

COUNTY OF LEWIS, NEW YORK

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

December 31, 2025

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, 2025, 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, 2025, 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 91%, 128%, and 97%, respectively, of the assets, deficit net position, and revenue of the business-type activities as of December 31, 2025. 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. The financial statements of the Hospital were not audited in accordance with Government Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information on pages 56 through 61 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 June 30, 2026, 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
June 30, 2026

COUNTY OF LEWIS, NEW YORK
Management's Discussion and Analysis
December 31, 2025

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, 2025. Please read it in conjunction with the County's basic financial statements.

FINANCIAL HIGHLIGHTS

- As reflected in the audited financial statements, prudent and conservative management has led the County through the recent challenging years in a strong financial position. While maintaining a healthy balance sheet, the County is focused on using sales tax revenue growth and accumulated reserves to improve and maintain our physical assets.
- The County's overall net position, increased by \$7.4 million compared to an increase of \$5.1 million in 2024.
- During the year, the County had revenue of \$206.3 million, as compared to \$204.4 million in 2024. Expenses decreased from \$199.3 million to \$198.9 million.
- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$81.8 million, as compared to \$74.4 million in 2024.
- During the year, the County's total other postemployment liability (OPEB) decreased from \$111.8 million in 2024 to \$108.6 million in 2025. The decrease was mainly a result of differences in changes of assumptions.
- The general fund recorded an increase of \$4.8 million during 2025, compared to a deficit of \$3.6 million during 2024 and ended the year with a fund balance of \$22.6 million. The Board of Legislators is focused on using our fund balance appropriately by addressing overdue facilities upgrades at our Social Services building and Highway campus and creating a combined Department of Motor Vehicles and Elections Office. In addition, the fund balance is being used to improve broadband services for our citizens and create new recreational opportunities.
- During the year, the County entered into multiple enterprise lease agreements. The issuance of the leases resulted in \$423,774 of other financing sources in the governmental funds.

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.

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

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

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

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

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

The County maintains five individual Governmental Funds. Data from the general fund and the four 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 each of these funds 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 enterprise funds 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.

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 and any major special revenue funds, if any, schedule of the County's proportionate share of the net pension asset/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, 2025.

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

Summary of Statement of Net Position

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Assets:			
Current assets	\$ 41,014,619	56,819,275	97,833,894
Noncurrent assets	<u>127,345,100</u>	<u>49,259,215</u>	<u>176,604,315</u>
Total assets	<u>168,359,719</u>	<u>106,078,490</u>	<u>274,438,209</u>
Deferred outflows of resources	<u>29,830,869</u>	<u>48,537,741</u>	<u>78,368,610</u>
Liabilities:			
Current liabilities	14,355,493	28,659,356	43,014,849
Noncurrent liabilities	<u>71,737,769</u>	<u>113,331,918</u>	<u>185,069,687</u>
Total liabilities	<u>86,093,262</u>	<u>141,991,274</u>	<u>228,084,536</u>
Deferred inflows of resources	<u>15,159,745</u>	<u>27,732,790</u>	<u>42,892,535</u>
Net position:			
Net investment in capital assets	104,361,980	19,220,942	123,582,922
Restricted	1,600,502	763,644	2,364,146
Unrestricted (deficit)	<u>(9,024,901)</u>	<u>(35,092,419)</u>	<u>(44,117,320)</u>
Total net position (deficit)	<u>\$ 96,937,581</u>	<u>(15,107,833)</u>	<u>81,829,748</u>

Net investment in capital assets of \$123,582,922 reflects the historical cost of capital assets (e.g., land, buildings, improvements, infrastructure, equipment, and right-to-use assets) less any accumulated depreciation and amortization as well as any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the County's net position in the amount of \$2,364,146 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 \$44,117,320 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 \$108,634,824.

The County's net position increased by \$7,419,974. Governmental activities increased the County's net position by \$9,668,022 while business-type activities decreased net position by \$2,248,048.

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

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

Summary of Changes in Net Position

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Revenue:			
Program revenue	\$ 47,883,976	107,851,275	155,735,251
Tax revenue	42,861,902	-	42,861,902
Other revenue	<u>6,007,259</u>	<u>1,712,170</u>	<u>7,719,429</u>
Total revenue	<u>96,753,137</u>	<u>109,563,445</u>	<u>206,316,582</u>
Expenses:			
General government support	13,251,664	-	13,251,664
Education	1,269,482	-	1,269,482
Public safety	16,343,013	-	16,343,013
Health	7,665,065	109,082,185	116,747,250
Transportation	11,332,662	-	11,332,662
Economic assistance and opportunity	27,436,654	-	27,436,654
Culture and recreation	4,144,527	-	4,144,527
Home and community services	4,821,869	2,729,308	7,551,177
Interest on debt	<u>820,179</u>	<u>-</u>	<u>820,179</u>
Total expenses	<u>87,085,115</u>	<u>111,811,493</u>	<u>198,896,608</u>
Change in net position	9,668,022	(2,248,048)	7,419,974
Net position at beginning of year (deficit)	<u>87,269,559</u>	<u>(12,859,785)</u>	<u>74,409,774</u>
Net position at end of year (deficit)	<u>\$ 96,937,581</u>	<u>(15,107,833)</u>	<u>81,829,748</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 and the capital projects 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.

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

At December 31, 2025, the County's Governmental Funds reported a combined fund balance of \$25,369,235, an increase of \$2,164,658 from the prior year. Approximately 60.8% of the combined fund balance, \$15,415,661, constitutes unassigned fund balance which is available to meet the County's current and future operational and capital needs as well as the deficit fund balance of the road machinery fund. 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 (\$771,019); (2) nonspendable for a long-term due from other fund receivable (\$1,421,556); (3) nonspendable for leases receivable, net of deferred inflows of resources (\$116,106); (4) restricted for specific programs including E911 (\$180,452), Trail Maintenance (\$116,498), DWI (\$54,174), and restricted for bus operations (\$126,562); (5) used to offset property taxes (\$2,037,084); or (6) classified as assigned for the liquidation of contracts and purchase orders of the prior period (\$1,580,980).

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

The general fund is the chief operating fund of the County. At December 31, 2025 unassigned fund balance of the general fund was \$16,469,774 while total fund balance increased to \$22,588,388. 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 24.3% of total fund expenditures and transfers out while total fund balance represents 33.3% of that same amount.

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

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Assets:			
Cash and investments	\$ 24,929,209	23,571,592	1,357,617
Receivables	13,558,548	16,362,489	(2,803,941)
Prepaid expenditures	<u>771,019</u>	<u>686,751</u>	<u>84,268</u>
Total assets	<u>\$ 39,258,776</u>	<u>40,620,832</u>	<u>(1,362,056)</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities	<u>9,648,861</u>	<u>12,887,007</u>	<u>(3,238,146)</u>
Deferred inflows of resources	<u>4,240,680</u>	<u>4,529,248</u>	<u>(288,568)</u>
Fund balances:			
Nonspendable	2,308,681	2,511,291	(202,610)
Restricted	477,686	785,845	(308,159)
Assigned	7,167,207	9,567,096	(2,399,889)
Unassigned	<u>15,415,661</u>	<u>10,340,345</u>	<u>5,075,316</u>
Total fund balances	<u>\$ 25,369,235</u>	<u>23,204,577</u>	<u>2,164,658</u>

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

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 Revenues 2025 and 2024					
	<u>2025</u>	Percent <u>of total</u>	<u>2024</u>	Percent <u>of total</u>	<u>Change</u>
Real property taxes	\$ 22,748,274	44.7%	20,200,095	40.7%	2,548,179
Non-property tax items	20,336,807	39.9%	18,849,315	37.9%	1,487,492
Departmental income	2,050,160	4.0%	1,970,118	4.0%	80,042
Intergovernmental charges	732,763	1.4%	2,392,676	4.8%	(1,659,913)
Use of money and property	2,240,498	4.4%	1,977,426	3.9%	263,072
Licenses and permits	395,598	0.8%	340,341	0.7%	55,257
Fines and forfeitures	24,246	0.0%	25,819	0.1%	(1,573)
Sale of property and compensation for loss	1,077,746	2.1%	1,164,241	2.3%	(86,495)
Miscellaneous	<u>1,381,188</u>	2.7%	<u>2,772,051</u>	5.6%	<u>(1,390,863)</u>
Total	<u>\$ 50,987,280</u>	100.0%	<u>49,692,082</u>	100.0%	<u>1,295,198</u>

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

- Real property taxes increased due to increases in the County's budgeted tax levy in the current year compared to the prior year.
- Intergovernmental charges decreased due to the County assisting other local governments with various capital projects in the prior year. These projects have been completed.
- Miscellaneous decreased due to the County receiving a one-time refund of prior year expenditures during the prior year.

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

Comparison of Expenditures by Function 2025 and 2024					
	<u>2025</u>	Percent <u>of total</u>	<u>2024</u>	Percent <u>of total</u>	<u>Change</u>
General government support	\$ 11,380,891	14.6%	12,576,957	14.8%	(1,196,066)
Education	1,269,482	1.6%	1,079,894	1.3%	189,588
Public safety	9,726,914	12.4%	10,012,861	11.8%	(285,947)
Health	6,519,780	8.3%	6,670,357	7.9%	(150,577)
Transportation	13,097,063	16.8%	20,284,751	23.9%	(7,187,688)
Economic assistance and opportunity	23,864,602	30.5%	27,003,621	31.8%	(3,139,019)
Culture and recreation	4,027,756	5.2%	1,232,218	1.5%	2,795,538
Home and community services	3,996,798	5.1%	2,199,778	2.6%	1,797,020
Employee benefits	2,109,162	2.7%	1,645,070	1.9%	464,092
Debt service	<u>2,183,685</u>	2.8%	<u>2,139,872</u>	2.5%	<u>43,813</u>
Total	<u>\$ 78,176,133</u>	100.0%	<u>84,845,379</u>	100.0%	<u>(6,669,246)</u>

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

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

- Transportation expenditures decreased due to the County taking on a project to resurface 90 miles of roads, as well as the County assisting other local governments with their transportation capital projects in the prior year.
- Economic assistance and opportunity decreased mainly due to a decrease in the required intergovernmental transfers for disproportionate share of hospital medical assistance.
- Culture and recreation increased mainly due to the County purchasing 37 miles of former railroad property to create a multi-use recreational trail.

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	\$ 71,839,586	8,077,431	79,917,017
Expenditures	61,668,643	16,507,490	78,176,133
Other financing sources (uses), net	<u>(5,359,939)</u>	<u>5,783,713</u>	<u>423,774</u>
Change in fund balances	4,811,004	(2,646,346)	2,164,658
Fund balances at beginning of year	<u>17,777,384</u>	<u>5,427,193</u>	<u>23,204,577</u>
Fund balances at end of year	<u>\$ 22,588,388</u>	<u>2,780,847</u>	<u>25,369,235</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

	<u>Summary of Revenue, Expenses and Changes in Net Position</u>				
	Business-type activities - Enterprise Funds				
	<u>Hospital</u>	<u>Workers' Compensation</u>	<u>Solid Waste</u>	<u>Total</u>	<u>Internal Service Fund</u>
Operating revenue	\$ 103,240,648	909,101	2,469,009	106,618,758	21,693,543
Operating expenses	<u>107,275,471</u>	<u>768,355</u>	<u>2,700,415</u>	<u>110,744,241</u>	<u>19,619,447</u>
Operating gain (loss)	<u>(4,034,823)</u>	<u>140,746</u>	<u>(231,406)</u>	<u>(4,125,483)</u>	<u>2,074,096</u>
Nonoperating revenue/ expense (net)	<u>823,153</u>	<u>302,893</u>	<u>(26,409)</u>	<u>1,099,637</u>	<u>56,892</u>
Contributions and transfers	<u>777,798</u>	<u>-</u>	<u>-</u>	<u>777,798</u>	<u>-</u>
Change in net position	(2,433,872)	443,639	(257,815)	(2,248,048)	2,130,988
Net position (deficit) at beginning of year	<u>(16,843,357)</u>	<u>3,434,622</u>	<u>548,950</u>	<u>(12,859,785)</u>	<u>(293,311)</u>
Net position (deficit) at end of year	<u>\$ (19,277,229)</u>	<u>3,878,261</u>	<u>291,135</u>	<u>(15,107,833)</u>	<u>1,837,677</u>

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

The following will provide some explanation for the changes in net position for the proprietary funds:

- Hospital's net position decreased \$2,433,872 in the current year, as compared to an increase of \$1,613,074 in 2024. The change was mainly a result of changes in actuarial assumptions related to the net pension liability - proportionate share - ERS and OPEB.
- Workers' compensation's net position increased \$443,639 in the current year, as compared to an increase of \$721,407 in 2024. The change was mainly a result of increases in interest income as the County moved additional funds into certificates of deposit accounts.
- Solid waste's net position decreased \$257,815 in the current year, compared to an decrease of \$64,661 in 2024. The change was mainly a result of revenue that was received in the prior year from an inter-municipal project that did not occur in the current year.
- Internal service fund's net position increased \$2,130,988 in the current year, compared to a increase of \$970,806 in 2024. The increase was mainly a result of the County receiving a lump sum payment from New York State for future claims.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget appropriations and the final amended budget appropriations resulted in an increase in appropriations of \$9,362,468 which includes both expenditures and other financing uses. Most of these increases can be summarized as follows:

- General government support budgets were modified mainly to reflect additional costs expected for grant funded programs, IT security and IT capital costs.
- Economic assistance and opportunity budgets were amended to reflect higher than anticipated expenses for DSS programs.
- Home and community services budget was amended to reflect additional state aid funded project expenditures taken on during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2025 amounted to \$175,543,003 (net of accumulated depreciation and amortization). This investment in capital assets includes land, infrastructure, buildings and improvements, improvements other than buildings, equipment, construction in progress, machinery and equipment, and right-to-use assets.

The following table summarizes the capital assets of the County at December 31, 2025:

	<u>Summary of Capital Assets</u>		
	Governmental activities	Business-type activities	Total
Capital assets, not being depreciated or amortized:			
Land	\$ 2,613,276	647,034	3,260,310
Construction in process	9,370,466	207,074	9,577,540
Total capital assets, not being depreciated or amortized	11,983,742	854,108	12,837,850

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

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Capital assets, being depreciated and amortized:			
Depreciable	239,100,301	120,984,271	360,084,572
Right-to-use assets	<u>1,228,364</u>	<u>1,229,596</u>	<u>2,457,960</u>
	240,328,665	122,213,867	362,542,532
Less accumulated depreciation and amortization	<u>(125,605,389)</u>	<u>(74,231,990)</u>	<u>(199,837,379)</u>
Capital assets	<u>\$ 126,707,018</u>	<u>48,835,985</u>	<u>175,543,003</u>

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

LONG-TERM OBLIGATIONS

At December 31, 2025, the County had total long-term liabilities outstanding of \$71,737,769 for governmental activities and \$113,331,918 for business-type activities. A major portion of this is the liability for OPEB in the amount of \$39,517,769 for governmental activities and \$63,159,055 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, 2025, the County's general obligation debt is \$50,750,000, which includes the Hospital's debt. The 2026 debt limitation for the County is \$199,471,443. The County's most recent rating was A+ by Standard & Poor's and Moody's rating was Baa1.

ECONOMIC FACTORS IMPACTING THE COUNTY'S FUTURE

The County's elected and appointed officials considered many factors when setting the December 31, 2026 budget. The County has elected to decrease the County tax rate to \$6.17 rate-per-thousand, down from \$6.31 rate-per-thousand in 2025. This rate amounts to a real property tax levy of \$20,766,371 on the County's December 31, 2026 budget.

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, 2025

<u>Assets</u>	Primary Government		
	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Current assets:			
Cash and equivalents	\$ 13,304,147	10,049,760	23,353,907
Investments	15,515,587	26,615,681	42,131,268
Taxes receivable, net	3,234,464	-	3,234,464
State and Federal receivables	5,621,460	6,048,963	11,670,423
Accounts receivable, net of allowance	1,262,696	8,608,279	9,870,975
Due from other governments	45,268	-	45,268
Leases receivable, current portion	207,407	-	207,407
Internal balances	859,529	(859,529)	-
Inventory	65,000	2,984,359	3,049,359
Prepaid expenses and other current assets	899,061	3,371,762	4,270,823
Total current assets	<u>41,014,619</u>	<u>56,819,275</u>	<u>97,833,894</u>
Noncurrent assets:			
Capital assets:			
Land	2,613,276	647,034	3,260,310
Construction in progress	9,370,466	207,074	9,577,540
Depreciable assets	239,100,301	120,984,271	360,084,572
Right-to-use assets	1,228,364	1,229,596	2,457,960
Accumulated depreciation and amortization	(125,605,389)	(74,231,990)	(199,837,379)
Restricted cash and equivalents	-	334,583	334,583
Other assets	-	88,647	88,647
Leases receivable, excluding current portion	638,082	-	638,082
Total noncurrent assets	<u>127,345,100</u>	<u>49,259,215</u>	<u>176,604,315</u>
Total assets	<u>168,359,719</u>	<u>106,078,490</u>	<u>274,438,209</u>
<u>Deferred outflows of resources</u>			
Loss on refunding	351,704	-	351,704
Pension	5,720,949	12,209,174	17,930,123
OPEB	23,758,216	36,328,567	60,086,783
Total deferred outflows of resources	<u>29,830,869</u>	<u>48,537,741</u>	<u>78,368,610</u>

(Continued)

See accompanying notes to financial statements.

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

	Primary Government		
	Governmental	Business-type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 5,591,899	10,270,144	15,862,043
Accrued interest	138,347	-	138,347
Due to other governments	4,548,210	-	4,548,210
Estimated third party payor settlements	-	13,526,065	13,526,065
General obligation bonds, current portion	1,195,000	1,280,000	2,475,000
Capital lease obligations, current portion	290,494	169,188	459,682
Subscription liabilities, current portion	-	47,502	47,502
Total OPEB liability, current portion	<u>2,591,543</u>	<u>3,366,457</u>	<u>5,958,000</u>
Total current liabilities	<u>14,355,493</u>	<u>28,659,356</u>	<u>43,014,849</u>
Noncurrent liabilities:			
General obligation bonds, excluding current portion	20,630,200	27,644,800	48,275,000
Capital lease obligations, excluding current portion	581,048	421,853	1,002,901
Subscription liabilities, excluding current portion	-	51,700	51,700
Total OPEB liability, excluding current portion	39,517,769	63,159,055	102,676,824
Net pension liability - proportionate share - ERS	9,882,184	21,089,737	30,971,921
Compensated absences	1,126,568	34,758	1,161,326
Other liabilities	-	930,015	930,015
Total noncurrent liabilities	<u>71,737,769</u>	<u>113,331,918</u>	<u>185,069,687</u>
Total liabilities	<u>86,093,262</u>	<u>141,991,274</u>	<u>228,084,536</u>
<u>Deferred inflows of resources</u>			
Unearned revenue	16,618	1,563,939	1,580,557
Lease	729,383	256,631	986,014
Pension	1,128,983	2,409,380	3,538,363
OPEB	<u>13,284,761</u>	<u>23,502,840</u>	<u>36,787,601</u>
Total deferred inflows of resources	<u>15,159,745</u>	<u>27,732,790</u>	<u>42,892,535</u>
<u>Net position</u>			
Net investment in capital assets	104,361,980	19,220,942	123,582,922
Restricted	1,600,502	763,644	2,364,146
Unrestricted (deficit)	<u>(9,024,901)</u>	<u>(35,092,419)</u>	<u>(44,117,320)</u>
Total net position (deficit)	<u>\$ 96,937,581</u>	<u>(15,107,833)</u>	<u>81,829,748</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Statement of Activities
Year ended December 31, 2025

<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	\$ 13,251,664	1,399,724	4,071,296	-	(7,780,644)	-	(7,780,644)
Education	1,269,482	-	-	-	(1,269,482)	-	(1,269,482)
Public safety	16,343,013	95,761	1,140,218	-	(15,107,034)	-	(15,107,034)
Health	7,665,065	543,004	6,767,587	-	(354,474)	-	(354,474)
Transportation	11,332,662	690,528	5,962,690	1,359,410	(3,320,034)	-	(3,320,034)
Economic assistance and opportunity	27,436,654	215,644	8,875,306	-	(18,345,704)	-	(18,345,704)
Culture and recreation	4,144,527	233,118	560,344	-	(3,351,065)	-	(3,351,065)
Home and community services	4,821,869	24,988	1,521,826	-	(3,275,055)	-	(3,275,055)
Employee benefits	-	12,245,559	2,176,973	-	14,422,532	-	14,422,532
Interest on debt	820,179	-	-	-	(820,179)	-	(820,179)
Total governmental activities	<u>87,085,115</u>	<u>15,448,326</u>	<u>31,076,240</u>	<u>1,359,410</u>	<u>(39,201,139)</u>	<u>-</u>	<u>(39,201,139)</u>
Business-type activities:							
Hospital	108,313,830	91,966,291	11,734,946	777,798	-	(3,834,795)	(3,834,795)
Workers' compensation	768,355	909,101	-	-	-	140,746	140,746
Solid waste	2,729,308	2,463,139	-	-	-	(266,169)	(266,169)
Total business-type activities	<u>111,811,493</u>	<u>95,338,531</u>	<u>11,734,946</u>	<u>777,798</u>	<u>-</u>	<u>(3,960,218)</u>	<u>(3,960,218)</u>
Total primary government	<u>\$ 198,896,608</u>	<u>110,786,857</u>	<u>42,811,186</u>	<u>2,137,208</u>	<u>(39,201,139)</u>	<u>(3,960,218)</u>	<u>(43,161,357)</u>
General revenue:							
Property taxes					22,525,095	-	22,525,095
Non-property tax items					20,336,807	-	20,336,807
Use of money and property					2,297,390	1,603,680	3,901,070
Sale of property and compensation for loss					2,328,681	-	2,328,681
Miscellaneous					1,381,188	108,490	1,489,678
Total general revenue					<u>48,869,161</u>	<u>1,712,170</u>	<u>50,581,331</u>
Change in net position					9,668,022	(2,248,048)	7,419,974
Net position at beginning of year (deficit)					<u>87,269,559</u>	<u>(12,859,785)</u>	<u>74,409,774</u>
Net position at end of year (deficit)					<u>\$ 96,937,581</u>	<u>(15,107,833)</u>	<u>81,829,748</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Balance Sheet - Governmental Funds
December 31, 2025

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<u>Assets</u>			
Cash and equivalents	\$ 7,619,906	1,793,716	9,413,622
Investments	13,810,535	1,705,052	15,515,587
Taxes receivable, net	3,234,464	-	3,234,464
State and Federal receivables	5,526,067	95,393	5,621,460
Other receivables	782,340	480,050	1,262,390
Due from other funds	2,548,739	738	2,549,477
Due from other governments	15,575	29,693	45,268
Leases receivable	845,489	-	845,489
Prepaid expenditures	651,079	119,940	771,019
	<u>35,034,194</u>	<u>4,224,582</u>	<u>39,258,776</u>
Total assets	\$ 35,034,194	4,224,582	39,258,776
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Liabilities:			
Accounts payable	1,139,882	163,040	1,302,922
Accrued liabilities	2,001,315	106,466	2,107,781
Due to other funds	562,030	1,127,918	1,689,948
Due to other governments	4,548,210	-	4,548,210
	<u>8,251,437</u>	<u>1,397,424</u>	<u>9,648,861</u>
Total liabilities	8,251,437	1,397,424	9,648,861
Deferred inflows of resources			
Unavailable and unearned revenue	2,237,257	46,311	2,283,568
Taxes	1,227,729	-	1,227,729
Leases	729,383	-	729,383
	<u>4,194,369</u>	<u>46,311</u>	<u>4,240,680</u>
Total deferred inflows of resources	4,194,369	46,311	4,240,680
Fund balances (deficit):			
Nonspendable	2,188,741	119,940	2,308,681
Restricted	477,686	-	477,686
Assigned	3,452,187	3,715,020	7,167,207
Unassigned (deficit)	16,469,774	(1,054,113)	15,415,661
	<u>22,588,388</u>	<u>2,780,847</u>	<u>25,369,235</u>
Total fund balances	22,588,388	2,780,847	25,369,235
Total liabilities, deferred inflows of resources and fund balances	\$ 35,034,194	4,224,582	39,258,776

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, 2025

Total fund balances - governmental funds	\$ 25,369,235
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	\$ 2,613,276
Construction in progress	9,370,466
Depreciable assets	239,100,301
Right-to-use assets	1,228,364
Accumulated depreciation and amortization	<u>(125,605,389)</u> 126,707,018
Deferred revenue from receivables and notes receivable not available to pay for current period expenditures and is therefore deferred in the funds.	2,266,950
Deferred property tax revenue not available to pay for current-period expenditures and is therefore deferred in the funds.	1,227,729
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.	1,837,677
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Compensated absences	(1,126,568)
Total OPEB liability	(42,109,312)
Accrued interest	(138,347)
Capital lease obligations	(871,542)
Net pension liability - proportionate share - ERS	(9,882,184)
Some deferred inflows and outflows of resources are not reported in the governmental funds. These consist of the following:	
Deferred outflows of resources - pension	5,720,949
Deferred outflows of resources - OPEB	23,758,216
Deferred inflows of resources - pension	(1,128,983)
Deferred inflows of resources - OPEB	(13,284,761)
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.	351,704
Bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(21,825,200)</u>
Total net position governmental activities	<u>\$ 96,937,581</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, 2025

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenue:			
Real property tax	\$ 20,210,277	-	20,210,277
Real property tax items	2,537,997	-	2,537,997
Non-property tax items	20,336,807	-	20,336,807
Departmental income	2,050,160	-	2,050,160
Intergovernmental charges	42,335	690,428	732,763
Use of money and property	2,083,015	157,483	2,240,498
Licenses and permits	395,598	-	395,598
Fines and forfeitures	24,246	-	24,246
Sale of property and compensation for loss	612,001	465,745	1,077,746
Miscellaneous	1,349,234	31,954	1,381,188
Interfund revenue	-	637,745	637,745
State aid	13,470,644	4,558,479	18,029,123
Federal aid	<u>8,727,272</u>	<u>1,535,597</u>	<u>10,262,869</u>
Total revenue	<u>71,839,586</u>	<u>8,077,431</u>	<u>79,917,017</u>
Expenditures:			
General government support	10,863,795	517,096	11,380,891
Education	1,269,482	-	1,269,482
Public safety	9,726,914	-	9,726,914
Health	6,519,780	-	6,519,780
Transportation	2,291,081	10,805,982	13,097,063
Economic assistance and opportunity	23,682,060	182,542	23,864,602
Culture and recreation	1,517,122	2,510,634	4,027,756
Home and community services	2,409,217	1,587,581	3,996,798
Employee benefits	1,397,847	711,315	2,109,162
Debt service:			
Principal	1,211,445	174,662	1,386,107
Interest	<u>779,900</u>	<u>17,678</u>	<u>797,578</u>
Total expenditures	<u>61,668,643</u>	<u>16,507,490</u>	<u>78,176,133</u>
Other financing sources (uses):			
Operating transfers in	433,899	6,763,504	7,197,403
Operating transfers out	(6,081,504)	(1,115,899)	(7,197,403)
Issuance of leases	<u>287,666</u>	<u>136,108</u>	<u>423,774</u>
Total other financing sources (uses)	<u>(5,359,939)</u>	<u>5,783,713</u>	<u>423,774</u>
Change in fund balances	4,811,004	(2,646,346)	2,164,658
Fund balances at beginning of year	<u>17,777,384</u>	<u>5,427,193</u>	<u>23,204,577</u>
Fund balances at end of year	<u>\$ 22,588,388</u>	<u>2,780,847</u>	<u>25,369,235</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, 2025

Net change in fund balances - governmental funds		\$ 2,164,658
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/amortization expense. In the current period, these amounts are:		
Capital outlay	\$ 11,808,258	
Disposals	(35,700)	
Depreciation/amortization	<u>(9,173,049)</u>	2,599,509
Change in net position from internal service fund not reported in governmental funds but included in government-wide statement of activities.		2,130,988
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		(73,053)
Other postemployment benefits obligation:		
Total OPEB liability	1,320,911	
Deferred outflows of resources - OPEB	(2,934,554)	
Deferred inflows of resources - OPEB	<u>828,651</u>	(784,992)
Accrued interest		6,707
Pension:		
Net pension liability - proportionate share - ERS	(1,256,043)	
Deferred outflows of resources - pension	(2,152,409)	
Deferred inflows of resources - pension	<u>4,356,126</u>	947,674
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.		1,743,506
Deferred loss on refunding from bonds payable that was reported as expenditures in the governmental funds is deferred on the government-wide statements.		(29,308)
Issuance of capital leases represents a revenue on the governmental funds, but is reported as a liability on the government-wide statements.		(423,774)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		224,507
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>1,161,600</u>
Change in net position of governmental activities		<u>\$ 9,668,022</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities - Enterprise Funds				
	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	\$ 9,098,467	666,440	284,853	10,049,760	3,890,525
Investments	21,297,189	5,318,492	-	26,615,681	-
Accounts receivable, net of allowance	8,266,472	154,649	187,158	8,608,279	306
Intergovernmental transfer revenue receivable	6,048,963	-	-	6,048,963	-
Due from other funds	562,030	-	-	562,030	-
Inventory	2,984,359	-	-	2,984,359	-
Prepaid expenses and other current assets	3,275,245	80,476	16,041	3,371,762	128,042
Total current assets	51,532,725	6,220,057	488,052	58,240,834	4,018,873
Noncurrent assets:					
Capital assets:					
Land	580,534	-	66,500	647,034	-
Construction in progress	207,074	-	-	207,074	-
Depreciable assets	116,207,303	-	4,776,968	120,984,271	-
Right-to-use assets	868,232	-	361,364	1,229,596	-
Accumulated depreciation and amortization	(72,001,486)	-	(2,230,504)	(74,231,990)	-
Restricted cash and equivalents	334,583	-	-	334,583	-
Other assets	88,647	-	-	88,647	-
Total noncurrent assets	46,284,887	-	2,974,328	49,259,215	-
Total assets	97,817,612	6,220,057	3,462,380	107,500,049	4,018,873
<u>Deferred outflows of resources</u>					
Pension	11,807,539	-	401,635	12,209,174	-
OPEB	35,609,307	-	719,260	36,328,567	-
Total deferred outflows of resources	47,416,846	-	1,120,895	48,537,741	-
<u>Liabilities</u>					
Current liabilities:					
Accounts payable and accrued expenses	9,347,720	777,854	144,570	10,270,144	2,181,196
Estimated third party payor settlements	13,526,065	-	-	13,526,065	-
General obligation bonds, current portion	1,280,000	-	-	1,280,000	-
Capital lease obligations, current portion	105,554	-	63,634	169,188	-
Subscription liabilities, current portion	47,502	-	-	47,502	-
Total OPEB liability, current portion	3,288,000	-	78,457	3,366,457	-
Due to other funds	-	3	1,421,556	1,421,559	-
Total current liabilities	27,594,841	777,857	1,708,217	30,080,915	2,181,196
Noncurrent liabilities:					
General obligation bonds, excluding current portion	27,644,800	-	-	27,644,800	-
Capital lease obligations, excluding current portion	244,270	-	177,583	421,853	-
Subscription liabilities, excluding current portion	51,700	-	-	51,700	-
Total OPEB liability, excluding current portion	61,962,688	-	1,196,367	63,159,055	-
Net pension liability - proportionate share - ERS	20,395,966	-	693,771	21,089,737	-
Compensated absences	-	-	34,758	34,758	-
Other liabilities	930,015	-	-	930,015	-
Total noncurrent liabilities	111,229,439	-	2,102,479	113,331,918	-
Total liabilities	138,824,280	777,857	3,810,696	143,412,833	2,181,196
<u>Deferred inflows of resources</u>					
Unearned revenue	-	1,563,939	-	1,563,939	-
Leases	256,631	-	-	256,631	-
Pension	2,330,121	-	79,259	2,409,380	-
OPEB	23,100,655	-	402,185	23,502,840	-
Total deferred inflows of resources	25,687,407	1,563,939	481,444	27,732,790	-
<u>Net position</u>					
Net investment in capital assets	16,487,831	-	2,733,111	19,220,942	-
Restricted	763,644	-	-	763,644	1,837,677
Unrestricted (deficit)	(36,528,704)	3,878,261	(2,441,976)	(35,092,419)	-
Total net position (deficit)	\$ (19,277,229)	3,878,261	291,135	(15,107,833)	1,837,677

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, 2025

	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	\$ 87,066,219	803,000	2,463,139	90,332,358	4,125,172
Interfund revenue	-	-	-	-	14,104,763
Sale of property and compensation for loss	-	-	-	-	1,286,635
Miscellaneous	-	-	5,870	5,870	-
Intergovernmental transfer	11,274,357	-	-	11,274,357	-
Other	<u>4,900,072</u>	<u>106,101</u>	<u>-</u>	<u>5,006,173</u>	<u>2,176,973</u>
Total operating revenue	<u>103,240,648</u>	<u>909,101</u>	<u>2,469,009</u>	<u>106,618,758</u>	<u>21,693,543</u>
Operating expenses:					
Personnel services	42,965,998	17,964	527,802	43,511,764	-
Employee benefits	17,088,634	539,075	317,976	17,945,685	15,057,720
Supplies and other	14,012,041	-	4,807	14,016,848	-
Purchased services	28,433,486	211,316	1,608,078	30,252,880	4,561,727
Depreciation and amortization	<u>4,775,312</u>	<u>-</u>	<u>241,752</u>	<u>5,017,064</u>	<u>-</u>
Total operating expenses	<u>107,275,471</u>	<u>768,355</u>	<u>2,700,415</u>	<u>110,744,241</u>	<u>19,619,447</u>
Gain (loss) from operations	<u>(4,034,823)</u>	<u>140,746</u>	<u>(231,406)</u>	<u>(4,125,483)</u>	<u>2,074,096</u>
Nonoperating revenue (expenses):					
Noncapital grants	460,589	-	-	460,589	-
Interest income	1,298,303	302,893	2,484	1,603,680	56,892
Interest expense	(1,038,359)	-	(28,893)	(1,067,252)	-
Other	<u>102,620</u>	<u>-</u>	<u>-</u>	<u>102,620</u>	<u>-</u>
Total nonoperating revenue (expense)	<u>823,153</u>	<u>302,893</u>	<u>(26,409)</u>	<u>1,099,637</u>	<u>56,892</u>
Other financing sources - capital grant and contributions	<u>777,798</u>	<u>-</u>	<u>-</u>	<u>777,798</u>	<u>-</u>
Change in net position	(2,433,872)	443,639	(257,815)	(2,248,048)	2,130,988
Net position (deficit) at beginning of year	<u>(16,843,357)</u>	<u>3,434,622</u>	<u>548,950</u>	<u>(12,859,785)</u>	<u>(293,311)</u>
Net position (deficit) at end of year	<u>\$ (19,277,229)</u>	<u>3,878,261</u>	<u>291,135</u>	<u>(15,107,833)</u>	<u>1,837,677</u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Statement of Cash Flows
Proprietary Funds
Year ended December 31, 2025

	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	\$ 99,046,842	747,768	2,419,285	102,213,895	21,693,237
Cash payments for services and payables	(44,969,271)	(211,316)	(1,587,742)	(46,768,329)	(4,561,727)
Cash paid to employees and benefits	(60,168,624)	(764,295)	(785,834)	(61,718,753)	(15,056,412)
Other receipts and payments, net	5,331,243	-	(78,103)	5,253,140	-
Net cash provided by (used in) operating activities	(759,810)	(227,843)	(32,394)	(1,020,047)	2,075,098
Cash flows from noncapital financing activities:					
Noncapital grants and contributions	780,055	-	-	780,055	-
Other	(134,267)	-	-	(134,267)	-
Net cash provided by noncapital financing activities	645,788	-	-	645,788	-
Cash flows from capital and related financing activities:					
Principal payments on long-term debt	(1,238,400)	-	-	(1,238,400)	-
Interest payments on long-term debt	(1,013,380)	-	-	(1,013,380)	-
Principal payments on lease and subscription liabilities	(193,577)	-	(27,705)	(221,282)	-
Interest payments on lease and subscription liabilities	(33,867)	-	(28,893)	(62,760)	-
Proceeds from issuance of long-term debt	-	-	148,922	148,922	-
Purchase of capital assets	(2,398,807)	-	(198,922)	(2,597,729)	-
Proceeds from sale of capital assets	-	-	52,000	52,000	-
Capital grants and contributions	777,798	-	-	777,798	-
Net cash used in capital and related financing activities	(4,100,233)	-	(54,598)	(4,154,831)	-
Cash flows from investing activities:					
Sale (purchase) of investments, net	3,823,294	(18,239)	-	3,805,055	-
Investment income	793,550	302,893	2,484	1,098,927	56,892
Repayment of loan advances from Lewis County	173,617	-	-	173,617	-
Net cash provided by investing activities	4,790,461	284,654	2,484	5,077,599	56,892
Changes in cash and equivalents	576,206	56,811	(84,508)	548,509	2,131,990
Cash and equivalents at beginning of year	8,856,844	609,629	369,361	9,835,834	1,758,535
Cash and equivalents at end of year	\$ 9,433,050	666,440	284,853	10,384,343	3,890,525
Reconciliation of cash and equivalents to the statement of net position:					
Unrestricted	9,098,467	666,440	284,853	10,049,760	3,890,525
Restricted	334,583	-	-	334,583	-
	\$ 9,433,050	666,440	284,853	10,384,343	3,890,525
Reconciliation of gain (loss) from operations to net cash provided by (used in) operating activities:					
Gain (loss) from operations	(4,034,823)	140,746	(231,406)	(4,125,483)	2,074,096
Adjustments to reconcile gain (loss) from operations to net cash provided by (used in) operating activities:					
Depreciation and amortization expense	4,775,312	-	241,752	5,017,064	-
Provision for bad debts	1,639,619	-	-	1,639,619	-
Gain on disposal	-	-	25,143	25,143	-
Changes in:					
Accounts receivable	(2,127,593)	(61,826)	(49,724)	(2,239,143)	(306)
Intergovernmental transfer revenue receivable	3,216,408	-	-	3,216,408	-
Inventory	(254,470)	-	-	(254,470)	-
Prepaid expenses and other current assets	(42,967)	14,263	(1,278)	(29,982)	11,583
Unearned revenue	-	(99,510)	-	(99,510)	-
Deferred outflows of resources - pension	-	-	181,646	181,646	-
Deferred outflows of resources - OPEB	-	-	15,735	15,735	-
Accounts payable and accrued expenses	(1,335,622)	(221,519)	43,689	(1,513,452)	(10,275)
Total OPEB liability	983,071	-	78,956	1,062,027	-
Net pension liability	(1,556,577)	-	54,722	(1,501,855)	-
Estimated third party payor settlements	(2,022,168)	-	-	(2,022,168)	-
Due to other funds	-	3	(78,103)	(78,100)	-
Deferred inflows of resources - pension	-	-	(327,093)	(327,093)	-
Deferred inflows of resources - OPEB	-	-	13,567	13,567	-
Net cash provided by (used in) operating activities	\$ (759,810)	(227,843)	(32,394)	(1,020,047)	2,075,098

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Custodial <u>Fund</u>	Private Purpose <u>Trust Fund</u>	<u>Total</u>
Assets - cash and equivalents	\$ 861,347	-	861,347
Fiduciary net position	<u>\$ 861,347</u>	<u>-</u>	<u>861,347</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, 2025

	Custodial <u>Fund</u>	Private Purpose <u>Trust Fund</u>	<u>Total</u>
Additions:			
Bail collections	\$ 29,002	-	29,002
DSS medical collections	1,171	-	1,171
Mortgage collections	641,675	-	641,675
District attorney collections	3,654	-	3,654
Investment earnings	-	14	14
Miscellaneous collections	<u>508,536</u>	<u>-</u>	<u>508,536</u>
Total additions	<u>1,184,038</u>	<u>14</u>	<u>1,184,052</u>
Deductions:			
Bail payments	12,500	-	12,500
DSS medical payments	2,861	-	2,861
Mortgage payments	610,003	-	610,003
District attorney payments	5,473	-	5,473
Miscellaneous payments	<u>519,355</u>	<u>28,056</u>	<u>547,411</u>
Total deductions	<u>1,150,192</u>	<u>28,056</u>	<u>1,178,248</u>
Change in fiduciary net position	33,846	(28,042)	5,804
Fiduciary net position at beginning of year	<u>827,501</u>	<u>28,042</u>	<u>855,543</u>
Fiduciary net position at end of year	<u><u>\$ 861,347</u></u>	<u><u>-</u></u>	<u><u>861,347</u></u>

See accompanying notes to financial statements.

COUNTY OF LEWIS, NEW YORK

Notes to Financial Statements

December 31, 2025

(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.

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.

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.

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.

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

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:

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

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:

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

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.

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

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.

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.

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

(1) Summary of Significant Accounting Policies, Continued

(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.

(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.

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

(1) Summary of Significant Accounting Policies, Continued

(e) Property Tax Revenue Recognition

Real property taxes are levied as of January 1st on property values assessed in the prior year. Along with the current year's property taxes, the prior year's unpaid school 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 31st, and become a lien on January 1st. Taxes for County purposes are levied together with taxes for town and special district purposes as a single bill. Taxes are collected by town collectors during the period January 1st to no later than May 31st. The towns and special districts receive the full amounts levied on the combined bills. The County assumes enforcement responsibility for all taxes levied in the towns.

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

(f) Lease Receivable

The County leases land to a third party. A lease receivable is measured and recorded at the present value of lease payments expected to be received by the County during the lease term using an implicit discount rate, net of any provision for estimated uncollectible amounts. As lease payments are received from the lessee, they are first allocated to the amortization of the discount on the lease receivable and recognized as interest revenue, and then to lease receivable.

(g) 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.

(h) Capital Assets

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

The County's infrastructure assets are recorded at historical or estimated historical cost in the Government-Wide financial statements as required by GASB Statement No. 34. The County has elected to depreciate its infrastructure assets.

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

(1) Summary of Significant Accounting Policies, Continued

(h) Capital Assets, Continued

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
Right-to-use assets	4 - 5

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

(i) 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.

(j) 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. This represents vacation earned in 2025 but not usable until 2026. In accordance with GASB Statement No. 101 - "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

(k) 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, 2025, \$2,333,114 was paid on behalf of retirees and recorded as expenditures in the General Fund and the 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 retirees was \$3,222,516 for the year ended December 31, 2025.

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 the fund's retirees was \$70,633 for the year ended December 31, 2025.

(l) 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

(m) 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.

(n) 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.

(o) 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 asset/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 asset/liability. 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 total other postemployment benefits (OPEB) liability as well as changes of assumptions. 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 five 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 certain receivables are reported in the governmental funds' balance sheet. The second item is related to the pension 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 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. The fifth item is related to long-term leases receivable.

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

(1) Summary of Significant Accounting Policies, Continued

(p) 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. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

Statement No. 105 - Subsequent Events. Effective for fiscal years beginning after June 15, 2026.

(q) Deficit Fund Balance/Net Position

The road machinery fund and the Hospital have deficit fund balances/net positions as of December 31, 2025. The deficit in the road machinery fund is expected to be reduced through continuous monitoring throughout the year and operating transfers in from other funds. The deficit in the Hospital is expected to be reduced through payments on long-term debt and future changes in the actuarial assumptions related to OPEB and the pension system.

(r) 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.

(s) Expenditures in Excess of Budget

Certain individual budgetary expenditures exceeded their budgetary authorizations in the general fund during the year ended December 31, 2025.

(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, time 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.

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

(2) Cash and Equivalents and Investments, Continued

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

Deposits and investments at year-end were entirely covered by 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.

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	\$ 13,304,147	13,661,389
Business-type activities	10,384,343	12,250,523
Fiduciary funds	<u>861,347</u>	<u>810,127</u>
Total cash balances	\$ <u>24,549,837</u>	<u>26,722,039</u>
Insured (FDIC)		1,548,326
Uncollateralized Hospital deposits		<u>1,960</u>
Collateral held in the County's name		\$ <u>25,171,753</u>

The following table describes investment balances and related collateralization:

<u>Fund Type</u>	<u>Book balance</u>	<u>Fair value</u>
Governmental activities	\$ 15,515,587	15,515,587
Business-type activities	<u>26,615,681</u>	<u>26,615,681</u>
Total investment balance	\$ <u>42,131,268</u>	<u>42,131,268</u>
Insured (FDIC)		\$ <u>37,881,268</u>
Collateral held in the County's name		\$ <u>4,250,000</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	07/01/2025	07/01/2026	4.00000%	\$ 1,000,000
Certificate of Deposit	04/08/2025	03/08/2026	4.15000%	1,000,000
Certificate of Deposit	09/24/2024	09/24/2026	3.85000%	2,250,000
CDARS	02/29/2024	02/26/2026	4.40200%	4,000,000
CDARS	01/16/2025	01/16/2026	4.40196%	6,269,245
NYCLASS	N/A	N/A	N/A	221,552
J.P. Morgan	N/A	N/A	N/A	<u>6,093,282</u>
				\$ <u>20,834,079</u>

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

(2) Cash and Equivalents and Investments, Continued

The Hospital has \$21,297,189 of investments as of December 31, 2025, which is excluded from the investment table above.

(3) Interfund Balances and Transfers

Interfund receivables/payables exist for cash flow purposes. These are generally short-term in nature and paid within the next year. The composition of interfund balances at December 31, 2025 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 2,548,739	562,030
Capital Projects Fund	-	295
County Road Fund	738	-
Road Machinery Fund	-	1,127,623
Hospital	562,030	-
Workers' Compensation Fund	-	3
Solid Waste Fund	<u>-</u>	<u>1,421,556</u>
Total	\$ <u>3,111,507</u>	<u>3,111,507</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, 2025 for the Governmental Funds were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 433,899	6,081,504
Capital Projects Fund	1,380,499	1,115,899
County Road Fund	4,711,005	-
Road Machinery Fund	<u>672,000</u>	<u>-</u>
Total	\$ <u>7,197,403</u>	<u>7,197,403</u>

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

(3) Interfund Balances and Transfers, Continued

Balances and transfers on the statement of net position 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	\$ 859,529	-
Business-type activities	<u>-</u>	<u>859,529</u>
Total	\$ <u>859,529</u>	<u>859,529</u>

(4) Lease Receivable

The County maintains an agreement to lease land to Jefferson Community College. Under the agreement, the County receives rent each year covered by the agreement through 2029. At December 31, 2025, the present value of the lease receivable and the corresponding deferred inflow of resources were \$845,489 and \$729,383, respectively.

The following is the amortization schedule for the lease receivable:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 207,407	17,593	225,000
2027	206,037	18,963	225,000
2028	211,775	13,225	225,000
2029	<u>220,270</u>	<u>4,730</u>	<u>225,000</u>
Total	\$ <u>845,489</u>	<u>54,511</u>	<u>900,000</u>

The following is the amortization schedule for the deferred inflow of resources:

<u>Year ending</u>	
2026	\$ 182,346
2027	182,346
2028	182,346
2029	<u>182,345</u>
Total	\$ <u>729,383</u>

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

(5) Capital Assets

Capital assets activity for the year ended December 31, 2025 are as follows:

	January 1, 2025	Increases	Decreases/ Transfers	December 31, 2025
Primary Government				
Governmental activities:				
Capital assets, not being depreciated or amortized				
Land	\$ 117,642	-	2,495,634	2,613,276
Construction in progress	8,257,521	4,399,516	(3,286,571)	9,370,466
Total capital assets, not being depreciated or amortized	8,375,163	4,399,516	(790,937)	11,983,742
Capital assets, being depreciated and amortized:				
Buildings and improvements	57,341,796	-	790,937	58,132,733
Infrastructure	151,506,787	6,111,512	-	157,618,299
Machinery and equipment	22,610,617	873,456	(134,804)	23,349,269
Right-to-use asset	804,590	423,774	-	1,228,364
Total capital assets, being depreciated and amortized	232,263,790	7,408,742	656,133	240,328,665
Less accumulated depreciation and amortization for:				
Buildings and improvements	14,369,568	1,763,895	-	16,133,463
Infrastructure	86,081,500	4,316,426	-	90,397,926
Machinery and equipment	15,948,061	2,868,223	(99,104)	18,717,180
Right-to-use asset	132,315	224,505	-	356,820
Total accumulated depreciation and amortization	116,531,444	9,173,049	(99,104)	125,605,389
Total capital assets, being depreciated and amortized, net	115,732,346	(1,764,307)	755,237	114,723,276
Governmental activities capital assets, net	124,107,509	2,635,209	(35,700)	126,707,018
Business-type activities:				
Hospital:				
Capital assets, not being depreciated or amortized:				
Land	580,534	-	-	580,534
Construction in progress	296,367	2,571,264	(2,660,557)	207,074
Total capital assets, not being depreciated or amortized	876,901	2,571,264	(2,660,557)	787,608
Capital assets, being depreciated and amortized:				
Land improvements	6,844,481	-	109,750	6,954,231
Buildings and improvements	70,151,722	-	731,124	70,882,846
Moveable equipment	39,583,705	-	(1,213,479)	38,370,226
Right-to-use asset	779,393	306,940	(218,101)	868,232
Total capital assets, being depreciated and amortized	117,359,301	306,940	(590,706)	117,075,535
Less accumulated depreciation and amortization	70,476,346	4,775,312	(3,250,172)	72,001,486
Total capital assets, being depreciated and amortized, net	46,882,955	(4,468,372)	2,659,466	45,074,049
Hospital capital assets, net	47,759,856	(1,897,108)	(1,091)	45,861,657
Solid Waste Fund:				
Capital assets, not being depreciated or amortized - land	66,500	-	-	66,500
Capital assets being depreciated:				
Buildings and improvements	3,099,492	-	-	3,099,492
Machinery and equipment	1,806,051	-	(128,575)	1,677,476
Right-to-use asset	162,442	198,922	-	361,364
Total capital assets, being depreciated and amortized	5,067,985	198,922	(128,575)	5,138,332
Less accumulated depreciation and amortization for:				
Buildings and improvements	1,030,108	73,907	-	1,104,015
Machinery and equipment	999,247	110,187	(51,432)	1,058,002
Right-to-use asset	10,829	57,658	-	68,487
Total accumulated depreciation and amortization	2,040,184	241,752	(51,432)	2,230,504
Total assets being depreciated and amortized, net	3,027,801	(42,830)	(77,143)	2,907,828
Total Solid Waste Fund capital assets, net	3,094,301	(42,830)	(77,143)	2,974,328
Total business-type activities capital assets, net	\$ 50,854,157	(1,939,938)	(78,234)	48,835,985

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

(5) Capital Assets, Continued

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

Governmental activities:

General government support	\$ 1,142,065
Public safety	1,915,932
Health	17,614
Transportation	5,829,128
Economic assistance and opportunity	188,792
Culture and recreation	<u>79,518</u>
Total governmental activities	9,173,049

Business-type activities:

Hospital	4,775,312
Solid waste	<u>241,752</u>
Total business-type activities	<u>5,017,064</u>
Total activities	\$ <u>14,190,113</u>

(6) 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.

During 2022, the County issued a bond of \$400,000 at a stated interest rate of 2.05% and another bond of \$50,000,000 at a stated interest rate of 3.25% - 3.50%. The \$50,000,000 bond is allocated \$18,000,000 to the County and \$32,000,000 to the Hospital.

During 2017, the County started a program with Enterprise Rent-A-Car in which they are leasing vehicles. The amount outstanding at December 31, 2025 is summarized below:

	<u>Maturity date</u>	<u>Interest rate</u>	<u>Amount Outstanding</u>
Governmental activities - capital lease obligations	05/31/2027 - 11/25/2029	6.35%- 6.58%	\$ <u>871,542</u>
Business-type activities - capital lease obligations			\$ <u>591,041</u>
Business-type activities - subscription liabilities			\$ <u>99,202</u>

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

(6) General Long-Term Obligations, Continued

Details relating to long-term debt outstanding at December 31, 2025 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%	\$ 5,475,000
Serial bonds issued 04/20/2022	04/15/2042	3.25% - 3.50%	16,270,200
Serial bonds issued 06/08/2022	06/08/2026	2.05%	<u>80,000</u>
			\$ <u>21,825,200</u>
Business-type activities - general obligation:			
Serial bonds issued 04/20/2022	04/15/2042	3.25% - 3.50%	\$ <u>28,924,800</u>

Future maturities of long-term debt payable at December 31, 2025 are as follows:

	<u>Governmental Activities</u>		<u>Business-type activities</u>		
	<u>Capital lease obligations</u>	<u>General obligation bonds</u>	<u>Capital lease obligations</u>	<u>Subscription liabilities</u>	<u>General obligation bonds</u>
Principal:					
2026	\$ 290,494	1,195,000	169,188	47,502	1,280,000
2027	294,321	1,148,400	145,676	51,700	1,321,600
2028	210,560	1,188,600	146,094	-	1,366,400
2029	76,167	1,228,800	98,962	-	1,411,200
2030	-	1,260,800	31,121	-	1,459,200
2031 - 2035	-	6,929,000	-	-	8,096,000
2036 - 2040	-	6,426,600	-	-	9,638,400
2041 - 2042	<u>-</u>	<u>2,448,000</u>	<u>-</u>	<u>-</u>	<u>4,352,000</u>
Total principal	<u>871,542</u>	<u>21,825,200</u>	<u>591,041</u>	<u>99,202</u>	<u>28,924,800</u>
	<u>Governmental Activities</u>		<u>Business-type activities</u>		
	<u>Capital lease obligations</u>	<u>General obligation bonds</u>	<u>Capital lease obligations</u>	<u>Subscription liabilities</u>	<u>General obligation bonds</u>
Interest:					
2026	\$ 48,016	712,465	34,639	8,768	972,456
2027	28,711	672,539	25,049	4,570	930,180
2028	11,629	632,469	15,456	-	886,500
2029	1,743	590,524	6,836	-	841,364
2030	-	547,917	685	-	793,808
2031 - 2035	-	2,070,315	-	-	3,172,448
2036 - 2040	-	941,208	-	-	1,628,480
2041 - 2042	<u>-</u>	<u>86,436</u>	<u>-</u>	<u>-</u>	<u>153,664</u>
Total interest	<u>90,099</u>	<u>6,253,873</u>	<u>82,665</u>	<u>13,338</u>	<u>9,378,900</u>
Total principal and interest	\$ <u>961,641</u>	<u>28,079,073</u>	<u>673,706</u>	<u>112,540</u>	<u>38,303,700</u>

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

(6) General Long-Term Obligations, Continued

Long-term liability activity for the year ended December 31, 2025 was as follows:

	January 1, <u>2025</u>	<u>Additions</u>	<u>Deductions</u>	December 31, <u>2025</u>	Due within <u>one year</u>	Due after <u>one year</u>
<u>Governmental activities:</u>						
Bonds payable	\$ 22,986,800	-	(1,161,600)	21,825,200	1,195,000	20,630,200
Capital leases	672,275	423,774	(224,507)	871,542	290,494	581,048
Total OPEB liability	43,430,223	-	(1,320,911)	42,109,312	2,591,543	39,517,769
Net pension liability	8,626,141	1,256,043	-	9,882,184	-	9,882,184
Compensated absences, net	<u>1,053,515</u>	<u>73,053</u>	<u>-</u>	<u>1,126,568</u>	<u>-</u>	<u>1,126,568</u>
Total governmental activities	<u>76,768,954</u>	<u>1,752,870</u>	<u>(2,707,018)</u>	<u>75,814,806</u>	<u>4,077,037</u>	<u>71,737,769</u>
<u>Business-type activities:</u>						
Hospital:						
Bonds payable	30,163,200	-	(1,238,400)	28,924,800	1,280,000	27,644,800
Capital leases	192,817	306,940	(149,933)	349,824	105,554	244,270
Subscription liabilities	142,846	-	(43,644)	99,202	47,502	51,700
Total OPEB liability	67,202,024	-	(1,951,336)	65,250,688	3,288,000	61,962,688
Net pension liability	17,251,372	3,144,594	-	20,395,966	-	20,395,966
Other liabilities	<u>1,262,017</u>	<u>-</u>	<u>(169,301)</u>	<u>1,092,716</u>	<u>162,701</u>	<u>930,015</u>
Total Hospital	<u>116,214,276</u>	<u>3,451,534</u>	<u>(3,552,614)</u>	<u>116,113,196</u>	<u>4,883,757</u>	<u>111,229,439</u>
Solid Waste Fund:						
Capital leases	120,000	148,922	(27,705)	241,217	63,634	177,583
Total OPEB liability	1,195,868	78,956	-	1,274,824	78,457	1,196,367
Net pension liability	639,049	54,722	-	693,771	-	693,771
Compensated absences, net	<u>27,938</u>	<u>6,820</u>	<u>-</u>	<u>34,758</u>	<u>-</u>	<u>34,758</u>
Total Solid Waste Fund	<u>1,982,855</u>	<u>289,420</u>	<u>(27,705)</u>	<u>2,244,570</u>	<u>142,091</u>	<u>2,102,479</u>
Business-type activities	<u>\$ 118,197,131</u>	<u>3,740,954</u>	<u>(3,580,319)</u>	<u>118,357,766</u>	<u>5,025,848</u>	<u>113,331,918</u>

Other liabilities of the Hospital consist of its Workers' Compensation accrued liability and cash held in trust for patients. Compensated absences changes are shown as net changes.

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

(7) Employee Retirement Plan

(a) Plan Description and Benefits Provided

The County participates in the New York State and Local Employees' Retirement System (ERS or the System). This is a cost-sharing, multiple-employer defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the 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 System also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. GLIP amounts are appointed to and included in ERS. 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.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 6% of their salary for their entire length of service. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

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

At December 31, 2025, the County reported the following for its proportionate share of the System. The net pension System was measured as of March 31, 2025. The total pension liability used to calculate the net pension System was determined by an actuarial valuation. The County's proportionate share of the net pension System 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 the System in reports provided to the County.

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

(7) Employee Retirement Plan, Continued

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

	Governmental <u>Activities</u>	<u>Hospital</u>	Solid <u>Waste</u>	<u>Total</u>
Measurement date	3/31/2025	3/31/2025	3/31/2025	3/31/2025
Actuarial valuation date	4/1/2024	4/1/2024	4/1/2024	4/1/2024
Net pension liability	\$ 9,882,184	20,395,966	693,771	30,971,921
County's proportion of the Plan's net pension liability	0.0576364%	0.1189566%	0.0040463%	0.1806393%
Change from the prior year	(0.0009490)	0.0017920	(0.0002939)	0.0005491

For the year ended December 31, 2025, the County recognized pension expense of \$5,403,583 in the statement of activities. At December 31, 2025 the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>Deferred Outflows of Resources</u>			
	Governmental <u>Activities</u>	<u>Hospital</u>	Solid <u>Waste</u>	<u>Total</u>
Differences between expected and actual experience	\$ 2,452,824	5,062,416	172,199	7,687,439
Changes of assumptions	414,439	855,366	29,096	1,298,901
Net difference between projected and actual investment earnings on pension plan investments	775,329	1,600,210	54,431	2,429,970
Changes in proportion and differences between the County's contributions and proportionate share of contributions	79,439	163,954	5,577	248,970
County's contributions subsequent to the measurement date	<u>1,998,918</u>	<u>4,125,593</u>	<u>140,332</u>	<u>6,264,843</u>
Total	\$ <u>5,720,949</u>	<u>11,807,539</u>	<u>401,635</u>	<u>17,930,123</u>

	<u>Deferred Inflows of Resources</u>			
	Governmental <u>Activities</u>	<u>Hospital</u>	Solid <u>Waste</u>	<u>Total</u>
Differences between expected and actual experience	\$ 115,702	238,797	8,122	362,621
Changes in proportion and differences between the County's contributions and proportionate share of contributions	<u>1,013,281</u>	<u>2,091,324</u>	<u>71,137</u>	<u>3,175,742</u>
Total	\$ <u>1,128,983</u>	<u>2,330,121</u>	<u>79,259</u>	<u>3,538,363</u>

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

(7) Employee Retirement Plan, Continued

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

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in the pension expense as follows:

<u>Year ending</u>	<u>Governmental Activities</u>	<u>Hospital</u>	<u>Solid Waste</u>	<u>Total</u>
2026	\$ 1,350,984	2,788,311	94,844	4,234,139
2027	2,276,331	4,698,150	159,809	7,134,290
2028	(1,039,395)	(2,145,219)	(72,969)	(3,257,583)
2029	<u>5,128</u>	<u>10,583</u>	<u>360</u>	<u>16,071</u>
Total	<u>\$ 2,593,048</u>	<u>5,351,825</u>	<u>182,044</u>	<u>8,126,917</u>

(c) Actuarial Assumptions

The total pension liability at March 31, 2025 was determined using a roll forward procedure to advance the liability calculated using system assumptions and member demographics from the actuarial valuation completed as of April 1, 2024. Economic assumptions used in the April 1, 2023 actuarial valuation include:

Actuarial valuation date	April 1, 2024
Measurement date	March 31, 2025
Inflation	2.9%
Salary increases	4.3%
Investment rate of return (net of investment expense, including inflation)	5.9%
Cost-of-living adjustments	1.5%

To set the long-term rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates at return (expected return, net of investment expenses and inflation) 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.

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

(7) Employee Retirement Plan, Continued

(c) Actuarial Assumptions, Continued

Demographic assumptions used in the April 1, 2024 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 - March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic equity	25%	3.54%
International equity	14%	6.57%
Private equity	15%	7.25%
Real estate	12%	4.95%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real assets	4%	5.55%
Fixed income	22%	2.00%
Cash	1%	0.25%
	<u>100%</u>	

*Real rates of return are net of long-term inflation assumptions of 2.9%.

(d) Discount Rate

The discount rate used to calculate the total pension asset 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.

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

The following presents the County's proportionate share of the net pension asset/(liability) calculated using the current discount rate of 5.9%, as well as what the County's proportionate share of the net pension asset/(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:

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

(7) Employee Retirement Plan, Continued

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability):			
Governmental Activities	\$ 28,600,284	9,882,184	(5,747,442)
Hospital	59,028,492	20,395,966	(11,862,219)
Solid Waste	<u>2,007,861</u>	<u>693,771</u>	<u>(403,495)</u>
Total	\$ <u>89,636,637</u>	<u>30,971,921</u>	<u>(18,013,156)</u>

(f) Pension Plan Fiduciary Net Position

The components of the collective net pension liability of all participating employers as of March 31, 2025, were as follows:

	(Dollars in Millions)
Employers' total pension liability	\$ (247,600)
Plan fiduciary net position	<u>230,454</u>
Employers' net pension liability	\$ <u>(17,146)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	93.08%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of December 31, 2025 represent the projected employer contribution for the period of April 1, 2025 through March 31, 2026, 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, 2025 was \$8,028,441.

(8) Other Postemployment Benefits (OPEB)

(a) Plan Description and Benefits

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

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

(8) Other Postemployment Benefits (OPEB), Continued

(a) Plan Description and Benefits, Continued

The County administers the plan as a single-employer defined 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 October 31, 2024, the following employees were covered by the benefit terms:

Active not eligible to retire	711
Active eligible to retire	80
Retired and surviving spouses	431
Retiree spouses covered	<u>170</u>
	<u>1,392</u>

(c) Total OPEB Liability

The County's total OPEB liability of \$108,634,824 was measured as of September 30, 2025 and was determined by an actuarial valuation as of October 31, 2024.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the October 31, 2024 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	3.30%
Discount rate	4.42%
Healthcare Cost Trend Rates	From 5.30% for 2024, decreasing to an ultimate rate of 3.71%

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-2016 public retirement plans mortality tables with MP-2021 improvement projections.

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

(8) Other Postemployment Benefits (OPEB), Continued

(e) Changes in the Total OPEB Liability

	Governmental <u>Activities</u>	<u>Hospital</u>	Solid <u>Waste</u>	<u>Total</u>
Total OPEB liability as of January 1, 2025	\$ 43,430,223	67,202,024	1,195,868	111,828,115
Changes for the year:				
Service cost	423,097	931,585	12,809	1,367,491
Interest	1,606,504	2,518,550	48,636	4,173,690
Differences between expected and actual experience	1,871,168	2,624,498	56,648	4,552,314
Changes in assumptions or other inputs	(2,888,566)	(4,803,453)	31,496	(7,660,523)
Benefit payments	<u>(2,333,114)</u>	<u>(3,222,516)</u>	<u>(70,633)</u>	<u>(5,626,263)</u>
Total changes	<u>(1,320,911)</u>	<u>(1,951,336)</u>	<u>78,956</u>	<u>(3,193,291)</u>
Total OPEB liability as of December 31, 2025	<u>\$ 42,109,312</u>	<u>65,250,688</u>	<u>1,274,824</u>	<u>108,634,824</u>

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

For the year ended December 31, 2025, the County recognized OPEB expense of \$7,696,814. At December 31, 2025, the County reported deferred outflows of resources and deferred inflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>			
	Governmental <u>Activities</u>	<u>Hospital</u>	Solid <u>Waste</u>	<u>Total</u>
Differences between expected and actual experience	\$ 21,393,173	31,915,207	647,660	53,956,040
Changes of assumptions	1,775,355	2,879,618	53,748	4,708,721
County's contributions subsequent to the measurement date	<u>589,688</u>	<u>814,482</u>	<u>17,852</u>	<u>1,422,022</u>
Total	<u>\$ 23,758,216</u>	<u>35,609,307</u>	<u>719,260</u>	<u>60,086,783</u>

	<u>Deferred Inflows of Resources</u>			
	Governmental <u>Activities</u>	<u>Hospital</u>	Solid <u>Waste</u>	<u>Total</u>
Changes of assumptions	<u>\$ 13,284,761</u>	<u>23,100,655</u>	<u>402,185</u>	<u>36,787,601</u>

County contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:

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

(8) Other Postemployment Benefits (OPEB), Continued

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

<u>Year ending</u>	<u>Governmental Activities</u>	<u>Hospital</u>	<u>Solid Waste</u>	<u>Total</u>
2026	\$ 1,276,069	840,932	38,632	2,155,633
2027	1,276,069	840,932	38,632	2,155,633
2028	1,276,069	840,932	38,632	2,155,633
2029	2,203,043	3,248,529	66,695	5,518,267
2030	2,169,811	3,052,935	65,689	5,288,435
Thereafter	<u>1,682,706</u>	<u>2,869,910</u>	<u>50,943</u>	<u>4,603,559</u>
Total	<u>\$ 9,883,767</u>	<u>11,694,170</u>	<u>299,223</u>	<u>21,877,160</u>

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.42%) or 1-percentage point higher (5.42%) than the current discount rate:

	<u>1% Decrease (3.42%)</u>	<u>Discount Rate (4.42%)</u>	<u>1% Increase (5.42%)</u>
Total solid waste OPEB liability	\$ 1,411,412	1,274,824	1,138,433
Total governmental activities OPEB liability	47,611,956	42,109,312	37,604,132
Total hospital OPEB liability	<u>74,206,800</u>	<u>65,250,688</u>	<u>57,964,623</u>
Total County-wide OPEB liability	<u>\$ 123,260,168</u>	<u>108,634,824</u>	<u>96,707,188</u>

(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:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total solid waste OPEB liability	\$ 1,119,959	1,274,824	1,464,654
Total governmental activities OPEB liability	36,993,904	42,109,312	48,379,686
Total hospital OPEB liability	<u>56,934,792</u>	<u>65,250,688</u>	<u>75,526,505</u>
Total County-wide OPEB liability	<u>\$ 95,048,655</u>	<u>108,634,824</u>	<u>125,370,845</u>

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

(9) 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/amortization and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- 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.
- 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.

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

(9) Other Information, Continued

(a) Net Position/Fund Balances, Continued

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 \$2,308,681 for all governmental funds as of December 31, 2025 consisting of \$771,019 of prepaid expenditures, \$1,421,556 of a long-term due from other fund receivable from the solid waste fund and \$116,106 of net lease receivables.

Restricted

Represents amounts restricted for specific programs including E911 (\$180,452), Trail Maintenance (\$116,498), DWI (\$54,174) and bus operations of (\$126,562) as of December 31, 2025.

Assigned

Represents amounts to offset 2025 property taxes appropriated by the County Legislature through the formal budget process. This amounted to \$2,037,084 for all governmental funds including general fund \$1,900,000 and county road fund \$137,084 as of December 31, 2025.

In addition to property taxes appropriated by the County Legislature there are encumbrances in the general fund amounting to \$1,552,187 and the county road fund amounting to \$28,793. 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.

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

(9) 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, 2025, the County has recorded potential workers' compensation claims of \$777,854.

	Balance at beginning of year	Claims and changes in estimates	Claim payments	Balance at end of year
Claims payable	\$ <u>999,373</u>	<u>580,631</u>	<u>(802,150)</u>	<u>777,854</u>

Health Insurance

The County is self-insured for health insurance for all participants under the age of 65. At December 31, 2025, the estimated liability for claims payable was \$2,181,196, which includes IBNR. Additionally, the County has stop loss insurance to limit exposure from individual claims. Beginning in the year ended December 31, 2025, the County moved all eligible participants, ages 65 and above, to a United Medicare Advantage Plan, through United Healthcare Insurance Company.

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, 2025 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

(9) 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, housing, medical and other purposes. Total taxes abated by the Agency in each of these categories for the year ended December 31, 2025 is as follows:

Manufacturing	\$ 5,040
Housing	4,524
Medical	1,312
Wind farms	2,347,016

(2) Sales Tax

Under agreements entered into by the Agency, County sales tax revenue was reduced by \$5,000.

(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."

(10) Change in Major Fund Presentation

The capital projects fund and county road fund are presented as nonmajor governmental funds for the year ended December 31, 2025. For the year ended December 31, 2024, the capital projects fund and county road fund were presented as major governmental funds as the two funds met the qualitative requirements to be considered a major governmental funds. The following is a summary of the change in the aggregate major and nonmajor governmental fund balance as of January 1, 2025:

	Major Governmental <u>Funds</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Fund balance (deficit) as of January 1, 2025, before change	\$ 23,935,419	(730,842)	23,204,577
Change in major fund presentation	<u>(6,158,035)</u>	<u>6,158,035</u>	<u>-</u>
Fund balance as of January 1, 2025, as restated	\$ <u>17,777,384</u>	<u>5,427,193</u>	<u>23,204,577</u>

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

(11) Certain Risk Disclosures

(a) Concentrations - Workforce Covered by Collective Bargaining Agreements

The County's workforce has collective bargaining agreements which dictate employment terms including payroll and related expenditures as well as benefits. The following is a summary of the County's significant expiring collective bargaining agreements:

<u>Collective Bargaining Unit</u>	<u>Expiration Date</u>
CSEA, Local 1000, AFSCME, AFL/CIO	December 31, 2026
Local 825 of the CSEA Sheriff's Unit #7250-02	December 31, 2026

Other collective bargaining agreements are maintained by the County and are available upon request.

(b) Constraints

(1) Limitations on Raising Revenue

The County's ability to raise revenue through property taxes is subject to Article III of the New York State Constitution and the Real Property Tax Law, including the property tax levy limit ("tax cap") imposed by Chapter 97 of the Laws of 2011. For most counties, the annual increase in the property tax levy cannot exceed the lesser of 2% or the rate of inflation, unless a local law is passed and approved by a 60% supermajority of the County Legislature or governing body.

(2) Limitations on Spending

Expenditures must be authorized in accordance with the annual budget adopted by the County Legislature, pursuant to New York State General Municipal Law (GML) and local charter provisions. The County may not incur expenditures in excess of appropriations, except for legally authorized emergency expenditures.

(3) Limitations on Incurrence of Debt

The County's authority to incur indebtedness is governed by Article VIII of the New York State Constitution, the Local Finance Law, and local charters or ordinances. The County is subject to a constitutional debt limit, which is 7% of the five-year average full valuation of taxable real property within the County. All borrowings must be authorized by the County Legislature and, in some cases, by public referendum. The County is also subject to statutory provisions governing issuance procedure, permission purposes, and repayment requirements.

COUNTY OF LEWIS, NEW YORK
Required Supplementary Information
Schedule of Revenue and Expenditures - Budget to Actual - General Fund
Year ended December 31, 2025

	Budget				Variance with Modified Budget Positive (Negative)
	Original	Modified	Actual	Encumbrances	
Revenue:					
Real property tax	\$ 21,829,191	19,929,191	20,210,277	-	281,086
Real property tax items	2,326,000	2,326,000	2,537,997	-	211,997
Non-property tax items	18,240,000	18,240,000	20,336,807	-	2,096,807
Departmental income	2,103,076	2,089,076	2,050,160	-	(38,916)
Intergovernmental charges	734,852	79,394	42,335	-	(37,059)
Use of money and property	1,598,345	1,621,345	2,083,015	-	461,670
Licenses and permits	102,000	412,190	395,598	-	(16,592)
Fines and forfeitures	29,000	28,500	24,246	-	(4,254)
Sale of property and compensation for loss	555,457	555,457	612,001	-	56,544
Miscellaneous	845,301	1,070,839	1,349,234	-	278,395
State aid	11,378,301	15,099,276	13,470,644	-	(1,628,632)
Federal aid	5,244,028	5,652,017	8,727,272	-	3,075,255
Total revenue	64,985,551	67,103,285	71,839,586	-	4,736,301
Expenditures:					
General government support	10,486,260	12,686,127	10,863,795	68,995	1,753,337
Education	925,000	1,269,482	1,269,482	-	-
Public safety	10,530,083	10,877,163	9,726,914	621,572	528,677
Health	8,449,466	8,478,943	6,519,780	529,172	1,429,991
Transportation	1,308,947	2,397,295	2,291,081	-	106,214
Economic assistance and opportunity	21,530,509	24,965,889	23,682,060	171,979	1,111,850
Culture and recreation	1,065,608	1,625,626	1,517,122	3,730	104,774
Home and community services	1,310,046	2,704,858	2,409,217	156,739	138,902
Employee benefits	1,450,000	1,450,000	1,397,847	-	52,153
Debt service	1,828,627	1,920,759	1,991,345	-	(70,586)
Total expenditures	58,884,546	68,376,142	61,668,643	1,552,187	5,155,312
Other financing sources (uses):					
Operating transfers in	-	393,573	433,899	-	40,326
Operating transfers out	(6,101,005)	(5,971,877)	(6,081,504)	-	(109,627)
Issuance of leases	-	-	287,666	-	287,666
Total other financing sources (uses)	(6,101,005)	(5,578,304)	(5,359,939)	-	218,365
Change in fund balance	\$ -	(6,851,161)	4,811,004	(1,552,187)	10,109,978

COUNTY OF LEWIS, NEW YORK
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Asset/Liability
Year ended December 31, 2025

NYSERS Pension Plan										
<u>Total</u>										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportion of the net pension asset/liability	0.1806393%	0.1800902%	0.1859062%	0.1485715%	0.1763668%	0.1755896%	0.1707100%	0.1641784%	0.1624383%	0.17258223%
County's proportionate share of the net pension asset (liability)	\$ (30,971,921)	(26,516,562)	(39,865,784)	14,705,738	(175,615)	(46,497,145)	(12,095,333)	(5,314,149)	(15,120,095)	(27,738,463)
County's covered payroll	\$ 53,691,904	48,782,021	45,142,809	46,224,249	42,396,113	42,565,455	43,221,146	40,504,295	37,437,095	37,656,909
County's proportionate share of the net pension asset/liability as a percentage of its covered payroll	57.68%	54.36%	88.31%	31.81%	0.41%	109.24%	27.98%	13.12%	40.39%	73.66%
Plan fiduciary net position as a percentage of the total pension asset/liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	97.40%	90.70%
<u>Governmental Activities</u>										
County's proportion of the net pension asset/liability	0.0576364%	0.0585854%	0.0622972%	0.0257027%	0.0546741%	0.0549286%	0.0562320%	0.0541789%	0.0506807%	0.05281016%
County's proportionate share of the net pension asset (liability)	\$ (9,882,184)	(8,626,141)	(13,359,024)	4,661,719	(54,441)	(14,539,802)	(3,984,210)	(1,748,592)	(4,619,109)	(8,511,434)
County's covered payroll	\$ 15,496,933	14,290,517	13,781,521	13,323,948	11,760,812	11,664,988	13,814,874	12,891,306	11,621,197	11,523,015
<u>Hospital</u>										
Hospital's proportion of the net pension asset/liability	0.1189566%	0.1171646%	0.1189614%	0.1178317%	0.1171072%	0.1164468%	0.1127740%	0.1088344%	0.1101332%	0.11804625%
Hospital's proportionate share of the net pension asset (liability)	\$ (20,395,966)	(17,251,372)	(25,510,115)	9,632,258	(116,608)	(30,841,412)	(7,990,389)	(3,512,569)	(10,348,356)	(18,949,645)
Hospital's covered payroll	\$ 37,104,768	33,434,945	30,332,816	31,782,809	29,648,910	29,878,716	28,987,639	27,222,343	25,443,940	25,757,326
<u>Solid Waste Fund</u>										
Fund's proportion of the net pension asset/liability	0.0040463%	0.0043402%	0.0046476%	0.0050371%	0.0045855%	0.0042142%	0.0017040%	0.0016418%	0.0016244%	0.00172582%
Fund's proportionate share of the net pension asset (liability)	\$ (693,771)	(639,049)	(996,645)	411,761	(4,566)	(1,115,931)	(120,734)	(52,988)	(152,630)	(277,384)
Fund's covered payroll	\$ 1,090,203	1,056,559	1,028,472	1,117,492	986,391	1,021,751	418,633	390,646	372,474	376,568

COUNTY OF LEWIS, NEW YORK
Required Supplementary Information
Schedule of the County's Pension Contributions
Year ended December 31, 2025

NYSERS Pension Plan										
<u>Total</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 8,028,441	6,688,517	5,462,226	5,423,233	6,313,178	5,649,911	5,714,298	5,533,388	5,494,514	5,583,970
Contributions in relation to the contractually required contribution	<u>8,028,441</u>	<u>6,688,517</u>	<u>5,462,226</u>	<u>5,423,233</u>	<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>
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	\$ 53,691,904	48,782,021	45,142,809	46,224,249	42,453,563	42,148,453	44,413,580	41,901,879	39,033,738	37,656,909
Contributions as a percentage of covered payroll	14.95%	13.71%	12.10%	11.73%	14.87%	13.40%	12.87%	13.21%	14.08%	14.83%
<u>Governmental Activities</u>										
Contractually required contribution	\$ 2,561,876	2,175,775	1,830,392	1,719,164	1,944,562	1,598,814	1,878,772	1,815,435	1,711,675	1,786,870
Contributions in relation to the contractually required contribution	<u>2,561,876</u>	<u>2,175,775</u>	<u>1,830,392</u>	<u>1,719,164</u>	<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>
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	\$ 15,496,933	14,290,517	13,781,521	13,323,948	11,760,812	11,664,988	13,814,874	12,891,306	11,621,197	11,523,015
<u>Hospital</u>										
Contractually required contribution	\$ 5,286,728	4,351,549	3,495,278	3,552,218	4,204,473	3,911,055	3,778,594	3,662,940	3,727,978	3,741,260
Contributions in relation to the contractually required contribution	<u>5,286,728</u>	<u>4,351,549</u>	<u>3,495,278</u>	<u>3,552,218</u>	<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>
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	\$ 37,104,768	33,434,945	30,332,816	31,782,809	29,706,362	29,461,714	30,180,073	28,619,927	27,040,067	25,757,326
<u>Solid Waste Fund</u>										
Contractually required contribution	\$ 179,837	161,193	136,556	151,851	164,143	140,042	56,932	55,013	54,861	55,840
Contributions in relation to the contractually required contribution	<u>179,837</u>	<u>161,193</u>	<u>136,556</u>	<u>151,851</u>	<u>164,143</u>	<u>140,042</u>	<u>56,932</u>	<u>55,013</u>	<u>54,861</u>	<u>55,840</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	\$ 1,090,203	1,056,559	1,028,472	1,117,492	986,391	1,021,751	418,633	390,646	372,474	376,568

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, 2025

	2025				2024				2023			
	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	\$ 423	932	13	1,368	282	534	8	824	704	1,363	20	2,087
Interest	1,607	2,518	49	4,174	1,188	1,858	33	3,079	2,803	4,525	79	7,407
Changes in benefit terms	-	-	-	-	-	-	-	-	(43,185)	(72,130)	(1,820)	(117,135)
Differences between expected and actual experience	1,871	2,624	57	4,552	14,258	21,469	393	36,120	6,534	10,551	185	17,270
Changes of assumptions	(2,889)	(4,803)	31	(7,661)	2,403	3,825	45	6,273	(2,036)	(3,373)	(58)	(5,467)
Benefit payments	<u>(2,333)</u>	<u>(3,222)</u>	<u>(71)</u>	<u>(5,626)</u>	<u>(1,926)</u>	<u>(2,892)</u>	<u>(53)</u>	<u>(4,871)</u>	<u>(2,825)</u>	<u>(4,160)</u>	<u>(80)</u>	<u>(7,065)</u>
Net change in total OPEB liability	(1,321)	(1,951)	79	(3,193)	16,205	24,794	426	41,425	(38,005)	(63,224)	(1,674)	(102,903)
Total OPEB liability - beginning	<u>43,430</u>	<u>67,202</u>	<u>1,196</u>	<u>111,828</u>	<u>27,225</u>	<u>42,408</u>	<u>770</u>	<u>70,403</u>	<u>65,230</u>	<u>105,632</u>	<u>2,444</u>	<u>173,306</u>
Total OPEB liability - ending	<u>\$ 42,109</u>	<u>65,251</u>	<u>1,275</u>	<u>108,635</u>	<u>43,430</u>	<u>67,202</u>	<u>1,196</u>	<u>111,828</u>	<u>27,225</u>	<u>42,408</u>	<u>770</u>	<u>70,403</u>
Covered payroll	\$ 16,416	34,708	497	51,621	15,934	33,599	439	49,972	13,259	29,957	375	43,591
Total OPEB liability as a percentage of covered payroll	256.51%	188.00%	256.54%	210.45%	272.56%	200.01%	272.44%	223.78%	205.33%	141.56%	205.33%	161.51%

COUNTY OF LEWIS, NEW YORK
Required Supplementary Information
Schedule of Changes in the County's
Total OPEB Liability and Related Ratios, Continued

	2022				2021				2020			
	Governmental		Solid		Governmental		Solid		Governmental		Solid	
	<u>Activities</u>	<u>Hospital</u>	<u>Waste</u>	<u>Total</u>	<u>Activities</u>	<u>Hospital</u>	<u>Waste</u>	<u>Total</u>	<u>Activities</u>	<u>Hospital</u>	<u>Waste</u>	<u>Total</u>
Total OPEB liability (dollar amounts in thousands)												
Service cost	\$ 1,102	2,313	30	3,445	1,039	2,181	30	3,250	920	2,106	28	3,054
Interest	1,620	2,728	44	4,392	1,635	2,726	47	4,408	1,673	2,881	51	4,605
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	11,759	16,407	321	28,487	2,804	4,976	81	7,861	3,891	1,722	118	5,731
Changes of assumptions	(21,454)	(38,076)	(585)	(60,115)	2,612	4,577	75	7,264	2,494	4,641	75	7,210
Benefit payments	<u>(2,153)</u>	<u>(3,118)</u>	<u>(59)</u>	<u>(5,330)</u>	<u>(2,175)</u>	<u>(3,100)</u>	<u>(63)</u>	<u>(5,338)</u>	<u>(1,838)</u>	<u>(2,843)</u>	<u>(56)</u>	<u>(4,737)</u>
Net change in total OPEB liability	(9,126)	(19,746)	(249)	(29,121)	5,915	11,360	170	17,445	7,140	8,507	216	15,863
Total OPEB liability - beginning	<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>
Total OPEB liability - ending	<u>\$ 65,230</u>	<u>105,632</u>	<u>2,444</u>	<u>173,306</u>	<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>
Covered payroll	\$ 12,832	28,966	351	42,149	12,387	28,003	357	40,747	11,092	26,372	336	37,800
Total OPEB liability as a percentage of covered payroll	508.34%	364.68%	696.30%	411.17%	600.27%	447.73%	754.34%	496.79%	617.03%	432.34%	750.89%	489.37%

(Continued)

COUNTY OF LEWIS, NEW YORK
Required Supplementary Information
Schedule of Changes in the County's
Total OPEB Liability and Related Ratios, Continued

	2019				2018			
	Governmental Activities	Hospital	Solid Waste	Total	Governmental Activities	Hospital	Solid Waste	Total
Total OPEB liability (dollar amounts in thousands)								
Service cost	\$ 1,196	2,686	34	3,916	1,229	2,756	36	4,021
Interest	2,620	4,488	75	7,183	2,389	4,106	69	6,564
Changes in benefit terms	(108)	-	(3)	(111)	-	-	-	-
Differences between expected and actual experience	(27,513)	(50,475)	(792)	(78,780)	2,237	2,791	65	5,093
Changes of assumptions	18,428	34,328	531	53,287	(3,808)	(6,871)	(110)	(10,789)
Benefit payments	<u>(1,890)</u>	<u>(2,856)</u>	<u>(54)</u>	<u>(4,800)</u>	<u>(1,716)</u>	<u>(2,601)</u>	<u>(50)</u>	<u>(4,367)</u>
Net change in total OPEB liability	(7,267)	(11,829)	(209)	(19,305)	331	181	10	522
Total OPEB liability - beginning	<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>\$ 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	\$ 10,759	25,549	312	36,620	10,759	25,549	312	36,620
Total OPEB liability as a percentage of covered payroll	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:

2025	4.42%
2024	3.88%
2023	4.64%
2022	4.40%
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, 2025

		<u>Special Revenue Funds</u>			
	Capital Projects Fund	County Road Fund	Special Grants Fund	Road Machinery Fund	Total
<u>Assets</u>					
Cash and equivalents	\$ 836,705	885,466	16,618	54,927	1,793,716
Investments	1,705,052	-	-	-	1,705,052
State and Federal receivables	40,293	-	55,100	-	95,393
Other receivables	63,315	349,726	-	67,009	480,050
Due from other funds	-	738	-	-	738
Due from other governments	-	-	29,693	-	29,693
Prepaid expenditures	60,536	52,866	-	6,538	119,940
Total assets	<u>\$ 2,705,901</u>	<u>1,288,796</u>	<u>101,411</u>	<u>128,474</u>	<u>4,224,582</u>
<u>Liabilities, Deferred Inflows and Fund Balances</u>					
Liabilities:					
Accounts payable	-	68,250	55,100	39,690	163,040
Accrued liabilities	-	97,730	-	8,736	106,466
Due to other funds	295	-	-	1,127,623	1,127,918
Total liabilities	<u>295</u>	<u>165,980</u>	<u>55,100</u>	<u>1,176,049</u>	<u>1,397,424</u>
Deferred inflows of resources - unavailable revenue	<u>-</u>	<u>-</u>	<u>46,311</u>	<u>-</u>	<u>46,311</u>
Fund balances (deficit):					
Nonspendable	60,536	52,866	-	6,538	119,940
Assigned	2,645,070	1,069,950	-	-	3,715,020
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,054,113)</u>	<u>(1,054,113)</u>
Total fund balances (deficit)	<u>2,705,606</u>	<u>1,122,816</u>	<u>-</u>	<u>(1,047,575)</u>	<u>2,780,847</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,705,901</u>	<u>1,288,796</u>	<u>101,411</u>	<u>128,474</u>	<u>4,224,582</u>

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, 2025

	Capital Projects Fund	Special Revenue Funds County Road Fund	Special Grants Fund	Road Machinery Fund	Total
Revenue:					
Intergovernmental charges	\$ 529,894	160,534	-	-	690,428
Use of money and property	123,335	20,433	-	13,715	157,483
Sale of property and compensation for loss	-	39,757	-	425,988	465,745
Miscellaneous	-	31,954	-	-	31,954
Interfund revenue	-	-	-	637,745	637,745
State aid	548,068	4,010,411	-	-	4,558,479
Federal aid	811,342	-	724,255	-	1,535,597
Total revenue	2,012,639	4,263,089	724,255	1,077,448	8,077,431
Expenditures:					
General government support	517,096	-	-	-	517,096
Transportation	694,028	8,145,510	-	1,966,444	10,805,982
Economic assistance and opportunity	-	-	182,542	-	182,542
Culture and recreation	2,510,634	-	-	-	2,510,634
Home and community services	1,045,868	-	541,713	-	1,587,581
Employee benefits	-	667,810	-	43,505	711,315
Debt service:					
Principal	-	-	-	174,662	174,662
Interest	-	-	-	17,678	17,678
Total expenditures	4,767,626	8,813,320	724,255	2,202,289	16,507,490
Other financing sources (uses):					
Operating transfers in	1,380,499	4,711,005	-	672,000	6,763,504
Operating transfers out	(1,115,899)	-	-	-	(1,115,899)
Issuance of leases	-	-	-	136,108	136,108
Total other financing sources (uses)	264,600	4,711,005	-	808,108	5,783,713
Change in fund balances	(2,490,387)	160,774	-	(316,733)	(2,646,346)
Fund balances (deficit) at beginning of year	5,195,993	962,042	-	(730,842)	5,427,193
Fund balances (deficit) at end of year	\$ 2,705,606	1,122,816	-	(1,047,575)	2,780,847