,			December 31,	Due	Due
	2021	Additions	Deductions	2021	within	after
					one year	one year
<u>Governmental activities:</u>						
Bonds payable	\$ 7,330,000	-	(360,000)	6,970,000	365,000	6,605,000
Capital leases	824,819	-	(360,821)	463,998	230,923	233,075
Total OPEB liability	68,440,604	5,915,214	-	74,355,818	2,150,152	72,205,666
Net pension liability	14,539,802	-	(14,485,361)	54,441	-	54,441
Compensated absences, net	<u>1,007,559</u>	-	(78,266)	<u>929,293</u>	-	<u>929,293</u>
Total governmental activities	<u>92,142,784</u>	<u>5,915,214</u>	<u>(15,284,448)</u>	<u>82,773,550</u>	<u>2,746,075</u>	<u>80,027,475</u>
<u>Business-type activities:</u>						
Hospital:						
Capital leases	2,318,637	-	(1,865,390)	453,247	223,633	229,614
Paycheck protection program loan	779,364	-	(779,364)	-	-	-
Total OPEB liability	114,018,683	11,359,149	-	125,377,832	3,118,000	122,259,832
Net pension liability	30,841,412	2,043,180	(32,767,984)	116,608	-	116,608
Advance liability - medicare accelerated payments	7,180,329	-	(1,986,667)	5,193,662	5,193,662	-
Other liabilities	<u>1,428,252</u>	-	(362,148)	<u>1,066,104</u>	<u>162,701</u>	<u>903,403</u>
Total Hospital	<u>156,566,677</u>	<u>13,402,329</u>	<u>(37,761,553)</u>	<u>132,207,453</u>	<u>8,697,996</u>	<u>123,509,457</u>

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

(5) General Long-Term Obligations, Continued

Business-type activities, continued:

Solid Waste Fund:

Total OPEB liability	\$ 2,523,014	-	(170,147)	2,352,867	61,848	2,631,313
Net pension liability	<u>1,115,931</u>	-	<u>(1,111,365)</u>	4,566	-	4,566
Total Solid Waste Fund	<u>3,638,945</u>	-	<u>(1,281,512)</u>	2,357,433	61,848	2,635,879
Business-type activities	<u>\$ 160,205,622</u>	<u>13,402,329</u>	<u>(39,043,065)</u>	<u>134,564,886</u>	<u>8,759,844</u>	<u>126,145,336</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

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](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 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.

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

(6) Employee Retirement Plan, Continued

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

At December 31, 2021, the County reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The County's proportionate share of the net pension liability was based on a projection of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the County.

	Governmental <u>Activities</u>	<u>Hospital</u>	Solid <u>Waste</u>	<u>Total</u>
Measurement date	3/31/2021	3/31/2021	3/31/2021	3/31/2021
Net pension liability	\$ 54,441	116,608	4,566	175,615
County's proportion of the Plan's net pension liability	0.0546741%	0.1171072%	0.0045855%	0.1763668%
Change from the prior year	(0.0002545)	0.0006604	0.0003713	0.0007772

For the year ended December 31, 2021, the County recognized pension expense of \$3,077,134 for the System in the statement of activities. At December 31, 2021 the County's reported deferred outflows of resources and deferred inflows of resources related to pensions 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	\$ 664,869	1,424,107	55,764	2,144,740
Changes of assumptions	10,009,905	21,440,571	839,540	32,290,016
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	129,609	277,614	10,870	418,093
County's contributions subsequent to the measurement date	<u>1,502,941</u>	<u>3,219,203</u>	<u>126,053</u>	<u>4,848,197</u>
Total	\$ <u>12,307,324</u>	<u>26,361,495</u>	<u>1,032,227</u>	<u>39,701,046</u>

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

(6) Employee Retirement Plan, Continued

(b) Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension, 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	\$ -	-	-	-
Changes of assumptions	188,790	404,375	15,834	608,999
Net difference between projected and actual investment earnings on pension plan investments	15,638,600	33,496,872	1,311,624	50,447,096
Changes in proportion and differences between the County's contributions and proportionate share of contributions	<u>736,987</u>	<u>1,578,578</u>	<u>61,812</u>	<u>2,377,377</u>
Total	\$ <u>16,564,377</u>	<u>35,479,825</u>	<u>1,389,270</u>	<u>53,433,472</u>
<u>Year ending</u>	<u>Governmental Activities</u>	<u>Hospital</u>	<u>Solid Waste</u>	<u>Total</u>
2022	\$ (1,166,738)	(2,499,078)	(97,855)	(3,763,671)
2023	(514,994)	(1,103,085)	(43,193)	(1,661,272)
2024	(984,676)	(2,109,107)	(82,586)	(3,176,369)
2025	<u>(3,093,586)</u>	<u>(6,626,263)</u>	<u>(259,462)</u>	<u>(9,979,311)</u>
Total	\$ <u>(5,759,994)</u>	<u>(12,337,533)</u>	<u>(483,096)</u>	<u>(18,580,623)</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, 2021
Actuarial valuation date	April 1, 2020
Investment rate of return (net of investment expense, including inflation)	5.9%
Salary increases	4.4%
Inflation	2.7%
Cost-of-living adjustments	1.4%

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

(6) Employee Retirement Plan, Continued

(c) Actuarial Assumptions, Continued

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

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic equity	32.00%	4.05%
International equity	15.00%	6.30%
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic/ARS portfolio	3.00%	4.50%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed income	23.00%	0.00%
Cash	<u>1.00%</u>	0.50%
	<u>100.00%</u>	

\*The real rate of return is net of the long-term inflation assumption of 2.0%.

(d) Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and 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.

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	1% Decrease <u>(4.9%)</u>	Current Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Employer's proportionate share of the net pension asset (liability):			
Governmental Activities	\$ (15,110,656)	(54,441)	13,830,914
Hospital	(32,366,051)	(116,608)	29,624,925
Solid Waste	<u>(1,267,345)</u>	<u>(4,566)</u>	<u>1,160,012</u>
Total	\$ <u>(48,744,052)</u>	<u>(175,615)</u>	<u>44,615,851</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	3/31/2021
Employers' total pension liability	\$ (220,680)
Plan fiduciary net position	<u>220,580</u>
Employers' net pension liability	\$ <u><u>(100)</u></u>
Ratio of plan fiduciary net position to the Employers' total pension liability	99.95%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Retirement contributions as of December 31, 2021 represent the projected employer contribution for the period of April 1, 2021 through March 31, 2022, 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, 2021 was \$6,313,178.



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

(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.

The County administers the plan as a single-employer defined benefit other postemployment benefit plan (OPEB). 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. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

(b) Employees Covered by Benefit Terms

At December 31, 2021, 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 \$202,426,811 was measured as of September 30, 2021 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	3.44%
Discount rate	2.19%
Healthcare Cost Trend Rates	From 6.10% for 2021, decreasing to an ultimate rate of 4.37%

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 (OPEB), Continued

(e) Changes in the Total OPEB Liability

	<u>Governmental</u> <u>Activities</u>	<u>Hospital</u>	<u>Solid</u> <u>Waste</u>	<u>Total</u>
Total OPEB liability as of January 1, 2021	\$ 68,440,604	114,018,683	2,523,014	184,982,301
Changes for the year:				
Service cost	1,039,309	2,180,837	29,896	3,250,042
Interest	1,635,028	2,725,688	47,030	4,407,746
Differences between expected and actual experience	2,804,462	4,975,784	80,668	7,860,914
Changes in assumptions or other inputs	2,611,748	4,577,259	75,125	7,264,132
Benefit payments	<u>(2,175,333)</u>	<u>(3,100,419)</u>	<u>(62,572)</u>	<u>(5,338,324)</u>
Total changes	<u>5,915,214</u>	<u>11,359,149</u>	<u>170,147</u>	<u>17,444,510</u>
Total OPEB liability as of December 31, 2021	<u>\$ 74,355,818</u>	<u>125,377,832</u>	<u>2,693,161</u>	<u>202,426,811</u>

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

For the year ended December 31, 2021, the County recognized OPEB expense of \$16,191,000. At December 31, 2021, 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>			
	<u>Governmental</u> <u>Activities</u>	<u>Hospital</u>	<u>Solid</u> <u>Waste</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,890,334	3,037,008	47,845	4,975,187
Changes of assumptions or other inputs	1,651,708	3,192,517	47,510	4,891,735
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>549,809</u>	<u>783,622</u>	<u>15,815</u>	<u>1,349,246</u>
Total	<u>\$ 4,091,851</u>	<u>7,013,147</u>	<u>111,170</u>	<u>11,216,168</u>

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

(7) Other Postemployment Benefits (OPEB), 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	\$ -	-	-	-
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	\$ -	-	-	-

County contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2022. 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>
2022	\$ 3,043,313	4,983,476	87,539	8,114,328
2023	498,729	1,246,049	7,816	1,752,594
Total	\$ 3,542,042	6,229,525	95,355	9,866,922

(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 (1.19%) or 1-percentage-point higher (3.19%) than the current discount rate:

	1% Decrease (1.19%)	Discount Rate (2.19%)	1% Increase (3.19%)
Governmental Activities	\$ 89,134,985	74,355,818	63,768,302
Hospital	150,873,424	125,377,832	105,661,920
Solid Waste	2,563,909	2,693,161	1,834,253
Total	\$ 242,572,318	202,426,811	171,264,475

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

(7) Other Postemployment Benefits (OPEB), 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% <u>Decrease</u>	Trend <u>Rate</u>	1% <u>Increase</u>
Governmental Activities	\$ 62,731,751	74,355,818	90,557,862
Hospital	103,753,403	125,377,832	153,584,537
Solid Waste	<u>1,804,438</u>	<u>2,693,161</u>	<u>2,604,837</u>
Total	\$ <u>168,289,592</u>	<u>202,426,811</u>	<u>246,747,236</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 \$2,042,371 for all governmental funds as of December 31, 2021 consisting of \$542,371 of prepaid expenditures and \$1,500,000 of a long-term due from other fund receivable from the solid waste fund.

Restricted

Represents amounts restricted for specific programs including E911 (\$227,317), Trail Maintenance (\$154,685), DWI (\$47,678) and bus operations of (\$386,884) as of December 31, 2021.

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 2022 property taxes appropriated by the County Legislature through the formal budget process. This amounted to \$2,145,000 for all governmental funds including General Fund \$1,975,000 and County Road \$170,000 as of December 31, 2021.

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

General Fund	\$ 1,029,608
Capital Projects Fund	233,420
Road Machinery Fund	<u>32,744</u>
	\$ <u>1,295,772</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 \$681,368 as of December 31, 2021.

Road Machinery Fund - represents uncommitted amounts strictly related to the operation and activities of the road machinery fund. This amounted to \$739,417 as of December 31, 2021.

Capital Projects Fund - represents uncommitted amounts strictly related to the operation and activities of the capital projects fund. This amounted to \$5,213,234 as of December 31, 2021.

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, 2021.

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 \$15,536,160 for all governmental funds as of December 31, 2021 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, 2021, the County has recorded potential workers' compensation claims of \$1,568,101.

Claims reported for the year ended:	Balance at beginning of year	Claims and changes in estimates	Claim payments	Balance at end of year
Claims payable	\$ <u>1,832,312</u>	<u>545,112</u>	<u>(809,323)</u>	<u>1,568,101</u>

Health Insurance

The County is self-insured for health insurance. At December 31, 2021, the estimated liability for claims payable was \$2,526,736. 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, 2021 the County tax abatement programs include abatements on property taxes and sales taxes. All abatement agreements are made by 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, 2021 is as follows:

Manufacturing	\$ 14,284
Utilities	15,323
Medical	1,373

(2) Sales Tax

Under agreements entered into by the Agency, County sales tax revenue was reduced by \$685,283.

(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. 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.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

COUNTY OF LEWIS, NEW YORK  
Required Supplementary Information  
Schedule of Revenue and Expenditures - Budget to Actual - General Fund  
Year ended December 31, 2021

	Budget		Actual	Encumbrances	Variance with Modified Budget Positive (Negative)
	Original	Modified			(Negative)
Revenue:					
Real property tax	\$ 17,700,000	17,700,000	17,482,144	-	(217,856)
Real property tax items	2,012,734	2,012,734	1,863,096	-	(149,638)
Non-property tax items	12,029,000	12,029,000	15,419,076	-	3,390,076
Departmental income	2,276,022	2,285,122	2,195,912	-	(89,210)
Intergovernmental charges	172,546	172,546	63,850	-	(108,696)
Use of money and property	589,700	589,700	612,715	-	23,015
Licenses and permits	110,000	110,000	319,318	-	209,318
Fines and forfeitures	66,500	67,215	43,606	-	(23,609)
Sale of property and compensation for loss	406,688	452,814	616,267	-	163,453
Miscellaneous	163,200	201,415	683,762	-	482,347
Interfund revenue	-	-	80	-	80
State aid	8,027,748	10,489,802	8,772,366	-	(1,717,436)
Federal aid	5,511,908	11,512,961	5,927,964	-	(5,584,997)
Total revenue	<u>49,066,046</u>	<u>57,623,309</u>	<u>54,000,156</u>	<u>-</u>	<u>(3,623,153)</u>
Expenditures:					
General government support	6,857,735	7,718,305	7,120,442	23,701	574,162
Education	905,000	905,000	783,691	-	121,309
Public safety	8,823,042	9,382,682	8,293,804	27,325	1,061,553
Health	6,116,797	8,093,571	5,815,011	-	2,278,560
Transportation	1,817,578	1,703,352	684,705	956,252	62,395
Economic assistance and opportunity	16,968,014	17,229,608	14,383,100	16,055	2,830,453
Culture and recreation	465,524	743,805	697,441	25	46,339
Home and community services	762,447	1,164,416	1,089,247	6,250	68,919
Employee benefits	1,578,993	1,579,610	1,555,834	-	23,776
Debt service	577,375	577,375	807,720	-	(230,345)
Total expenditures	<u>44,872,505</u>	<u>49,097,724</u>	<u>41,230,995</u>	<u>1,029,608</u>	<u>6,837,121</u>
Other financing sources (uses):					
Operating transfers in	-	376,949	305,394	-	(71,555)
Operating transfers out	(5,843,541)	(13,695,231)	(9,174,066)	-	4,521,165
Total other financing sources (uses)	<u>(5,843,541)</u>	<u>(13,318,282)</u>	<u>(8,868,672)</u>	<u>-</u>	<u>4,449,610</u>
Change in fund balance	<u>\$ (1,650,000)</u>	<u>(4,792,697)</u>	<u>3,900,489</u>	<u>(1,029,608)</u>	<u>7,663,578</u>

COUNTY OF LEWIS, NEW YORK  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Year ended December 31, 2021

NYSERS Pension Plan								
	<u>Total</u>							
	<u>2021</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	0.1763668%	0.1755896%	0.1707100%	0.1641784%	0.1624383%	0.17258223%	0.173647%	0.173647%
County's proportionate share of the net pension liability	\$ 175,615	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	\$ 42,396,113	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	0.41%	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	99.95%	86.39%	96.27%	98.24%	97.40%	90.70%	97.95%	97.20%
<u>Governmental Activities</u>								
	<u>2021</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	0.0546741%	0.0549286%	0.0562320%	0.0541789%	0.0506807%	0.05281016%	0.053831%	0.053830%
County's proportionate share of the net pension liability	\$ 54,441	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	\$ 11,760,812	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	0.46%	124.64%	28.84%	13.56%	39.75%	73.86%	16.24%	21.01%
<u>Hospital</u>								
	<u>2021</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	0.1171072%	0.1164468%	0.1127740%	0.1088344%	0.1101332%	0.11804625%	0.118080%	0.118080%
Hospital's proportionate share of the net pension liability	\$ 116,608	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	\$ 29,648,910	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	0.39%	103.22%	27.56%	12.90%	40.67%	73.57%	15.47%	19.86%
<u>Solid Waste Fund</u>								
	<u>2021</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	0.0045855%	0.0042142%	0.0017040%	0.0016418%	0.0016244%	0.00172582%	0.001736%	0.001736%
Fund's proportionate share of the net pension liability	\$ 4,566	1,115,931	120,734	52,988	152,630	277,384	58,662	78,468
Fund's covered payroll	\$ 986,391	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	0.46%	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 the County's Pension Contributions  
 Year ended December 31, 2021

NYSERS Pension Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>Total</u> <u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 6,313,178	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
Contributions in relation to the contractually required contribution	<u>6,313,178</u>	<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>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 42,453,563	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
Contributions as a percentage of covered payroll	14.87%	13.40%	12.87%	13.21%	14.08%	14.83%	16.97%	18.31%	18.78%	17.67%

Governmental Activities

	<u>2021</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>
Contractually required contribution	\$ 1,944,562	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
Contributions in relation to the contractually required contribution	<u>1,944,562</u>	<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>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 11,760,812	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
Contributions as a percentage of covered payroll	16.53%	13.71%	13.60%	14.08%	14.73%	15.51%	17.55%	18.45%	18.61%	18.46%

Hospital

	<u>2021</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>
Contractually required contribution	\$ 4,204,473	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
Contributions in relation to the contractually required contribution	<u>4,204,473</u>	<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>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hospital's covered payroll	\$ 29,706,362	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
Contributions as a percentage of covered payroll	14.15%	13.28%	12.52%	12.80%	13.79%	14.53%	16.72%	18.16%	18.93%	16.71%

Solid Waste Fund

	<u>2021</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>
Contractually required contribution	\$ 164,143	140,042	56,932	55,013	54,861	55,840	63,397	59,275	52,335	50,659
Contributions in relation to the contractually required contribution	<u>164,143</u>	<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>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund's covered payroll	\$ 986,391	1,021,751	418,633	390,646	372,474	376,568	373,595	386,264	384,492	400,963
Contributions as a percentage of covered payroll	16.64%	13.71%	13.60%	14.08%	14.61%	14.83%	16.97%	15.35%	13.61%	12.63%

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, 2021

	2021				2020				2019				2018			
	Governmental Activities	Hospital	Solid Waste	Total	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	\$ 1,039	2,181	30	3,250	920	2,106	28	3,054	1,196	2,686	34	3,916	1,229	2,756	36	4,021
Interest	1,635	2,726	47	4,408	1,673	2,881	51	4,605	2,620	4,488	75	7,183	2,389	4,106	69	6,564
Changes in benefit term: Differences between expected and actual experience	-	-	-	-	-	-	-	-	(108)	-	(3)	(111)	-	-	-	-
Changes of assumptions or other inputs	2,804	4,976	81	7,861	3,891	1,722	118	5,731	(27,513)	(50,475)	(792)	(78,780)	2,237	2,791	65	5,093
Benefit payments	(2,175)	(3,100)	(63)	(5,338)	(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	5,915	11,360	170	17,445	7,140	8,507	216	15,863	(7,267)	(11,829)	(209)	(19,305)	331	181	10	522
Total OPEB liability - beginning	<u>68,441</u>	<u>114,018</u>	<u>2,523</u>	<u>184,982</u>	<u>61,301</u>	<u>105,511</u>	<u>2,307</u>	<u>169,119</u>	<u>68,568</u>	<u>117,340</u>	<u>2,516</u>	<u>188,424</u>	<u>68,237</u>	<u>117,159</u>	<u>2,506</u>	<u>187,902</u>
Total OPEB liability - ending	<u>\$ 74,356</u>	<u>125,378</u>	<u>2,693</u>	<u>202,427</u>	<u>68,441</u>	<u>114,018</u>	<u>2,523</u>	<u>184,982</u>	<u>61,301</u>	<u>105,511</u>	<u>2,307</u>	<u>169,119</u>	<u>68,568</u>	<u>117,340</u>	<u>2,516</u>	<u>188,424</u>
Covered payroll	\$ 12,387	28,003	357	40,747	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	600.27%	447.73%	754.34%	496.79%	617.03%	432.34%	750.89%	489.37%	569.76%	412.98%	739.42%	461.82%	637.31%	459.27%	806.41%	514.54%

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 period:

2021	2.19%
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. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

COUNTY OF LEWIS, NEW YORK  
Other Supplementary Information  
Combining Balance Sheet - Nonmajor Governmental Funds  
December 31, 2021

<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	\$ 22,327	686,872	641,610	5,141,441	957	6,493,207
Investments	-	179,938	114,006	766,573	-	1,060,517
State and federal receivables	-	-	-	111,929	-	111,929
Other receivables	10,033	62,091	56,021	-	-	128,145
Due from other funds	-	1,065	-	65,699	-	66,764
Due from other governments	78,081	-	-	-	-	78,081
Prepaid expenditures	-	46,121	5,530	-	-	51,651
Total assets	\$ 110,441	976,087	817,167	6,085,642	957	7,990,294
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>						
Liabilities:						
Accounts payable	-	14,163	33,317	497,755	-	545,235
Accrued liabilities	-	64,435	6,159	1,500	-	72,094
Due to other funds	18,455	-	-	139,733	-	158,188
Total liabilities	18,455	78,598	39,476	638,988	-	775,517
Deferred inflows of resources	91,986	-	-	-	-	91,986
Fund balances:						
Nonspendable	-	46,121	5,530	-	-	51,651
Assigned - appropriated	-	170,000	32,744	233,420	-	436,164
Assigned - unappropriated	-	681,368	739,417	5,213,234	957	6,634,976
Total fund balances	-	897,489	777,691	5,446,654	957	7,122,791
Total liabilities, deferred inflows of resources and fund balances	\$ 110,441	976,087	817,167	6,085,642	957	7,990,294

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, 2021

	Special Revenue Funds					Total
	Special Grants Fund	County Road Fund	Road Machinery Fund	Capital Projects Fund	Debt Service Fund	
Revenue:						
Intergovernmental charges	\$ -	86,149	-	-	-	86,149
Use of money and property	-	730	463	5,801	-	6,994
Sale of property and compensation for loss	-	63,207	474,798	-	-	538,005
Miscellaneous	-	5,446	617	-	-	6,063
Interfund revenue	-	152	781,292	-	-	781,444
State aid	-	3,544,589	-	18,325	-	3,562,914
Federal aid	<u>846,604</u>	<u>54,437</u>	<u>-</u>	<u>275,194</u>	<u>-</u>	<u>1,176,235</u>
Total revenue	<u>846,604</u>	<u>3,754,710</u>	<u>1,257,170</u>	<u>299,320</u>	<u>-</u>	<u>6,157,804</u>
Expenditures:						
General government support	-	-	-	2,356,772	-	2,356,772
Public safety	-	-	-	-	-	-
Transportation	-	7,392,819	904,572	510,895	-	8,808,286
Economic assistance and opportunity	208,363	-	-	-	-	208,363
Home and community services	638,241	-	-	13,547	-	651,788
Employee benefits	-	543,362	80,403	-	-	623,765
Debt service:						
Principal	-	-	130,476	-	-	130,476
Interest	<u>-</u>	<u>-</u>	<u>11,240</u>	<u>-</u>	<u>-</u>	<u>11,240</u>
Total expenditures	<u>846,604</u>	<u>7,936,181</u>	<u>1,126,691</u>	<u>2,881,214</u>	<u>-</u>	<u>12,790,690</u>
Other financing sources (uses):						
Operating transfers in	-	4,350,652	273,771	6,736,769	-	11,361,192
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(763,386)</u>	<u>-</u>	<u>(763,386)</u>
Total other financing sources (uses)	<u>-</u>	<u>4,350,652</u>	<u>273,771</u>	<u>5,973,383</u>	<u>-</u>	<u>10,597,806</u>
Change in fund balance	-	169,181	404,250	3,391,489	-	3,964,920
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ -</u>	<u>897,489</u>	<u>777,691</u>	<u>5,446,654</u>	<u>957</u>	<u>7,122,791</u>

See accompanying notes to financial statements.