

**COUNTY OF ST. LAWRENCE,  
NEW YORK**

*Basic Financial Statements, Required Supplementary  
Information, Supplementary Information and Federal  
Awards Information for the Year Ended  
December 31, 2021 and Independent Auditors' Reports*



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Certified Public Accountants

## **INDEPENDENT AUDITORS' REPORT**

Honorable County Board of Legislators and County Administrator  
County of St. Lawrence, New York:

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of St. Lawrence, New York (the "County"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the St. Lawrence Industrial Development Agency—Civic Development Corporation (the "CDC") and the Canton Human Service Initiatives, Inc. (the "CHSI"), which represent 7.4% and 36.7% of the assets, respectively, and 3.0% and 8.9% of the revenues, respectively, of the business-type activities. We did not audit the financial statements of the St. Lawrence County Industrial Development Agency (the "Agency"), the St. Lawrence County Industrial Development Agency—Local Development Corporation (the "LDC") and the St. Lawrence County Property Development Corporation (the "PDC"), which represent 33.5%, 59.8% and 5.2%, of the assets, respectively, and 46.4%, 16.3% and 18.7%, of the revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the CDC, CHSI, Agency, LDC and PDC, is based solely on the reports of the other auditors.

### ***Basis for Opinions***

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

### ***Responsibilities of Management for the Financial Statements***

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

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 one year after the date that the financial statements are issued.

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

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

In performing an audit in accordance with GAAS, we:

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

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



### ***Required Supplementary Information***

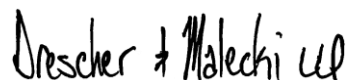
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



August 4, 2022



**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2021**

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As management of the County of St. Lawrence (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

**Financial Highlights**

- The liabilities and deferred inflows of resources of the primary government exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$92,176,765. This consists of \$163,356,713 net investment in capital assets, \$10,441,403 restricted for specific purposes, offset by an unrestricted net position of \$(265,974,881).
- The County's primary government total net position decreased by \$4,585,798 during the year ended December 31, 2021. Governmental activities decreased the County's net position by \$4,318,925, while the net position of the County's business-type activities decreased \$266,873.
- At the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$48,287,658, an increase of \$6,252,996 in comparison with the prior year's fund balance of \$42,034,662.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$30,101,226, or 15.6 percent of total General Fund expenditures and transfers out. This amount constitutes approximately 62.2 percent of the General Fund's total fund balance of \$48,366,252 at December 31, 2021.
- The County's primary government total bonded indebtedness decreased by \$1,755,000 as a result of scheduled principal payments.

**Overview of the Financial Statements**

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government support, education, public safety, public health, transportation, economic assistance and opportunity, culture and recreation and home and community services. The business-type activities of the County include solid waste management and two blended component units, the St. Lawrence County Industrial Development Agency—Civic Development Corporation (“CDC”) and Canton Human Service Initiatives, Inc. (“CHSI”).

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

The government-wide financial statements can be found on pages 14-15 of this report.

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

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

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

The County maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the County Road Fund, and the Capital Projects Fund, which are considered to be a major funds. Data from the other two governmental funds are

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

The basic governmental fund financial statements can be found on pages 16-19 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste Fund, CDC and CHSI. In addition, the Internal Service Fund is presented in the proprietary fund financial statements.

The proprietary fund financial statements can be found on pages 20-23 of this report.

**Fiduciary funds**—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 the funds are not available to support the County’s own programs. The County maintains two fiduciary funds, the Custodial Fund and the Private Purpose Trust Fund.

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

The Private Purpose Trust Fund is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The County uses this fund to account for New York Power Authority Grants.

The fiduciary fund financial statements can be found on pages 24-25 of this report.

**Notes to the financial statements**—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-62 of this report.

**Other information**—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County’s net pension liability, the changes in the County’s total other postemployment benefits (“OPEB”) obligation and the budgetary comparison schedules for the General Fund and County Road Fund. Required Supplementary Information and related notes to the Required Supplementary Information can be found on pages 63-68 of this report.

The combining statements of discretely presented component units and the combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 69-72.

Finally, the Federal Awards Information presents the County’s Schedule of Expenditures of Federal Awards. This section can be found on pages 73-86 of this report.

### Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government’s financial position. In the case of the County’s primary government, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$92,176,765 at the close of the most recent fiscal year, as compared to liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$87,590,967 at the close of the fiscal year ended December 31, 2020.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 133,090,297	\$ 93,979,629	\$ 4,516,239	\$ 4,273,990	\$ 137,606,536	\$ 98,253,619
Noncurrent assets	193,129,595	190,600,194	6,148,515	6,130,431	199,278,110	196,730,625
Total assets	<u>326,219,892</u>	<u>284,579,823</u>	<u>10,664,754</u>	<u>10,404,421</u>	<u>336,884,646</u>	<u>294,984,244</u>
Deferred outflows of resources	131,706,230	109,375,471	3,176,177	2,633,843	134,882,407	112,009,314
Current liabilities	53,201,269	30,617,967	168,568	207,212	53,369,837	30,825,179
Noncurrent liabilities	422,331,622	411,273,482	12,747,651	12,407,450	435,079,273	423,680,932
Total liabilities	<u>475,532,891</u>	<u>441,891,449</u>	<u>12,916,219</u>	<u>12,614,662</u>	<u>488,449,110</u>	<u>454,506,111</u>
Deferred inflows of resources	73,887,461	39,239,150	1,607,337	839,264	75,494,798	40,078,414
Net position:						
Net investment						
in capital assets	161,047,212	147,641,102	2,309,501	2,646,197	163,356,713	150,287,299
Restricted	9,974,455	2,632,458	466,948	466,948	10,441,403	3,099,406
Unrestricted	<u>(262,515,897)</u>	<u>(237,448,865)</u>	<u>(3,458,984)</u>	<u>(3,528,807)</u>	<u>(265,974,881)</u>	<u>(240,977,672)</u>
Total net position	<u>\$ (91,494,230)</u>	<u>\$ (87,175,305)</u>	<u>\$ (682,535)</u>	<u>\$ (415,662)</u>	<u>\$ (92,176,765)</u>	<u>\$ (87,590,967)</u>

The largest portion of the County’s net position, \$163,356,713, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), net of accumulated depreciation, and less any related debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Accordingly, 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.

An additional portion of the County’s net position, \$10,441,403, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The remaining balance of net position, \$(265,974,881) is considered to be unrestricted.

Table 2, as presented below, shows the changes in net position for the years ended December 31, 2021 and December 31, 2020.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues	\$ 99,792,732	\$ 90,134,323	\$ 5,554,808	\$ 5,202,595	\$ 105,347,540	\$ 95,336,918
General revenues	133,366,214	124,191,539	172,130	354,654	133,538,344	124,546,193
Total revenues	<u>233,158,946</u>	<u>214,325,862</u>	<u>5,726,938</u>	<u>5,557,249</u>	<u>238,885,884</u>	<u>219,883,111</u>
Program expenses	<u>237,477,871</u>	<u>198,648,691</u>	<u>5,993,811</u>	<u>4,801,152</u>	<u>243,471,682</u>	<u>203,449,843</u>
Change in net position	(4,318,925)	15,677,171	(266,873)	756,097	(4,585,798)	16,433,268
Net position—beginning	<u>(87,175,305)</u>	<u>(102,852,476)</u>	<u>(415,662)</u>	<u>(1,171,759)</u>	<u>(87,590,967)</u>	<u>(104,024,235)</u>
Net position—ending	<u>\$ (91,494,230)</u>	<u>\$ (87,175,305)</u>	<u>\$ (682,535)</u>	<u>\$ (415,662)</u>	<u>\$ (92,176,765)</u>	<u>\$ (87,590,967)</u>

**Governmental activities**—Governmental activities decreased the County’s net position by \$4,318,925. A summary of revenues for governmental activities for the years ended December 31, 2021 and 2020 is presented below.

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

	Year Ended December 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
Charges for services	\$ 29,771,406	\$ 25,569,606	\$ 4,201,800	16.4
Operating grants and contributions	60,631,513	56,807,071	3,824,442	6.7
Capital grants and contributions	9,389,813	7,757,646	1,632,167	21.0
Property taxes and other tax items	52,739,742	51,444,449	1,295,293	2.5
Non-property taxes	74,499,533	65,424,962	9,074,571	13.9
Other general revenues	<u>6,126,939</u>	<u>7,322,128</u>	<u>(1,195,189)</u>	<u>(16.3)</u>
Total revenues	<u>\$ 233,158,946</u>	<u>\$ 214,325,862</u>	<u>\$ 18,833,084</u>	<u>8.8</u>

The most significant source of revenues for governmental activities is non-property taxes, which accounts for \$74,499,533, or 32.0 percent of total revenues. The other significant sources of revenue include operating grants and contributions, which comprise \$60,631,513, or 26.0 percent of total revenues, property taxes and other tax items, which comprise \$52,739,742, or 22.6 of total revenues, and charges for services, which comprise \$29,771,406, or 12.8 percent of total revenues. Similarly, for the year ended December 31, 2020, the most significant source of revenues for governmental activities is non-property taxes, which accounts for \$65,424,962, or 30.5 percent of total revenues. The other significant sources of revenue include operating grants and contributions, which comprise \$56,807,071 or 26.5 percent of total revenues, property taxes and other tax items, which comprise \$51,444,449, or 24.0 of total revenues, and charges for services, which comprise \$25,569,606, or 11.9 percent of total revenues.

Total revenues for governmental activities for the year ended December 31, 2021 were \$18,833,084 greater than the prior year, largely as a result of non-property taxes due to increases in sales tax collections.

A summary of program expenses of governmental activities for the years ended December 31, 2021 and 2020 is presented below in table 4.

**Table 4—Summary of Program Expenses—Governmental Activities**

	Year Ended December 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
General government support	\$ 69,959,655	\$ 56,253,691	\$ 13,705,964	24.4
Education	1,116,934	907,065	209,869	23.1
Public safety	22,729,673	21,275,406	1,454,267	6.8
Public health	20,932,567	15,558,655	5,373,912	34.5
Transportation	32,757,092	24,990,179	7,766,913	31.1
Economic assistance and opportunity	86,083,436	76,271,861	9,811,575	12.9
Culture and recreation	499,473	421,516	77,957	18.5
Home and community services	2,476,796	2,029,038	447,758	22.1
Interest and fiscal charges	922,245	941,280	(19,035)	(2.0)
Total program expenses	<u>\$ 237,477,871</u>	<u>\$ 198,648,691</u>	<u>\$ 38,829,180</u>	19.5

The County's most significant expense items for governmental activities were economic assistance and opportunity of \$86,083,436, or 36.3 percent of total governmental activities expenses, general government support of \$69,959,655, or 29.5 percent of total governmental activities expenses, transportation of \$32,757,092, or 13.8 percent of total governmental activities expenses, and public safety of \$22,729,673, or 9.6 percent of total governmental activities expenses for the year ended December 31, 2021. For the year ended December 31, 2020, the most significant expense items were economic assistance and opportunity of \$76,271,861, or 38.4 percent of total governmental activities expenses, general government support of \$56,253,691, or 28.3 percent of total governmental activities expenses, transportation of \$24,990,179, or 12.6 percent of total governmental activities expenses, and public safety of \$21,325,207, or 10.7 percent of total governmental activities expenses.

During the year ended December 31, 2021, total expenses for governmental activities increased by \$38,829,180, primarily due to the increase in the other postemployment benefits obligation allocable to all functions of the County.

**Business-type Activities**—Business-type activities decreased the County's net position by \$266,873. A summary of revenues and operating expenses for the County's business-type activities for the years ended December 31, 2021 and 2020 is presented on the following page.



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

	Year Ended December 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
Revenues:				
Operating revenues	\$ 5,717,596	\$ 5,543,294	\$ 174,302	3.1
Nonoperating revenues	9,342	13,955	(4,613)	(33.1)
Total revenues	<u>\$ 5,726,938</u>	<u>\$ 5,557,249</u>	<u>\$ 169,689</u>	3.1
Operating expenses:				
General government support	\$ 2,160,786	\$ 246,759	\$ 1,914,027	775.7
Home and community services	3,672,391	3,973,126	(300,735)	(7.6)
Depreciation	160,634	581,267	(420,633)	(72.4)
Total operating expenses	<u>\$ 5,993,811</u>	<u>\$ 4,801,152</u>	<u>\$ 1,192,659</u>	24.8

Total revenues for business-type activities increased by 3.1 percent primarily due to increases in charges for services within the Solid Waste Fund. Total expenses increased by 24.8 percent from the prior year. The increase in expenses can be attributed to an increase in the allocation of the County's postemployment benefits obligation from the prior year.

### Financial Analysis of the Government's Funds

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

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

At December 31, 2021, the County's governmental funds reported combined ending fund balances of \$48,287,658, an increase of \$6,252,996 in comparison with the prior year. \$29,475,115, or 61.0 percent of this amount, constitutes *unassigned fund balance* which may be available for spending per the County's fund balance policy. The remainder of fund balance is either *nonspendable*, *restricted*, *committed* or *assigned* to indicate that it is: (1) not in spendable form, \$3,168,216, (2) restricted for particular purposes, \$9,974,455, (3) committed for particular purposes, \$3,500,000 or (4) assigned for particular purposes, \$2,169,872.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$30,101,226, while total fund balance increased \$12,551,026 to \$48,366,252. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to the total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 15.6 percent of General Fund expenditures and transfers out, while total fund balance represents 25.0 percent of that same amount. The increase of General Fund fund balance of \$12,551,026 from the prior year is primarily due to an unanticipated increase in sales tax collection of \$13,224,683, when compared to the original budget.

The County Road Fund fund balance decreased by \$2,511,824 from the prior year, primarily due to less state and federal aid than originally expected within the budget, along with the planned use of fund balance.

The Capital Projects Fund fund balance decreased by \$752,268 from the prior year, due to capital outlay exceeding state aid and transfers in from operating funds. The Capital Projects Fund reports a fund balance deficit of \$(522,039), primarily caused by the County’s issued bond anticipation notes which do not qualify for treatment as a long-term liability.

**Proprietary funds**—Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The net position of the enterprise funds at the end of the current fiscal year totaled \$(682,535).

The Internal Service Fund is used to account for the County’s self-insurance workers’ compensation program. The total net position at the end of the fiscal year was \$(6,473,426). This represents an improvement of \$1,335,403 for last year’s net position of \$(7,808,829).

**General Fund Budgetary Highlights**

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

A summary of the General Fund results of operations for the year ended December 31, 2021 is presented in Table 6 below:

**Table 6—Summary of General Fund Results of Operations**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 184,588,536	\$ 197,894,714	\$ 205,677,877	\$ 7,783,163
Expenditures and other financing uses	184,900,835	199,194,388	193,126,851	6,067,537
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (312,299)	\$ (1,299,674)	\$ 12,551,026	\$ 13,850,700

**Original budget compared to final budget**—During the year, the budget was modified primarily to reflect the increase in general government support and transportation expenditures following the unanticipated receipt of sales tax and federal aid related to the American Rescue Plan Act, causing increases to appropriations and revenue from the original adopted budget to the final budget.

**Final budget compared to actual results**—The General Fund had a positive variance from final budgetary appropriations of \$6,067,537. The primary positive variances were realized within general government support, economic assistance and opportunity, and transportation, as certain amounts were set aside for potential use but were never incurred by the County.

## Capital Assets and Debt Administration

**Capital assets**—The County’s investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounted to \$198,687,195 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, land improvements, buildings and building improvements, and machinery and equipment.

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

Capital assets net of accumulated depreciation for the governmental activities and business-type activities at the years ended December 31, 2021 and December 31, 2020 are presented in Table 7 below:

**Table 7—Summary of Capital Assets (Net of Accumulated Depreciation)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,343,080	\$ 2,243,080	\$ 318,800	\$ 318,800	\$ 2,661,880	\$ 2,561,880
Construction in progress	9,150,236	6,778,269	-	-	9,150,236	6,778,269
Infrastructure	143,748,663	130,521,922	-	-	143,748,666	130,521,922
Land improvements	-	-	475,671	571,423	475,671	571,423
Buildings and building improvements	23,662,914	24,556,818	3,085,349	3,245,983	26,748,263	27,802,801
Machinery and equipment	14,224,702	11,482,926	1,677,780	1,918,724	15,902,479	13,401,650
Total	<u>\$ 193,129,595</u>	<u>\$ 175,583,015</u>	<u>\$ 5,557,600</u>	<u>\$ 6,054,930</u>	<u>\$ 198,687,195</u>	<u>\$ 181,637,945</u>

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

**Long-term liabilities**—The County currently has \$28,886,127 in total net bonded debt for functions considered governmental and business-type activities. This includes serial bonds and related premiums, and bonds issued by CHSI.

The County’s governmental and business-type activities also have recorded debt for capital leases, compensated absences, workers’ compensation claims, OPEB obligation, landfill obligation and net pension liabilities.

A summary of the County’s long-term liabilities at December 31, 2021 and December 31, 2020 is presented in Table 8 below:

**Table 8—Summary of Long-Term Liabilities**

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2021	2020	2021	2020	2021	2020
Serial bonds	\$ 23,495,000	\$ 24,940,000	\$ 4,145,000	\$ 4,455,000	\$ 27,640,000	\$ 29,395,000
Premium on serial bonds	1,246,127	1,339,915	-	-	1,246,127	1,339,915
Capital leases	1,341,256	1,661,998	-	-	1,341,256	1,661,998
Compensated absences	8,070,814	7,901,888	273,403	194,277	8,344,217	8,096,165
Workers' compensation	23,512,130	30,476,433	-	-	23,512,130	30,476,433
OPEB obligation	364,509,106	302,394,447	8,232,726	6,681,644	372,741,832	309,076,091
Landfill obligation	-	-	92,972	136,164	92,972	136,164
Net pension liability	157,189	42,558,801	3,550	940,365	160,739	43,499,166
<b>Total</b>	<b>\$ 422,331,622</b>	<b>\$ 411,273,482</b>	<b>\$ 12,747,651</b>	<b>\$ 12,407,450</b>	<b>\$ 435,079,273</b>	<b>\$ 423,680,932</b>

For additional information on the County’s long-term liabilities, refer to Note 11 of this report.

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

According to the New York State Department of Labor, the unemployment rate, not seasonally adjusted, for St. Lawrence County during 2021 was 5.5 percent. This compares to New York State’s rate of 6.9 percent and the national unemployment rate of 5.5 percent.

The County’s 2022 budget of \$260,623,245 represents an increase of 4.4 percent in appropriations from the 2021 budget of \$249,620,478. While the 2022 tax levy of \$50,332,681 represents a decrease of 0.1% over the 2021 tax levy. The County has appropriated fund balance for \$250,000 within the County Road Fund.

### **Request for Information**

This financial report is designed to provide the County’s citizens, taxpayers, customers, investors, and creditors with a general overview of the County’s finances and to demonstrate the County’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the St. Lawrence County Treasurer’s Office, 48 Court Street, Canton, New York 13617.

# BASIC FINANCIAL STATEMENTS



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**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Statement of Net Position**  
**December 31, 2021**

	Primary Government			Aggregate Discretely Presented Component Units
	Governmental Activities	Business- type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 16,936,637	\$ 3,253,610	\$ 20,190,247	\$ 4,338,106
Restricted cash and cash equivalents	33,892,098	-	33,892,098	11,369,983
Investments	13,823,720	1,002,528	14,826,248	1,717,170
Restricted investments	3,007,585	-	3,007,585	-
Receivables, net of allowances:				
Taxes	14,752,663	-	14,752,663	-
Accounts	1,769,310	440,417	2,209,727	349,219
Mortgages, loans and leases receivable, current portion	-	-	-	848,006
Grants	-	-	-	25,018
Other	-	35,557	35,557	-
Intergovernmental receivables	36,847,180	-	36,847,180	-
Internal balances	253,225	(253,225)	-	-
Prepaid items	2,282,243	37,442	2,319,685	18,522
Noncurrent intergovernmental receivables	9,525,636	-	9,525,636	-
Noncurrent mortgages, loans, notes and leases receivable	-	590,915	590,915	4,269,062
Capital assets, not being depreciated	11,493,316	318,800	11,812,116	1,574,082
Capital assets, net of accumulated depreciation	181,636,279	5,238,800	186,875,079	1,970,233
Total assets	326,219,892	10,664,844	336,884,736	26,479,401
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding bonds	1,046,950	225,131	1,272,081	-
Deferred outflows—relating to pensions	35,848,333	809,666	36,657,999	483,891
Deferred outflows—relating to OPEB	94,810,947	2,141,380	96,952,327	747,727
Total deferred outflows of resources	131,706,230	3,176,177	134,882,407	1,231,618
<b>LIABILITIES</b>				
Accounts payable	16,224,363	97,035	16,321,398	63,267
Accrued liabilities	2,641,413	71,533	2,712,946	28,526
Intergovernmental payables	16,603,924	-	16,603,924	-
Bond anticipation notes payable	6,000,000	-	6,000,000	-
Unearned revenue	11,731,569	-	11,731,569	417,711
Noncurrent liabilities:				
Due within one year	4,811,994	374,021	5,186,015	22,448
Due in more than one year	417,519,628	12,373,630	429,893,258	3,909,456
Total liabilities	475,532,891	12,916,219	488,449,110	4,441,408
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues—grants	2,721,762	-	2,721,762	-
Deferred inflows—relating to pensions	47,609,745	1,075,307	48,685,052	635,919
Deferred inflows—relating to OPEB	23,555,954	532,030	24,087,984	449,077
Total deferred inflows of resources	73,887,461	1,607,337	75,494,798	1,084,996
<b>NET POSITION</b>				
Net investment in capital assets	161,047,212	2,309,501	163,356,713	1,579,985
Restricted for:				
Capital projects	5,000,000	-	5,000,000	-
Insurance	2,449,000	-	2,449,000	-
Employee benefits	2,000,000	-	2,000,000	-
Other	525,455	466,948	992,403	-
Debt reduction	-	-	-	15,506,441
Unrestricted	(262,515,897)	(3,458,984)	(265,974,881)	5,098,189
Total net position	\$ (91,494,230)	\$ (682,535)	\$ (92,176,765)	\$ 22,184,615

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





**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Balance Sheet—Governmental Funds**  
**December 31, 2021**

	<u>General Fund</u>	<u>Special Revenue County Road Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 15,000,012	\$ 1,709,913	\$ -	\$ 226,712	\$ 16,936,637
Restricted cash and cash equivalents	23,390,881	-	4,504,553	-	27,895,434
Investments	13,823,720	-	-	-	13,823,720
Receivables (net of allowances):					
Taxes	14,752,663	-	-	-	14,752,663
Accounts receivable	1,729,683	20,193	-	19,434	1,769,310
Due from other funds	320,091	44	1,560,114	1,278,046	3,158,295
Intergovernmental receivables	32,385,515	1,898,126	400,000	199,000	34,882,641
Prepaid items	2,264,786	-	-	-	2,264,786
Total assets	<u>\$ 103,667,351</u>	<u>\$ 3,628,276</u>	<u>\$ 6,464,667</u>	<u>\$ 1,723,192</u>	<u>\$ 115,483,486</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 14,209,720	\$ 384,264	\$ 961,396	\$ 595,663	\$ 16,151,043
Accrued liabilities	2,391,073	77,057	-	23,321	2,491,451
Intergovernmental payables	16,603,924	-	-	-	16,603,924
Due to other funds	43,796	1,790,385	25,310	1,000,428	2,859,919
Bond anticipation notes payable	-	-	6,000,000	-	6,000,000
Unearned revenues	10,694,664	829,053	-	207,852	11,731,569
Total liabilities	<u>43,943,177</u>	<u>3,080,759</u>	<u>6,986,706</u>	<u>1,827,264</u>	<u>55,837,906</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources—property taxes	8,636,160	-	-	-	8,636,160
Deferred inflows of resources—grants	2,721,762	-	-	-	2,721,762
Total deferred inflows of resources	<u>11,357,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,357,922</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	3,168,216	-	-	-	3,168,216
Restricted	9,974,455	-	-	-	9,974,455
Committed	3,500,000	-	-	-	3,500,000
Assigned	1,622,355	547,517	-	-	2,169,872
Unassigned	30,101,226	-	(522,039)	(104,072)	29,475,115
Total fund balances (deficits)	<u>48,366,252</u>	<u>547,517</u>	<u>(522,039)</u>	<u>(104,072)</u>	<u>48,287,658</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 103,667,351</u>	<u>\$ 3,628,276</u>	<u>\$ 6,464,667</u>	<u>\$ 1,723,192</u>	<u>\$ 115,483,486</u>

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

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Reconciliation of the Balance Sheet—Governmental Funds**  
**to the Government-wide Statement of Net Position**  
**December 31, 2021**

Amounts reported for governmental activities in the statement of net position (page 14) are different because:

Total fund balances (deficits)—governmental funds (page 16)	\$ 48,287,658
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$312,238,818 and the accumulated depreciation is \$119,109,223.	193,129,595
Other long-term receivables are not available to pay for current period expenditures and, therefore, are not reported in the funds.	1,964,539
Uncollected property taxes are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	8,636,160
For refunding bonds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred charge and recognized as a component of interest expense over either the lesser of the life of the debt issuance or the bonds refunded for the government-wide statements.	1,046,950
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements.	
Deferred outflows related to employer contributions	\$ 4,973,355
Deferred outflows related to experience, assumptions, and investment earnings	30,874,978
Deferred inflows related to pension plans	<u>(47,609,745)</u>
	(11,761,412)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the fund statements.	
Deferred outflows relating to OPEB	94,361,498
Deferred inflows relating to experience and changes in assumptions.	<u>(23,444,287)</u>
	70,917,211
Internal service funds are used by management to charge the cost of insurance, judgments, claims and related administrative expenses to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(6,473,426)
Net accrued interest expense for bonds and bond anticipation notes is not reported in the funds.	(149,962)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:	
Serial bonds	(23,495,000)
Premium on serial bonds	(1,246,127)
Capital leases	(1,341,256)
Compensated absences	(8,070,814)
OPEB obligation	(362,781,157)
Net pension liability	<u>(157,189)</u>
	<u>(397,091,543)</u>
Net position of governmental activities	<u>\$ (91,494,230)</u>

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

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)—Governmental Funds**  
**Year Ended December 31, 2021**

	<u>General Fund</u>	<u>Special Revenue County Road Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Real property taxes	\$ 50,805,503	\$ -	\$ -	\$ -	\$ 50,805,503
Real property tax items	3,119,024	-	-	-	3,119,024
Non-property tax items	74,499,533	-	-	-	74,499,533
Departmental income	16,201,552	-	-	-	16,201,552
Intergovernmental charges	1,673,181	2,191,401	-	1,088,785	4,953,367
Use of money and property	163,923	31,011	-	109,000	303,934
Licenses and permits	54,750	-	-	-	54,750
Fines and forfeitures	297,615	-	-	-	297,615
Sale of property and compensation for loss	1,925,356	64,630	-	29,232	2,019,218
Miscellaneous	2,953,438	19,717	-	142,868	3,116,023
Interfund revenues	186,288	-	-	2,782,776	2,969,064
State aid	29,954,374	8,989,813	400,000	-	39,344,187
Federal aid	23,607,229	5,609,066	-	1,460,844	30,677,139
Total revenues	<u>205,441,766</u>	<u>16,905,638</u>	<u>400,000</u>	<u>5,613,505</u>	<u>228,360,909</u>
<b>EXPENDITURES</b>					
Current:					
General government support	54,313,466	-	-	-	54,313,466
Education	910,854	-	-	-	910,854
Public safety	18,820,314	536,448	-	-	19,356,762
Health	17,096,436	-	-	-	17,096,436
Transportation	2,899,951	20,136,357	-	6,117,111	29,153,419
Economic assistance and opportunity	68,764,365	-	-	1,460,844	70,225,209
Culture and recreation	382,791	-	-	-	382,791
Home and community services	2,019,814	-	-	-	2,019,814
Employee benefits	13,633,364	-	-	-	13,633,364
Debt service:					
Principal	1,761,853	-	-	240,000	2,001,853
Interest and fiscal charges	780,550	-	-	42,238	822,788
Capital outlay	-	-	12,427,268	-	12,427,268
Total expenditures	<u>181,383,758</u>	<u>20,672,805</u>	<u>12,427,268</u>	<u>7,860,193</u>	<u>222,344,024</u>
Excess (deficiency) of revenues over expenditures	<u>24,058,008</u>	<u>(3,767,167)</u>	<u>(12,027,268)</u>	<u>(2,246,688)</u>	<u>6,016,885</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	11,739,093	11,275,000	1,000,000	24,014,093
Transfers out	(11,743,093)	(10,483,750)	-	(1,787,250)	(24,014,093)
Capital lease issuance	236,111	-	-	-	236,111
Total other financing sources (uses)	<u>(11,506,982)</u>	<u>1,255,343</u>	<u>11,275,000</u>	<u>(787,250)</u>	<u>236,111</u>
Net change in fund balances	12,551,026	(2,511,824)	(752,268)	(3,033,938)	6,252,996
Fund balances—beginning	35,815,226	3,059,341	230,229	2,929,866	42,034,662
Fund balances (deficits)—ending	<u>\$ 48,366,252</u>	<u>\$ 547,517</u>	<u>\$ (522,039)</u>	<u>\$ (104,072)</u>	<u>\$ 48,287,658</u>

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

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances (Deficits)—Governmental Funds to the Government-wide Statement of Activities**  
**Year Ended December 31, 2021**

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

Net change in fund balances (deficits)—total governmental funds (page 18)		\$	6,252,996
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and loss on disposals in the current period.</p>			
Capital asset additions	\$	23,627,605	
Depreciation expense		(6,022,151)	
Loss on disposals		<u>(58,874)</u>	17,546,580
<p>Certain tax and other revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>			
Change in other receivables		137,590	
Change in deferred inflows of resources—property taxes		<u>(1,184,785)</u>	(1,047,195)
<p>For refunding bonds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred charge on the government-wide statements and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.</p>			
			(78,034)
<p>Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:</p>			
Direct pension contributions		6,387,665	
Cost of benefits earned net of employee contributions		<u>(2,717,543)</u>	3,670,122
<p>Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization.</p>			
Employer contributions and changes in assumptions		16,699,210	
Differences between expected and actual experience		<u>11,747,471</u>	28,446,681
<p>Internal service funds are used by management to charge the costs of insurance, judgments, claims and related administrative expenses to individual funds. The net gain of certain activities is reported within governmental activities.</p>			
			1,335,403
<p>In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.</p>			
			(21,423)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:</p>			
Repayment of serial bonds		1,445,000	
Amortization of premium on serial bonds		93,788	
Capital lease issuance		(236,111)	
Payment of capital leases		556,853	
Change in compensated absences		(168,926)	
Change in OPEB obligation		<u>(62,114,659)</u>	<u>(60,424,055)</u>
Change in net position of governmental activities			<u>\$ (4,318,925)</u>

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

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Statement of Net Position—Proprietary Funds**  
**December 31, 2021**

	Business-type Activities— Enterprise Funds			Governmental Activities	
	Industrial Development Agency—Civic	Canton Human Service Initiatives	Total Business- type Activities	Internal Service Fund	
	Solid Waste Fund	Development Corporation			
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 2,310,556	\$ 183,908	\$ 759,146	\$ 3,253,610	\$ -
Restricted cash and cash equivalents	-	-	-	-	5,996,664
Investments	1,002,528	-	-	1,002,528	-
Restricted investments	-	-	-	-	3,007,585
Receivables (net of allowances)	440,417	-	-	440,417	-
Due from other funds	159	-	-	159	-
Accrued interest receivable	-	1,016	-	1,016	-
Notes receivable	-	34,541	-	34,541	-
Prepaid items	37,442	-	-	37,442	17,457
Total current assets	<u>3,791,102</u>	<u>219,465</u>	<u>759,146</u>	<u>4,769,713</u>	<u>9,021,706</u>
Noncurrent assets:					
Intergovernmental receivables	-	-	-	-	9,525,636
Notes receivable	-	590,915	-	590,915	-
Capital assets, not being depreciated	156,050	-	162,750	318,800	-
Capital assets, net of accumulated depreciation	2,153,451	-	3,085,349	5,238,800	-
Total noncurrent assets	<u>2,309,501</u>	<u>590,915</u>	<u>3,248,099</u>	<u>6,148,515</u>	<u>9,525,636</u>
Total assets	<u>6,100,603</u>	<u>810,380</u>	<u>4,007,245</u>	<u>10,918,228</u>	<u>18,547,342</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding bonds	-	-	225,131	225,131	-
Deferred outflows—relating to pensions	809,666	-	-	809,666	-
Deferred outflows—relating to OPEB	2,141,380	-	-	2,141,380	449,449
Total deferred outflows of resources	<u>2,951,046</u>	<u>-</u>	<u>225,131</u>	<u>3,176,177</u>	<u>449,449</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	96,910	125	-	97,035	73,320
Accrued liabilities	17,600	-	53,933	71,533	-
Due to other funds	253,384	-	-	253,384	45,151
Total current liabilities	<u>367,894</u>	<u>125</u>	<u>53,933</u>	<u>421,952</u>	<u>118,471</u>
Noncurrent liabilities:					
Due within one year:					
Bonds payable	-	-	315,000	315,000	-
Compensated absences	13,670	-	-	13,670	-
Landfill obligation	45,351	-	-	45,351	-
Workers' compensation claims	-	-	-	-	2,351,213
Due in more than one year:					
Bonds payable	-	-	3,830,000	3,830,000	-
Compensated absences	259,733	-	-	259,733	-
OPEB obligation	8,232,726	-	-	8,232,726	1,727,949
Landfill obligation	47,621	-	-	47,621	-
Net pension liability	3,550	-	-	3,550	-
Workers' compensation claims	-	-	-	-	21,160,917
Total noncurrent liabilities	<u>8,602,651</u>	<u>-</u>	<u>4,145,000</u>	<u>12,747,651</u>	<u>25,240,079</u>
Total liabilities	<u>8,970,545</u>	<u>125</u>	<u>4,198,933</u>	<u>13,169,603</u>	<u>25,358,550</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows—relating to pensions	1,075,307	-	-	1,075,307	-
Deferred inflows—relating to OPEB	532,030	-	-	532,030	111,667
Total deferred inflows of resources	<u>1,607,337</u>	<u>-</u>	<u>-</u>	<u>1,607,337</u>	<u>111,667</u>
<b>NET POSITION</b>					
Net investment in capital assets	2,309,501	-	-	2,309,501	-
Restricted	-	-	466,948	466,948	-
Unrestricted	(3,835,734)	810,255	(433,505)	(3,458,984)	(6,473,426)
Total net position	<u>\$ (1,526,233)</u>	<u>\$ 810,255</u>	<u>\$ 33,443</u>	<u>\$ (682,535)</u>	<u>\$ (6,473,426)</u>

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

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Statement of Revenues, Expenses, and Changes in Net Position—**  
**Proprietary Funds**  
**Year Ended December 31, 2021**

	Business-type Activities— Enterprise Funds			Governmental Activities	
	Solid Waste Fund	Industrial Development Agency—Civic Development Corporation	Canton Human Service Initiatives	Total Business- type Activities	Internal Service Fund
Operating revenues:					
Charges for services	\$ 4,878,602	\$ 166,962	\$ 509,244	\$ 5,554,808	\$ -
Intergovernmental revenues	-	-	-	-	5,295,058
Sale of property and compensation for loss	104,544	-	-	104,544	-
Miscellaneous	58,244	-	-	58,244	-
Total operating revenues	<u>5,041,390</u>	<u>166,962</u>	<u>509,244</u>	<u>5,717,596</u>	<u>5,295,058</u>
Operating expenses:					
General government support	1,455,922	94,395	214,555	1,764,872	4,416,041
Home and community services	3,672,391	-	-	3,672,391	-
Depreciation	395,914	-	160,634	556,548	-
Total operating expenses	<u>5,524,227</u>	<u>94,395</u>	<u>375,189</u>	<u>5,993,811</u>	<u>4,416,041</u>
Operating income (loss)	<u>(482,837)</u>	<u>72,567</u>	<u>134,055</u>	<u>(276,215)</u>	<u>879,017</u>
Nonoperating revenues:					
Interest earnings	5,728	3,557	57	9,342	30,556
Change in workers' compensation claims	-	-	-	-	425,830
Total nonoperating revenues	<u>5,728</u>	<u>3,557</u>	<u>57</u>	<u>9,342</u>	<u>456,386</u>
Change in net position	(477,109)	76,124	134,112	(266,873)	1,335,403
Total net position—beginning	<u>(1,049,124)</u>	<u>734,131</u>	<u>(100,669)</u>	<u>(415,662)</u>	<u>(7,808,829)</u>
Total net position—ending	<u>\$ (1,526,233)</u>	<u>\$ 810,255</u>	<u>\$ 33,443</u>	<u>\$ (682,535)</u>	<u>\$ (6,473,426)</u>

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

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Statement of Cash Flows—**  
**Proprietary Funds**  
**Year Ended December 31, 2021**

	Business-type Activities—			Governmental Activities	
	Enterprise Funds				
	Industrial Development Agency—Civic Solid Waste Fund	Canton Human Service Development Corporation	Total Business- type Activities		Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from services provided	\$ 5,020,838	\$ 166,962	\$ 509,244	\$ 5,697,044	\$ 10,786,601
Receipts from other operating revenue	58,244	3,796	57	62,097	-
Payments to employees	(1,932,223)	-	(14,792)	(1,947,015)	(133,563)
Payments to suppliers	(2,378,445)	(94,270)	-	(2,472,715)	(635,907)
Cash paid for insurance and interest	-	-	(186,414)	(186,414)	-
Cash paid for workers' compensation claims	-	-	-	-	(10,098,219)
Net cash provided by (used for) operating activities	<u>768,414</u>	<u>76,488</u>	<u>308,095</u>	<u>1,152,997</u>	<u>(81,088)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Change in loans to/from other funds	<u>23,674</u>	<u>-</u>	<u>-</u>	<u>23,674</u>	<u>46,286</u>
Net cash provided by noncapital financing activities	<u>23,674</u>	<u>-</u>	<u>-</u>	<u>23,674</u>	<u>46,286</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital purchases	(59,218)	-	-	(59,218)	-
Repayment of bonds	-	-	(310,000)	(310,000)	-
Net cash used for capital and related financing activities	<u>(59,218)</u>	<u>-</u>	<u>(310,000)</u>	<u>(369,218)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Issuance of notes	-	(550,000)	-	(550,000)	-
Payments received on notes	-	33,472	-	33,472	-
Sale of investments	(1,002,528)	-	-	-	(2,581,755)
Interest received	5,728	-	-	5,728	30,556
Net cash provided by (used for) investing activities	<u>(996,800)</u>	<u>(516,528)</u>	<u>-</u>	<u>(1,513,328)</u>	<u>(2,551,199)</u>
Change in cash, cash equivalents and investments	(263,930)	(440,040)	(1,905)	(705,875)	(2,586,001)
Cash, cash equivalents and investments—beginning	<u>2,574,486</u>	<u>623,948</u>	<u>761,051</u>	<u>3,959,485</u>	<u>8,582,665</u>
Cash, cash equivalents and investments—ending	<u>\$ 2,310,556</u>	<u>\$ 183,908</u>	<u>\$ 759,146</u>	<u>\$ 3,253,610</u>	<u>\$ 5,996,664</u>

(continued)



**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Statement of Cash Flows—**  
**Proprietary Funds**  
**Year Ended December 31, 2021**

	(concluded)			
	Business-type Activities— Enterprise Funds			Governmental Activities
	Industrial Development Agency—Civic Solid Waste Fund	Canton Human Service Initiatives	Total Business- type Activities	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ (482,837)	\$ 72,567	\$ 134,055	\$ (276,215) \$ 879,017
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	395,914	-	160,634	556,548 -
Decrease in receivables	37,692	-	-	37,692 -
(Increase) decrease in prepaid items	(6,177)	-	-	(6,177) 2,728
Decrease in intergovernmental receivables	-	-	-	-
(Increase) in deferred outflows related to pensions	(157,261)	-	-	(157,261) -
(Increase) in deferred outflows related to OPEB obligation	(401,910)	-	-	(401,910) (175,671)
Decrease in deferred charge on refunding bonds	-	-	16,837	16,837 -
(Decrease) increase in accounts payable	(38,174)	3,921	-	(34,253) 20,822
Increase (decrease) in accrued liabilities	2,893	-	(3,431)	(538) -
Increase in compensated absences	79,126	-	-	79,126 -
Increase in OPEB obligation	1,551,082	-	-	1,551,082 676,312
(Decrease) in landfill obligation	(43,192)	-	-	(43,192) -
(Decrease) in net pension liability	(936,815)	-	-	(936,815) -
(Decrease) in workers' compensation claims	-	-	-	-
Increase in deferred inflows related to pensions	1,018,822	-	-	1,018,822 -
(Decrease) in deferred inflows related to OPEB obligation	(250,749)	-	-	(250,749) (11,536)
Total adjustments	1,251,251	3,921	174,040	1,429,212 (960,105)
Net cash provided by (used for) operating activities	\$ 768,414	\$ 76,488	\$ 308,095	\$ 1,152,997 \$ (81,088)

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

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Statement of Fiduciary Net Position—Fiduciary Funds**  
**December 31, 2021**

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	<b>Custodial Fund</b>	<b>Private Purpose Trust Fund</b>
<b>ASSETS</b>		
Restricted cash and cash equivalents	\$ 976,584	\$ 102,537
Total assets	976,584	102,537
<b>LIABILITIES</b>		
Amounts held in custody for others	724,831	-
Total liabilities	724,831	-
<b>NET POSITION</b>		
Restricted for other organizations	\$ 251,753	\$ 102,537

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

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Statement of Changes in Fiduciary Net Position—Fiduciary Funds**  
**Year Ended December 31, 2021**

	<u>Custodial Fund</u>	<u>Private Purpose Trust Fund</u>
<b>ADDITIONS</b>		
New York Power Authority deposits	\$ -	\$ 3,425,778
Funds collected on behalf of others	66,107	-
Interest earned	-	24
Total additions	<u>66,107</u>	<u>3,425,802</u>
<b>DEDUCTIONS</b>		
Funds distributed on behalf of others	<u>1,340</u>	<u>3,425,778</u>
Total deductions	<u>1,340</u>	<u>3,425,778</u>
Change in net position	64,767	24
Net position—beginning	186,986	102,513
Net position—ending	<u>\$ 251,753</u>	<u>\$ 102,537</u>

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

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**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

***Reporting Entity***

The County, which was established in 1802, is governed by County local law, other general laws of the State of New York and various local laws and ordinances. The County Board of Legislators (the “Board”), which is a legislative body responsible for overall operating of the County, consists of fifteen Legislators. The County Administrator serves as chief administrative officer and the County Treasurer serves as chief fiscal officer of the County.

The County provides mandated social service programs such as Medicaid and Temporary Assistance for Needy Families. The County also provides the following basic services: general government support, highway construction and maintenance, economic assistance and opportunity, cultural and recreational programs, public safety and law enforcement and public health.

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

***Discretely Presented Component Units***—The component unit column in the government-wide financial statements includes the financial data of the County’s aggregate discretely presented component units. The combining statements of discretely presented component units present the four component units in separate columns. These statements are presented separately from the financial data of the primary government to emphasize that they are legally separate from the County.

***St. Lawrence County Industrial Development Agency (the “Agency”)***—The Agency is a public benefit corporation created by State legislation to promote the economic welfare, opportunities, and property of the County’s residents. Members of the Agency are appointed by the County Board of Legislators. Agency revenues are generated by bonds secured by the assets acquired for the related project. The County is not liable for any Agency indebtedness. Separate financial statements for the Agency may be obtained by contacting the Agency directly, which is located at 19 Commerce Lane, Suite 1, Canton, New York, 13617.

***St. Lawrence County Industrial Development Agency – Local Development Corporation (the “LDC”)***—The LDC is a public benefit corporation established by the St. Lawrence County Industrial Development Agency to collect loan repayments from Community Development Block Grant Projects, and establish a County-wide revolving loan fund. The separately issued financial statements of the LDC include the Greater Massena Economic Development Fund (“GMEDF”) and the St. Lawrence River Valley Redevelopment Agency (“SLRVRA”).

Members of the LDC are appointed by the County Board of Legislators. LDC revenues are generated from the collection of interest on loans made from Community Development Block Projects. The County is not liable for any LDC indebtedness.

The GMEDF was established in 1987 with a \$1,000,000 grant from the New York Power Authority to be used to provide loans to certain business enterprises for the establishment, maintenance or expansion of plants, facilities or operations in the Town of Massena and the County of St. Lawrence. Initially, the New York Job Development Authority assumed administrative responsibility for the GMEDF. It was subsequently transferred to the LDC.

The SLRVRA is a joint action agency formed on June 2, 2010 to make use of certain New York Power Authority assets for the purposes of economic development in the St. Lawrence Valley and surrounding communities. The New York Power Authority made certain assets available consisting of \$16 million and 20 megawatts of electrical power generation from hydro-electric facilities situated on the St. Lawrence River. There is an agreement between the SLRVRA and the LDC for the administration of these assets.

Separate financial statements for the LDC may be obtained by contacting the LDC directly, which is located in the same office as the Agency, at 19 Commerce Lane, Suite 1, Canton, New York, 13617.

***St. Lawrence County Soil and Water Conservation District (the “District”)***—The District was established by the County Board of Legislators on January 21, 1957. The District is responsible for the conservation of soil and water resources and control and prevention of soil erosion and prevention of floodwater and sediment damages. The County Board of Legislators appoints seven members to the District and appropriates funds for the operation of the Soil and Water Conservation District.

***St. Lawrence County Property Development Corporation (the “PDC”)***—The PDC is a Not-For-Profit Local Development Corporation formed pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York as defined in subparagraph (a)(5) of Section 102 of the Law. The PDC was formed on July 12, 2018. Directors of the LDC, which are appointed by the County Board of Legislators, also serve as Directors of the PDC.

The purposes for which the PDC was formed is to operate exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, lessen the burdens of government and act in the public interest.

Separate financial statements for the PDC may be obtained by contacting the PDC directly, which is located in the same office as the LDC, at 19 Commerce Lane, Suite 1, Canton, New York, 13617.

**Blended Component Units**—The following component units are a legally separate entity from the County but is, in substance, part of the County’s operations and therefore data from this unit is combined with data from the primary government:

***St. Lawrence County Industrial Development Agency – Civic Development Corporation (the “CDC”)***—The CDC was established pursuant to Section 402 of the not-for-profit corporation law of the State of New York as a local development corporation under Section 1411 of the law, for the purpose of, among other things, relieving and reducing unemployment, promoting and providing for additional and maximum employment and bettering and maintaining job opportunities. The establishments of the CDC was authorized by the County and the CDC has the powers to issue bonds, notes, and other obligations for the benefit of not-for-profit entities considered essential to the continued development, construction, improvement, and operation of projects for these entities.

The County is the one sole member of the CDC and a Board of Directors are appointed by the County. Further, the bylaws of the CDC can be amended by the County, thus establishing its governance and control of the CDC.

Separately issued financial statements for the CDC may be obtained from CDC’s Chief Executive Officer at 19 Commerce Lane, Suite 1, Canton, New York, 13617.

***Canton Human Service Initiatives (the “CHSI”)***—The CHSI is a not-for-profit corporation that was established in 2001 to finance, build and rent a health service facility to the County. Although legally separate and independent of the County, CHSI is considered an affiliated organization under GASB for determining whether certain organizations are component units and is reported as a blended component unit of the County.

Separately issued financial statements for the CHSI may be obtained from St. Lawrence County Administrator’s Office at 48 Court Street, Canton, New York, 13617.

***Basis of Presentation—Government-wide Financial Statements***

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

As discussed earlier, the government has four discretely presented component units, which are presented in aggregate. All four component units, the Agency, the LDC, the District and the PDC are aggregated in a single column in the government-wide financial statements.

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

***Basis of Presentation—Fund Financial Statements***

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

are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the County and is used to account for all operations not required to be accounted for in other funds. The principal sources of revenue for the General Fund are property taxes and sales tax.
- *County Road Fund*—The County Road Fund is a special revenue fund that is used to account for expenditures for highway purposes authorized by Section 114 of New York State Highway Law. The principal sources of revenue for the County Road Fund are state and federal aid.
- *Capital Projects Fund*—is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment

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

- *Road Machinery Fund*—The Road Machinery Fund is used to account for the purchase, repair, maintenance and storage of highway machinery, tools and equipment pursuant to Section 133 of New York State Highway Law.
- *Special Grant Fund*—The Special Grant Fund is used to account for funds received under the Workforce Investment Act.

The County reports four proprietary funds as follows:

- *Solid Waste Fund*—This enterprise fund is used to account for the handling of solid waste, including four transfer stations, where the governing officials have determined that the costs of operations are to be financed through charges for services to users.
- *Industrial Development Agency—Civic Development Corporation*—CDC, an enterprise fund and a blended component unit of the government, is a not-for-profit corporation that was established in 2010 to relieve and reduce unemployment, promote and provide for additional and maximum employment and to better and maintain job opportunities.
- *Canton Human Service Initiatives*—CHSI, an enterprise fund and a blended component unit of the government, is a not-for-profit corporation that was established in 2001 to finance, build and rent a health service facility to the County.
- *Internal Service Fund*—The Internal Service Fund is used to account for the activity of the County's self-insured workers' compensation plans. This fund accounts for the accumulation of resources for payments of compensation, assessments, and other obligations under the Workers' Compensation Law, Article 5.

Additionally, the County reports the following fund types:

*Fiduciary Funds*—These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Custodial funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. The County's fiduciary funds are found on the following page.



- *Custodial Fund*—Activities reported in the fiduciary funds included monies from outside entities, held by the County for the benefit of others.
- *Private Purpose Trust Fund*—The Private Purpose Trust Fund represents a trust arrangement under which New York Power Authority grants are maintained.

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

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

### ***Measurement Focus and Basis of Accounting***

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period; all other revenues are deemed to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period of availability (within 90 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been

incurred and all other eligibility requirements are met and the amount is received during the period of availability (within 90 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

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

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

***Cash, Cash Equivalents and Investments***—The County’s cash and cash equivalents include cash on hand, demand deposits, time deposits, and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. County monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Investments maturing in more than one year are stated at fair value based on quoted market prices, while investments maturing in less than one year are stated at amortized cost in accordance with GASB.

***Restricted Cash and Cash Equivalents***—Restricted cash and cash equivalents represent amounts to support fund balance restrictions, unspent proceeds of debt, cash received in advance relating to unearned revenue and deferred inflows of resources, cash held for self-insurance activities and amounts held on behalf of others.

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

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

***Capital Assets***—Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, as well as within the individual proprietary fund. Capital assets are defined by the County as assets with an individual cost of more than \$10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value. Major outlay for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add value to the asset or materially extend the asset’s life are not capitalized.

Land and construction in progress are not depreciated. The other capital assets of the primary government are depreciated using the straight-line method over the estimated useful lives as shown on the following page.

Class of Asset	Years
Infrastructure	
Roads, network	60
Bridges (includes culverts)	70
Traffic control systems	40
Land improvements	20
Buildings	40
Building improvements	20
Machinery and equipment:	
Office equipment	10
Furniture	10
Computer and computer equipment	3
Vehicles	5-7
Heavy equipment	10
Other	5

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

**Unearned Revenue**—Certain amounts received have not been spent or otherwise used to meet the revenue recognition criteria for government-wide or fund financial statement purposes. At December 31, 2021, the County reported unearned revenues of \$10,694,664, \$829,053 and \$207,852 within the General Fund, County Road Fund and Nonmajor Funds, respectively.

**Deferred Outflows/Inflows of Resources**—In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2021, the County has three items that qualify for reporting in this category. The first item is a deferred charge on refunding bonds which the County reports within its governmental activities and business-type activities. A deferred charge on refunding bonds results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the governmental activities and business-type activities. This represents the effect of the net change in the County’s proportion of the collective net pension liability, the difference during the measurement period between the County’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension system made subsequent to the measurement date. The last item is related to OPEB reported in the governmental activities and business-type activities and represents the effects of the change in the County’s proportion of the collective OPEB liability and the difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2021, the County

has four items that qualify for reporting in this category. Under the modified accrual basis of accounting, the governmental funds report unavailable revenues from two sources: property taxes and certain grants and aid that will not be realized within the period of availability. Additionally, the County's government-wide financial statement also reports unavailable revenues related to certain grants which represent resources that have been received before timing requirements have been met. The third item represents the effect of the net change in the County's proportion of the collective net pension liability and the difference during the measurement periods between the County's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide statements. The last item is related to OPEB reported in the government-wide financial statements and represents the effects of the change in the County's proportion of the collective OPEB liability and the difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability. These amounts are deferred and recognized in the period that the amounts become available.

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

***Fund Balance Flow Assumptions***—Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

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

## ***Revenues and Expenses/Expenditures***

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

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

***Real Property Taxes***—The County levies its real property taxes on January 1, prior to the year of collection and attached as an enforceable lien on January 1. On March 1, interest is accrued on all unpaid taxes in accordance with real property tax law. Property tax is only recognized as revenue in the year for which the levy is made, and to the extent that such taxes are received within the reporting period or 60 days thereafter in the governmental fund financial statements.

***Compensated Absences***—The County employees are entitled, with certain limitations, to accrue sick leave, personal leave and vacation time. Estimated sick leave, personal leave and vacation time is accumulated by governmental fund type employees as a liability and expenditure in the government-wide financial statements under governmental activities. For proprietary fund type employees, the accumulation is recorded as a noncurrent liability of the proprietary fund type. More information regarding compensated absences is included in Note 11.

***Pension Plans***—The County is mandated by New York State law to participate in the New York State Local Employees' Retirement System ("ERS"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

***Other Postemployment Benefits***—In addition to providing pension benefits, the County provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 7.

## ***Other***

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

***Adoption of New Accounting Pronouncements***—During the year ended December 31, 2021, the County implemented GASB Statements No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; No. 91, *Conduit Debt Obligations*; No. 93, *Replacement of Interbank Offered Rates*; and No. 98, *The Annual Comprehensive Financial Report*. GASB Statement No. 89 enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. GASB Statement No. 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB Statement No. 93 addresses those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (“IBOR”). GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR, which replaces the acronym for comprehensive annual financial report. The implementation of GASB Statements No. 89, 91, 93 and 98 did not have a material impact on the County’s financial position or results from operations.

***Future Impacts of Accounting Pronouncements***—The County has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 87, *Leases*, effective for the year ending December 31, 2022, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and No. 99, *Omnibus 2022*, effective for the year ending December 31, 2023, and No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 87, 94, 96, 99, 100, and 101 will have on its financial position and results of operations when such statements are adopted.

### ***Stewardship, Compliance and Accountability***

***Legal Compliance—Budgets***—The County follows these procedures in establishing the budgetary data reflected in the basic financial statements are described below.

- Prior to October 15<sup>th</sup> of the year, the County Administrator/Budget Officer, submits to the Board of Legislators a tentative budget for the fiscal year commencing the following January 1<sup>st</sup>. The tentative budget includes expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers’ comments.
- After public hearings are conducted to obtain taxpayer comments, the Board of Legislators acts on the tentative budget prior to December 20<sup>th</sup>.
- The County Administrator is authorized to approve all budget transfer requests \$5,000 or less except for personal service transfers and interdepartmental and interfund transfers, which must be approved by the Board of Legislators.
- Formal annual budgetary accounts are adopted and employed for control of all governmental funds except for capital project funds. Budgetary control over individual capital projects is provided by Legislative approval or bond authorizations and provision of bond indebtedness.
- Total expenditures for each object may not legally exceed the total appropriations for that object. Encumbrances outstanding at year-end are accounted for by an assignment of fund balance.

- These budgets are adopted on a basis consistent with GAAP except that encumbrances are treated as budgetary expenditures in the year of occurrence of the commitment to purchase. Open encumbrances authorized by appropriation from the previous year’s budget, after review and approval by the County Treasurer, are added to the current year’s budget approved by the Board of Legislators. All unencumbered appropriations lapse at the end of the fiscal year. Budgetary comparisons presented in this report are on the budgetary basis and represent the budget as modified.

**Deficit Net Position**—At December 31, 2021, the County’s Capital Project Fund reported a fund balance of \$(522,039). This deficit fund balance is primarily caused by the County’s issued bond anticipation notes (“BANs”), which do not qualify for treatment as a long-term liability. The fund balance deficit will be eliminated as resources are obtained. The County’s Road Machinery fund reported a fund balance of \$(104,072). This deficit is a result of several large projects commencing during the current fiscal year and is expected to be remedied as projects near completion. The Solid Waste Fund, an enterprise fund, reported net position of \$(1,526,233). This deficit results primarily from the recognition of long-term liabilities related to the OPEB obligation. The County anticipates this deficit will be remedied through future operations. Additionally, the Internal Service Fund reported a net position of \$(6,473,426). This deficit is the result of the long-term unfunded portion of the County’s liability for workers’ compensation claims and is expected to be remedied through future premiums reimbursed by participants in the fund and the County contributions. The County’s governmental activities reported a net position of \$(91,494,230), largely as a result of the County OPEB obligation, which is not eligible to be funded.

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

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

County monies must be deposited in Federal Deposit Insurance Corporation (“FDIC”) insured commercial banks or trust companies located within the State. The County Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, contractual repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The County has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Total cash and cash equivalents (including restricted cash) reported by the County at December 31, 2021 is presented below:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total Balance
Petty cash (uncollateralized)	\$ 7,060	\$ 1,800	\$ -	\$ 8,860
Deposits	<u>50,821,675</u>	<u>3,251,810</u>	<u>1,079,121</u>	<u>55,152,606</u>
Total	<u>\$ 50,828,735</u>	<u>\$ 3,253,610</u>	<u>\$ 1,079,121</u>	<u>\$ 55,161,466</u>

**Deposits with Financial Institutions**—All deposits are carried at fair value, and are classified by custodial credit risk at December 31, 2021 as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Insured (FDIC)	\$ 754,332	\$ 752,903
Uninsured:		
Collateral held by bank's agent in the County's name	<u>55,051,981</u>	<u>54,399,703</u>
Total	<u>\$ 55,806,313</u>	<u>\$ 55,152,606</u>

**Custodial Credit Risk—Deposits**—Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. For investments, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2021, the County’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the County’s name.

**Restricted Cash and cash equivalents**—The County reports fund balance restrictions, unspent proceeds of debt, cash received in advance relating to unearned revenue and deferred inflows of resources, cash held for self-insurance activities and amounts held on behalf of others as restricted cash and cash equivalents. At December 31, 2021, the County reported \$33,892,098 as restricted cash and cash equivalents within its governmental activities and \$1,079,121 within its fiduciary funds.

**Investments**—At December 31, 2021, the County reported \$13,823,720 in investments within governmental activities, which consists of U.S. Treasury Bills with maturity dates ranging from six to twelve months. Investments are measured at fair value in accordance with GASB. All investments are collateralized at December 31, 2021.

**Restricted Investments**—At December 31, 2021, the County’s restricted investments consist of \$3,007,585 of certificates of deposit for self-insurance activities.

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

Level 1                      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2                      Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.



Level 3                      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments reported by the County's governmental activities are all measured using level 1 inputs.

***Custodial Credit Risk—Investments***—For investments, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A margin of 2% or higher of the market value of purchased securities in repurchase transactions must be maintained and the securities must be held by a third party in the County's name. The U.S. Governmental Securities are not considered to have credit risk and do not require disclosure of credit quality.

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

***Concentration of Credit Risk***—To promote competition in rates and service cost, and to limit the risk of institutional failure, County deposits and investments are placed with multiple institutions. The County aims to not to place more than \$100 million or 50% of the County's total investment portfolio, whichever is less, in overnight investments with any one institution.

***Interest Rate Risk***—The County has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments are limited to a maximum of two years, however the County generally limits its investments to 180 days or less.

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

***St. Lawrence County Industrial Development Agency***—The Agency had unrestricted deposits of \$3,791,369 and restricted deposits of \$1,010,271, which were fully insured or collateralized by securities held by the pledging financial institution's trust department or agent in the Agency's name. Additionally, at December 31, 2021, the Agency reported \$998,786 of level 1 investments consisting of U.S. Treasury Bills.

***St. Lawrence County Industrial Development Agency – Local Development Corporation***—The LDC's cash and cash equivalents totaled \$420,424 while restricted cash and cash equivalents totaled \$10,004,932 at December 31, 2021. These amounts are deposited at various banks and were insured up to FDIC limits. Any balances in excess of FDIC insurance were fully collateralized at December 31, 2021. Additionally, at December 31, 2021, the LDC reported \$718,384 of level 1 investments, which consists of U.S. Treasury Bills and Notes.

***St. Lawrence County Soil and Water Conservation District***—The District reported unrestricted and restricted deposits of \$122,172 and \$254,780, respectively, which were covered fully by FDIC insurance.

***St. Lawrence County Property Development Corporation***—The PDC reported cash of \$4,241 and restricted cash of \$100,000 at December 31, 2021, which were covered fully by FDIC insurance.

### 3. RECEIVABLES

Revenues accrued by the County at December 31, 2021 consisted of the following:

**Taxes Receivable**—Represents amounts due from County taxpayers that remain unpaid. At December 31, 2021, the County recorded \$14,752,663 related to taxes receivable. These amounts are reported net of an allowance for uncollectible taxes provision of \$648,000.

**Accounts Receivable**—Represents amounts due from various sources. The County’s accounts receivable at December 31, 2021 are shown below:

Governmental funds:		
General Fund	\$ 1,888,884	
Less: allowance for doubtful accounts	<u>(159,201)</u>	\$ 1,729,683
County Road Fund		20,193
Nonmajor funds		<u>19,434</u>
Total		<u>\$ 1,769,310</u>
Proprietary funds:		
Solid Waste Fund		\$ 444,061
Less: allowance for doubtful accounts		<u>(3,644)</u>
Total		<u>\$ 440,417</u>

**Intergovernmental Receivables**—Represents amounts due from other units of government, such as Federal, New York State or other local governments. Intergovernmental receivables at December 31, 2021 are as follows:

Governmental funds:		
General Fund		
Due from State and Federal	\$ 32,183,247	
Due from local governments	<u>202,268</u>	\$ 32,385,515
County Road Fund		
Due from State and Federal		1,898,126
Capital Projects Fund		
Due from State and Federal		400,000
Special Grant Fund		
Due from State and Federal		<u>199,000</u>
Total		<u>\$ 34,882,641</u>
Proprietary funds:		
Internal Service Fund:		
Due from local governments—noncurrent		<u>\$ 9,525,636</u>
Total		<u>\$ 9,525,636</u>

At December 31, 2021, the General Fund had intergovernmental receivables of \$32,385,515, of which \$1,806,860 relates to casino and tribal revenue that has been owed to the County for several years. Of this amount, \$903,430 is payable to other municipalities; accordingly, the County includes \$903,430 within intergovernmental payables and reports \$903,430 of nonspendable fund balance.

At December 31, 2021, the CDC reported accrued interest receivable of \$1,016 and notes receivable of \$625,456, of which \$590,915 is considered to be noncurrent.

***Discretely Presented Component Units***

***St. Lawrence County Industrial Development Agency***—At December 31, 2021, the Agency reported accounts receivable and grant receivable of \$182,442. Included in accounts receivable are other leases receivable of \$55,410 and capital leases receivable of \$882,995, of which \$773,138 is noncurrent.

***St. Lawrence County Industrial Development Agency – Local Development Corporation***—At December 31, 2021, the LDC reported \$22,642 of accounts receivable. The LDC reports total mortgages, loans and leases receivable (net of allowance of \$235,000) of \$4,343,930, of which \$3,495,924 is noncurrent and \$848,006 is considered current.

**4. CAPITAL ASSETS**

***Governmental activities***—Capital asset activity for the primary government’s governmental activities, for the year ended December 31, 2021, was as follows:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Capital assets, not being depreciated:				
Land	\$ 2,243,080	\$ 100,000	\$ -	\$ 2,343,080
Construction in progress	6,778,269	14,893,641	12,521,674	9,150,236
Total capital assets not being depreciated	<u>9,021,349</u>	<u>14,993,641</u>	<u>12,521,674</u>	<u>11,493,316</u>
Capital assets, being depreciated:				
Infrastructure	207,797,238	16,171,296	-	223,968,534
Buildings and building improvements	48,748,677	-	-	48,748,677
Machinery and equipment	24,322,020	4,984,342	1,278,071	28,028,291
Total capital assets being depreciated	<u>280,867,935</u>	<u>21,155,638</u>	<u>1,278,071</u>	<u>300,745,502</u>
Less accumulated depreciation for:				
Infrastructure	77,275,316	2,944,555	-	80,219,871
Buildings and building improvements	24,191,859	893,904	-	25,085,763
Machinery and equipment	12,839,094	2,183,692	1,219,197	13,803,589
Total accumulated depreciation	<u>114,306,269</u>	<u>6,022,151</u>	<u>1,219,197</u>	<u>119,109,223</u>
Total capital assets, being depreciated, net	<u>166,561,666</u>	<u>15,133,487</u>	<u>58,874</u>	<u>181,636,279</u>
Governmental activities capital assets, net	<u>\$ 175,583,015</u>	<u>\$ 30,127,128</u>	<u>\$ 12,580,548</u>	<u>\$ 193,129,595</u>

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

Governmental activities:	
General government support	\$ 1,230,764
Public safety	1,170,613
Health	37,147
Transportation	3,548,459
Economic assistance and opportunity	35,168
Total	<u>\$ 6,022,151</u>

**Business-type activities**—Capital asset activity for the primary government’s business-type activities (Enterprise Funds), for fiscal year ended December 31, 2021, is presented below:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Capital assets, not being depreciated:				
Land	\$ 318,800	\$ -	\$ -	\$ 318,800
Total capital assets not being depreciated	<u>318,800</u>	<u>-</u>	<u>-</u>	<u>318,800</u>
Capital assets, being depreciated:				
Land improvements	3,860,699	13,015	-	3,873,714
Buildings and improvements	6,274,011	-	-	6,274,011
Machinery and equipment	4,622,222	46,203	26,780	4,641,645
Total capital assets being depreciated	<u>14,756,932</u>	<u>59,218</u>	<u>26,780</u>	<u>14,789,370</u>
Less accumulated depreciation for:				
Land improvements	3,289,276	108,767	-	3,398,043
Buildings and improvements	3,028,028	160,634	-	3,188,662
Machinery and equipment	2,703,498	287,147	26,780	2,963,865
Total accumulated depreciation	<u>9,020,802</u>	<u>556,548</u>	<u>26,780</u>	<u>9,550,570</u>
Total capital assets, being depreciated, net	<u>5,736,130</u>	<u>(497,330)</u>	<u>-</u>	<u>5,238,800</u>
Business-type activities capital assets, net	<u>\$ 6,054,930</u>	<u>\$ (497,330)</u>	<u>\$ -</u>	<u>\$ 5,557,600</u>

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

Business-type activities:	
Solid Waste Fund	\$ 395,914
Canton Human Service Initiatives	<u>160,634</u>
Total	<u>\$ 556,548</u>

**Discretely Presented Component Units**

**St. Lawrence County Industrial Development Agency**—Capital asset activity for the Agency is presented below:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Capital assets, not being depreciated:				
Land and land improvements	\$ 458,343	\$ -	\$ -	\$ 458,343
Total capital assets, not being depreciated	<u>458,343</u>	<u>-</u>	<u>-</u>	<u>458,343</u>
Capital assets, being depreciated:				
Buildings and improvements	2,214,966	-	-	2,214,966
Automotive equipment	39,560	-	-	39,560
Office equipment and furnishings	25,880	-	-	25,880
Total capital assets being depreciated	<u>2,280,406</u>	<u>-</u>	<u>-</u>	<u>2,280,406</u>
Less accumulated depreciation	<u>538,957</u>	<u>73,860</u>	<u>-</u>	<u>612,817</u>
Total capital assets, being depreciated, net	<u>1,741,449</u>	<u>(73,860)</u>	<u>-</u>	<u>1,667,589</u>
Total capital assets, net	<u>\$ 2,199,792</u>	<u>\$ (73,860)</u>	<u>\$ -</u>	<u>\$ 2,125,932</u>

Depreciation expense for the year ended December 31, 2021 was \$73,860.

**St. Lawrence County Industrial Development Agency – Local Development Corporation**—Capital asset activity for the LDC was as follows:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Capital assets, being depreciated:				
Buildings and improvements	\$ 432,740	\$ -	\$ -	\$ 432,740
Total capital assets, being depreciated	<u>432,740</u>	<u>-</u>	<u>-</u>	<u>432,740</u>
Less accumulated depreciation:	<u>114,038</u>	<u>16,058</u>	<u>-</u>	<u>130,096</u>
Total capital assets, being depreciated, net	<u>318,702</u>	<u>(16,058)</u>	<u>-</u>	<u>302,644</u>
Total capital assets, net	<u>\$ 318,702</u>	<u>\$ (16,058)</u>	<u>\$ -</u>	<u>\$ 302,644</u>

Depreciation expense for the year ended December 31, 2021 was \$16,058.

**St. Lawrence County—Property Development Corporation**—Capital asset activity for the PDC was as follows:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 1,115,739	\$ -	\$ 1,115,739
Total capital assets, not being depreciated	<u>\$ -</u>	<u>\$ 1,115,739</u>	<u>\$ -</u>	<u>\$ 1,115,739</u>

## 5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at December 31, 2021, were as follows:

	Governmental Funds			Total Governmental Funds
	General Fund	County Road Fund	Nonmajor Governmental Funds	
Salaries and employee benefits	<u>\$ 2,391,073</u>	<u>\$ 77,057</u>	<u>\$ 23,321</u>	<u>\$ 2,491,451</u>

## 6. PENSION PLANS

### *Plan Descriptions and Benefits Provided*

**New York State and Local Employees’ Retirement System (“ERS”)**—The County participates in the ERS a cost sharing multiple-employer retirement system (the “System”). The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the “Fund”), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by

enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010, who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

***Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions***—At December 31, 2021, the County reported the following liabilities for its proportionate share of the net pension liabilities for ERS. The net pension liabilities were measured as of March 31, 2021. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2020, with update procedures used to roll forward the total net pension liabilities to the measurement date. The County's proportion of the net pension liabilities were based on projections of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the County.

	ERS	
	Governmental Activities	Business-type Activities
Measurement date	March 31, 2021	March 31, 2021
Net pension liability	\$ 157,189	\$ 3,550
County's portion of the Plan's total net pension liability	0.1578611%	0.0035654%

For the year ended December 31, 2021, the County recognized ERS pension expenses of \$2,725,012 and \$61,547 for governmental activities and business-type activities, respectively. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources presented below:

	ERS			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experiences	\$ 1,919,698	\$ 43,358	\$ -	\$ -
Changes of assumptions	28,901,905	652,774	545,098	12,312
Net difference between projected and actual earnings on pension plan investments	-	-	45,153,809	1,019,837
Changes in proportion and differences between the County's contributions and proportionate share of contributions	53,375	1,206	1,910,838	43,158
County contributions subsequent to the measurement date	4,973,355	112,328	-	-
Total	<u>\$ 35,848,333</u>	<u>\$ 809,666</u>	<u>\$ 47,609,745</u>	<u>\$ 1,075,307</u>

The County’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as shown below:

Year Ending December 31,	ERS	
	Governmental Activities	Business-type Activities
2022	\$ (3,405,665)	\$ (76,920)
2023	(1,562,824)	(35,298)
2024	(2,838,154)	(64,102)
2025	(8,928,124)	(201,649)

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

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

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

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

Measurement date	ERS	
	Target	Long-Term Expected
	Allocation	Real Rate of Return
	March 31, 2021	
Asset class:		
Domestic equities	32.0 %	4.1 %
International equities	15.0	6.3
Private equity	10.0	6.8
Real estate	9.0	5.0
Opportunistic portfolio	3.0	4.5
Credit	4.0	3.6
Real assets	3.0	6.0
Fixed income	23.0	0.0
Cash	1.0	0.5
Total	<u>100.0 %</u>	

**Discount Rate**—The discount rate used to calculate the total pension liabilities was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Governmental Activities:			
Employer's proportionate share of the net pension liability—ERS	\$ 43,629,461	\$ 157,189	\$ (39,934,422)
Business-type Activities:			
Employer's proportionate share of the net pension liability—ERS	\$ 985,409	\$ 3,550	\$ (901,953)

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



	(Dollars in Thousands)
	<u>ERS</u>
Valuation date	April 1, 2020
Employers' total pension liability	\$ 220,680,157
Plan fiduciary net position	<u>220,580,583</u>
Employers' net pension liability	<u>\$ 99,574</u>
System fiduciary net position as a percentage of total pension liability	100.0%

***Discretely Presented Component Units***

***St. Lawrence County Industrial Development Agency***

The Agency also participates in the ERS.

***Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions***—At December 31, 2021, the Agency reported a liability of \$1,288 for its proportionate share of the net pension liability. This amount is recorded as a long-term liability due to the NYS Retirement System. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended December 31, 2021, the Agency recognized pension expense of \$16,521. At December 31, 2021, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 15,736	\$ -
Change of assumptions	236,911	4,468
Net difference between projected and actual earnings on pension plan investments	-	370,129
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	196	20,936
Agency contributions subsequent to the measurement date	<u>61,341</u>	<u>-</u>
Total	<u>\$ 314,184</u>	<u>\$ 395,533</u>

The Agency's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>ERS</u>
2022	\$ (30,622)
2023	(14,236)
2024	(24,229)
2025	(73,603)

***Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption—***

The chart below represents the Agency's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Agency's proportionate share of the net pension liability would be if they were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage point higher (6.9%) than the current assumption.

	<u>1% Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1% Increase (6.9%)</u>
Employer's proportionate share of the net pension liability—ERS	\$ 357,634	\$ 1,288	\$ (327,346)

***St. Lawrence County Soil and Water Conservation District***

The District also participates in the ERS.

***Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions—***At December 31, 2021, the District reported a liability of \$744 for its proportionate share of the net pension liability. This amount is recorded as a long-term liability due to the NYS Retirement System. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended December 31, 2021, the District recognized pension expense of \$9,317. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 9,083	\$ -
Change of assumptions	136,746	2,579
Net difference between projected and actual earnings on pension plan investments	-	213,640
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	4,209	24,167
Agency contributions subsequent to the measurement date	<u>19,669</u>	<u>-</u>
Total	<u>\$ 169,707</u>	<u>\$ 240,386</u>

The District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>ERS</u>
2022	\$ (20,094)
2023	(10,420)
2024	(15,705)
2025	(44,129)

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

	<u>1% Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1% Increase (6.9%)</u>
Employer's proportionate share of the net pension liability—ERS	\$ 206,427	\$ 744	\$ (188,945)

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

***Plan Description and Benefits Provided—***In addition to pension benefits, the County administers a single-employer defined benefit medical plan (the “Plan”). The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the County subject to applicable collective bargaining and employment agreements. Generally, the employees may retire with benefits when they reach the age of 55 and have 20 years of service with the County. The Plan does not issue standalone publicly available financial reports since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

***Employees Covered by Benefit Terms—***At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	639
Active employees	<u>689</u>
Total	<u><u>1,328</u></u>

### ***Total OPEB Liability***

The County’s total OPEB liability of \$372,741,832 was measured as of January 1, 2021, and was determined by an actuarial valuation as of January 1, 2021.

***Actuarial Assumptions and Other Inputs—***Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2021 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 2.73% effective January 1, 2020 to 2.12% effective January 1, 2021 based on a review of the Bond Buyer Weekly 20-Bond General Obligation Index. The salary scale is 3.00%. Adjusted RPH-2014, fully generational using scale MP-2020 was used for mortality rates. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 6.00%, while the ultimate healthcare cost trend rate is 3.94%.

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

	Total OPEB Liability	
	Governmental Activities	Business-type Activities
Balance at December 31, 2020	\$ 302,394,447	\$ 6,681,644
Changes for the year:		
Service cost	9,779,941	369,061
Interest	8,391,395	189,526
Changes in assumptions and other inputs	41,238,361	931,401
Changes in benefit terms	12,299,551	277,795
Benefit payments	(9,594,589)	(216,701)
Net changes	62,114,659	1,551,082
Balance at December 31, 2021	\$ 364,509,106	\$ 8,232,726

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

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Governmental activities:			
Total OPEB liability	\$ 430,944,062	\$ 364,509,106	\$ 311,660,097
Business-type activities:			
Total OPEB liability	\$ 9,733,212	\$ 8,232,726	\$ 7,039,090

Additionally, healthcare costs can be subject to considerable volatility over time. The table on the following page presents the effect on the OPEB liability of a 1% change in the initial (6.0%)/ultimate (3.9%) healthcare cost trend rates.

	1% Decrease (5.0%/2.9%)	Health Healthcare Cost Trend Rates (6.0%/3.9%)	1% Increase (7.0%/4.9%)
Governmental activities:			
Total OPEB liability	\$ 304,557,768	\$ 364,509,106	\$ 442,404,172
Business-type activities:			
Total OPEB liability	\$ 6,878,678	\$ 8,232,726	\$ 9,992,048

**Funding Policy**—Authorization for the County to pay a portion of retiree health insurance premiums was enacted through various union contracts as specified above, which were ratified by the County Legislators. The County recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. The County’s contributions to the OPEB plan are based on negotiated contracts with three bargaining units, as discussed in Note 14. Any amendments to the employer’s contributions are subject to the collective bargaining agreements.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**—The County reports deferred outflows and inflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability. The following table presents the County’s deferred outflows and inflows of resources at December 31, 2021:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Difference between expected and actual experience	\$ 12,669,678	\$ 287,518	\$ 8,353,841	\$ 189,577
Changes in assumptions and other inputs	71,646,187	1,625,893	15,090,446	342,453
Contributions subsequent to the measurement date	10,045,633	227,969	-	-
Total	<u>\$ 94,361,498</u>	<u>\$ 2,141,380</u>	<u>\$ 23,444,287</u>	<u>\$ 532,030</u>

The County’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending December 31, 2022. The amounts reported as deferred outflows of resources and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Governmental Activities	Business-type Activities
2022	\$ 13,764,966	\$ 310,893
2023	15,136,734	341,875
2024	21,315,098	481,418
2025	9,131,172	206,235
2026	1,813,542	40,960

***Discretely Presented Component Units***

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

The St. Lawrence County Health Care Plan provides healthcare benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The benefit terms provide for payment of 90 percent of the health insurance premiums for non-Medicare-eligible individual retirees.

***Employees Covered by Benefit Terms***—At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	<u>5</u>
Total	<u>6</u>

***Total OPEB Liability***

The Agency’s total OPEB liability of \$2,491,833 was measured as of January 1, 2021, and was determined by an actuarial valuation as of that date.

***Actuarial Assumptions and Other Inputs***—Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2021 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate was 2.12% effective December 31, 2020 based on Bond Buyer Weekly 20-Bond GO Index. The salary scale is 3.00%. Mortality rates were based on the RPH-2014 Mortality Table adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2019. Retirement participation rate assumed that 100% of eligible employees will elect medical coverage at retirement age and 85% of active member’s spouses will elect medical coverage. Additionally, a tiered approach based on age and sex was used to determine retirement rate assumption. In order to estimate the change in the cost of healthcare, the actuaries healthcare cost trend rate used is 6.00% post-65, with future anticipated decreases.

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

	Total OPEB Liability
Balance at December 31, 2020	\$ 1,873,017
Changes for the year:	
Service cost	69,369
Interest	52,976
Differences between expected and actual experience	249,946
Changes in assumptions and other inputs	264,488
Benefit payments	(17,963)
Net changes	618,816
Balance at December 31, 2021	\$ 2,491,833

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

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ 3,011,533	\$ 2,491,833	\$ 2,083,335

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

	1% Decrease (5.00%)	Health Healthcare Cost Trend Rates (6.00%)	1% Increase (7.00%)
Total OPEB liability	\$ 2,011,311	\$ 2,491,833	\$ 3,122,232

***Funding Policy***—Authorization for the Agency to pay a portion of retiree health insurance premiums was enacted through various union contracts as specified above, which were ratified by the Agency’s Board. The Agency recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. The Agency’s contributions to the OPEB plan are based on negotiated contracts with three bargaining units. Any amendments to the employer’s contributions are subject to the collective bargaining agreements.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***—The Agency reports deferred outflows and inflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The table on the following page presents the Agency’s deferred outflows and inflows of resources at December 31, 2021.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 217,273	\$ 318,594
Changes in assumptions and other inputs	503,247	130,483
Contributions subsequent to the measurement date	<u>27,207</u>	<u>-</u>
Total	<u>\$ 747,727</u>	<u>\$ 449,077</u>

The Agency's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending December 31, 2022. The amounts reported as deferred outflows of resources and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending December 31,</u>		
2022	\$	31,509
2023		31,509
2024		31,509
2025		31,509
2026		145,407

## 8. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; business interruption; errors or omissions; injuries to employees; and natural disasters. The County purchases commercial insurance to cover a portion of such potential risks. The County purchases insurance for crime liability with limits ranging from \$5,000 to \$200,000. The County has not incurred claims over the respective coverage limits in any of the last three fiscal years.

The County is self-insured and assumes the liability for most risks including, but not limited to, property damage, personal injury liability and as described above, workers' compensation. Asserted and incurred but not reported claims and judgments are recorded, when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. Such recording is consistent with the requirements of GASB.

The County established a workers' compensation fund, within its' Internal Service Fund, pursuant to Workers' Compensation Law to finance the liability and risks related to workers' compensation claims. The workers' compensation plan is a municipal risk sharing pool, which is administered by the County and insures workers' compensation for all employees of the participants. In addition to the County, participation in the Plan is available to, and includes, each of the 30 towns, 11 villages, and 1 city within the County. Funding of the plan is determined annually by the County Legislature. Payments are collected through the annual tax levy for towns and cities, and are billed annually to villages. The County purchases an excess workers' compensation policy which is limited to \$500,000 per occurrence and an aggregate \$1 million limit.

The changes since January 1, 2019 in risk financing activities for workers' compensation claims are presented below:

Year Ended December 31,	Liability, Beginning of Year	Claims and Adjustments	Claim Payments and Adjustments	Liability, End of Year
2021	\$ 30,476,433	\$ 13,108,085	\$ 20,072,388	\$ 23,512,130
2020	34,915,993	4,125,829	8,565,389	30,476,433
2019	23,452,305	15,539,238	4,075,550	34,915,993



Intergovernmental receivables from other plan participants, relating to their share of the aforementioned liability at December 31, 2021, amounted to \$9,525,636, and is recorded as long-term intergovernmental receivables in the Internal Service Fund.

**9. LEASE OBLIGATIONS**

**Operating Leases**—In 2001, the County and CHSI, a blended component unit, entered into an operating lease agreement under which the County would lease the health services facility constructed and owned by CHSI through September 2032. Monthly rent was \$46,995 during 2021 and calls for modifications in the rent should the annual debt service requirements be reduced on the Series 2001 Bonds. The County is responsible for maintenance and insurance costs on the facility. The lease agreement is an obligation of the County only to the extent of monies appropriated and available. The success of the health services facility depends on economic conditions in the County. Should the County suffer an adverse financial impact, there can be no assurance that there will be sufficient monies to fund the debt service on the refinanced series 2013 bonds. Neither the full faith and credit nor the taxing power of the County is pledged to the payment of any amounts due under the lease agreement.

Additionally, the County leases certain property and equipment. Leased property having elements of ownership is recorded in the government-wide financial statements. The related obligation, in amounts equal to the present value of the minimum lease payments payable during the remaining term of the leases, is also recorded in the government-wide financial statements. Other leased property, not having elements of ownership, are classified as operating leases. Both capital and operating lease payments are recorded as expenditures when payable in the fund financial statements.

Total expenditures on operating leases, excluding the building rent to CHSI (which is a blended component unit included in these financial statements) are:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2022	<u>36,190</u>
Future minimum payments	<u>\$ 36,190</u>

**Capital Leases**—During the year ended 2021, the County entered into new lease agreements of \$236,111, for the acquisition of vehicles and made scheduled principal payments of \$556,853.

As of December 31, 2021 a long-term liability of \$1,341,256 has been recorded within the County’s governmental activities. The table below summarizes the requirements of the capital lease:

<u>Year ended December 31,</u>	<u>Governmental Activities</u>
2022	\$ 518,251
2023	431,386
2024	315,085
2025	208,688
2026	25,978
Less: amount representing imputed interest	<u>(158,132)</u>
Present value of minimum lease payments	<u>\$ 1,341,256</u>

The assets acquired through the capital leases are shown on the following page.

	<u>Governmental Activities</u>
Assets:	
Vehicles	2,749,847
Less: Accumulated depreciation	<u>(1,397,206)</u>
Total	<u>\$ 1,352,641</u>

## 10. SHORT-TERM DEBT

Liabilities for bond anticipation notes (“BANs”) are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. A summary of the County’s short-term debt for the fiscal year ended December 31, 2021 follows:

Description	Interest Rate	Maturity Date	Balance 1/1/2021	Issued	Redeemed	Balance 12/31/2021
Capital Projects Fund:						
Various capital projects	1.00%	6/7/2022	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000
Total			<u>\$ -</u>	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ 6,000,000</u>

## 11. LONG-TERM LIABILITIES

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

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

The County’s outstanding long-term liabilities include bonds payable, capital leases, compensated absences, workers’ compensation, other postemployment benefits (“OPEB”) obligation, net pension liability, and landfill obligation. The serial bonds of the County are secured by its general credit and revenue raising powers, as per State statute.

A summary of changes in the County’s long-term liabilities for the year ended December 31, 2021 are shown on the following page.

	Balance 1/1/2021	Additions	Decreases	Balance 12/31/2021	Due Within One Year
<b>Governmental activities:</b>					
Serial bonds	\$ 24,940,000	\$ -	\$ 1,445,000	\$ 23,495,000	\$ 1,500,000
Premium on serial bonds	1,339,915	-	93,788	1,246,127	93,788
Bonds payable	26,279,915	-	1,538,788	24,741,127	1,593,788
Capital leases	1,661,998	236,111	556,853	1,341,256	463,452
Compensated absences	7,901,888	10,302,346	10,133,420	8,070,814	403,541
Workers' compensation	30,476,433	13,108,085	20,072,388	23,512,130	2,351,213
OPEB obligation	302,394,447	71,709,248	9,594,589	364,509,106	-
Net pension liability*	42,558,801	-	42,401,612	157,189	-
Total governmental activities	<u>\$ 411,273,482</u>	<u>\$ 95,355,790</u>	<u>\$ 84,297,650</u>	<u>\$ 422,331,622</u>	<u>\$ 4,811,994</u>
<b>Business type activities:</b>					
Serial bonds payable	\$ 4,455,000	\$ -	\$ 310,000	\$ 4,145,000	\$ 315,000
Compensated absences	194,277	86,355	7,229	273,403	13,670
OPEB obligation	6,681,644	1,767,783	216,701	8,232,726	-
Landfill obligation	136,164	-	43,192	92,972	45,351
Net pension liability*	940,365	-	936,815	3,550	-
Total business-type activities	<u>\$ 12,407,450</u>	<u>\$ 1,854,138</u>	<u>\$ 1,513,937</u>	<u>\$ 12,747,651</u>	<u>\$ 374,021</u>

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

**Bonds Payable**—The County borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the statement of net position.

The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

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

A summary of additions and payments for the year ended December 31, 2021 is shown below:

Description	Original Issue	Interest Rate	Year of Maturity	Balance 1/1/2021	Additions	Payments	Balance 12/31/2021	Due Within One Year
<b>Governmental activities serial bonds issued by the County:</b>								
2015 Refunding	\$ 25,135,000	3.0-5.0	2035	\$ 21,070,000	\$ -	\$ 1,025,000	\$ 20,045,000	\$ 1,070,000
2016 Serial bonds	3,000,000	2.0-2.6	2031	2,175,000	-	240,000	1,935,000	245,000
2016 Serial bonds	2,430,000	2.0	2029	1,695,000	-	180,000	1,515,000	185,000
Total governmental activities bonded debt				<u>\$ 24,940,000</u>	<u>\$ -</u>	<u>\$ 1,445,000</u>	<u>\$ 23,495,000</u>	<u>\$ 1,500,000</u>
<b>Business-type activities serial bonds issued by Canton Human Services Initiatives ("CHSI"):</b>								
2013 Refunding	\$ 6,475,000	2.5-4.0	2032	\$ 4,455,000	\$ -	\$ 310,000	\$ 4,145,000	\$ 315,000

**Amortization of Bond Premiums**—The County issued serial bonds which included bond premiums. The premiums are being amortized on a straight-line basis over the life of the bonds. The total unamortized premium as of December 31, 2021 was \$1,246,127.

The County’s debt service requirements for its bonds are shown below:

Fiscal Year Ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 1,500,000	\$ 772,438	\$ 315,000	\$ 161,800
2023	1,560,000	719,938	325,000	151,169
2024	1,620,000	659,438	335,000	140,200
2025	1,690,000	590,388	355,000	126,800
2026	1,785,000	517,513	370,000	112,600
2027-2031	8,585,000	1,657,670	2,445,000	345,400
2032-2036	6,755,000	413,175	-	-
Total	<u>\$ 23,495,000</u>	<u>\$ 5,330,560</u>	<u>\$ 4,145,000</u>	<u>\$ 1,037,969</u>

**Capital Leases**—As discussed in Note 9, the County entered into a new lease agreement for the acquisition of County vehicles at a total cost of \$236,111 and made scheduled principal payments of \$556,853 during the year ended December 31, 2021. At December 31, 2021, the future minimum lease obligation is \$1,341,256 for all capital leases.

**Compensated Absences**—As explained in Note 1, the County records the value of governmental fund compensated absences in the governmental activities. The payment of compensated absences is dependent on many factors and, therefore, cannot be reasonably estimated as to future timing of payment. The annual budgets of the operating funds provide for such as amounts become payable. At December 31, 2021, total compensated absences recorded within the governmental and business-type activities was \$8,070,814 and \$273,403, respectively. The County estimates \$403,541 and \$13,670 of governmental and business-type activities, respectively, will be due within one year which comprises accrued vacation, sick and compensatory time.

**Workers’ Compensation**—As explained in Note 8, the County reports workers’ compensation liabilities from administering their self-insurance plan within its governmental activities as an Internal Service Fund. The total workers’ compensation liability outstanding at December 31, 2021 is \$23,512,130.

**Other Postemployment Benefits (“OPEB”) Obligation**—As explained in Note 7, the County provides health insurance coverage for retirees. The County’s OPEB cost is calculated based in the annual required contributions of the employer, an amount actuarially determined in accordance with the parameters of GASB. The long-term OPEB liability for governmental and business-type activities is estimated to be \$364,509,106 and \$8,232,726, respectively, at December 31, 2021.

**Landfill Obligation**—The County maintains three landfill sites, which are not accepting additional waste. State and Federal laws and regulations require the County to place final covers on its landfill sites when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. As of December 31, 2021, the balance of this liability is \$92,972, with \$45,351 estimated to be due within one year.

**Net Pension Liability**—The County reports a liability for its proportionate share of the net pension liability for the Employee Retirement System. The net pension liability is estimated to be \$157,189 and \$3,550 in the governmental and business-type activities, respectively. Refer to Note 6 for additional information related to the County’s net pension liability.

***Discretely Presented Component Units***

***St. Lawrence County Industrial Development Agency***—The Agency’s outstanding long-term liability balances and activity for the year are summarized below:

	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Loans payable	\$ 1,072,721	\$ -	\$ 526,774	\$ 545,947	\$ 22,448
Compensated absences	247,883	48,746	-	296,629	-
OPEB obligation	1,873,017	741,161	122,345	2,491,833	-
Net pension liability*	368,736	-	367,448	1,288	-
Total	<u>\$ 3,562,357</u>	<u>\$ 789,907</u>	<u>\$ 1,016,567</u>	<u>\$ 3,335,697</u>	<u>\$ 22,448</u>

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

Loans payable at December 31, 2021 consisted of the following:

Holder	Interest Rate (%)	Maturity	Original Amount	Balance 12/31/2021
SLCIDA-LDC Canton Industrial Building	0.5	11/1/2044	\$ 700,000	\$ 545,947
Total				<u>\$ 545,947</u>

Future maturities of long-term debt are projected as follows:

Year Ending December 31,	Principal	Interest
2022	\$ 22,448	\$ 2,678
2023	22,560	2,566
2024	22,673	2,453
2025	22,787	2,339
2026	22,901	2,225
2027-2031	116,238	9,392
2032-2036	119,180	6,450
2037-2041	122,196	3,433
2042-2046	74,964	580
Total	<u>\$ 545,947</u>	<u>\$ 32,116</u>

***St. Lawrence County Soil and Water Conservation District***—The District’s outstanding long-term liability and activity for the year are summarized below:

	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Net pension liability*	\$ 214,250	\$ -	\$ 213,506	\$ 744	\$ -
Total	<u>\$ 214,250</u>	<u>\$ -</u>	<u>\$ 213,506</u>	<u>\$ 744</u>	<u>\$ -</u>

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

## 12. NET POSITION AND FUND BALANCE

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

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

Governmental activities:			
Capital assets, net of accumulated depreciation			\$ 193,129,595
Related debt:			
Serial bonds outstanding	\$ (23,495,000)		
Unamortized bond premium	(1,246,127)		
Bond anticipation notes outstanding	(6,000,000)		
Capital leases outstanding	<u>(1,341,256)</u>	<u>(32,082,383)</u>	
Net investment in capital assets—governmental activities			<u>\$ 161,047,212</u>
Business-type activities:			
Capital assets, net of accumulated depreciation			<u>\$ 2,309,501</u>
Net investment in capital assets—business-type activities*			<u>\$ 2,309,501</u>

\* The CHSI, a not-for-profit organization and blended component unit of the County, does not report net investment in capital assets within the County’s business-type activities.

**St. Lawrence County Industrial Development Agency**—The Agency reports net investment in capital assets of \$1,579,985.

- **Restricted Net Position**—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The total restricted component of net position for governmental activities was \$9,974,455. CHSI also reports restricted net position of \$466,948 within the County’s business-type activities.

**St. Lawrence County Industrial Development Agency—Local Development Corporation**—The LDC reports restricted net position of \$15,389,418. Of this amount, \$2,807,033 represents resources restricted for revolving loans, \$12,223,037 represents a restricted New York State Power Authority grant for the St. Lawrence River Valley Redevelopment Agency, while \$359,348 represents resources restricted for a Microenterprise Loan Fund and Brasher Revolving Loan Fund as granted by the U.S. Department of Housing and Urban Development.

**St. Lawrence County Soil and Water Conservation District**—The District reports restricted net position of \$117,023. This amount represents resources restricted for preventing potential water quality issues.

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

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the County at December 31, 2021 is presented below:

- **Nonspendable**—Amounts of assets that cannot be spent in the current period because of their form or because they must be maintained intact. As of December 31, 2021, the County had \$3,168,216 of nonspendable fund balance, of which \$903,430 represents a long-term intergovernmental receivable and \$2,264,786 represents prepaid expenses for amounts paid to vendors and employees that are applicable to future accounting periods.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grants, contributors, or laws and regulations of other governments) through constitutional provisions or enabling legislation. As of December 31, 2021, the County reported restricted fund balances as shown below:

	General Fund
Restricted for:	
Insurance	\$ 2,449,000
District Attorney funds	60,441
Sheriff's equitable sharing program	224,227
Stop DWI program	196,943
Employee benefits	2,000,000
Capital projects	5,000,000
Sheriff K9 Unit	3,378
Recreational Trail	40,466
Total restricted fund balance	<u>\$ 9,974,455</u>

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the County's highest level of decision-making authority. As of December 31, 2021, the County had \$3,500,000 of committed fund balance which represents funds set aside for a self-insurance commitment.

In the fund financial statements, assignments are not legally required segregations, but are subject to a purpose constraint that represents an intended use established by the County's Legislature, or by its designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. The following assignments were reported as of December 31, 2021:

	General Fund	County Road Fund	Total
Assigned for:			
Encumbrances	\$ 1,452,691	\$ 332,098	\$ 1,784,789
Environmental remediation	74,576	-	74,576
Miscellaneous purposes	95,088	-	95,088
Subsequent year's expenditures	-	215,419	215,419
Total assigned fund balance	<u>\$ 1,622,355</u>	<u>\$ 547,517</u>	<u>\$ 2,169,872</u>

It is the County's policy is to expend fund balances in the following order: non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year.

### 13. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short term in nature and exist because of temporary advances or payments made on behalf of other funds. All interfund balances are expected to be collected/paid within the subsequent year. Interfund transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification. Interfund receivables, payables, and transfers of the County as of and for the year ended December 31, 2021 are presented below:

	Interfund			
	Receivables	Payables	Transfers In	Transfers Out
Governmental Funds:				
General Fund	\$ 320,091	\$ 43,796	\$ -	\$ 11,743,093
County Road Fund	44	1,790,385	11,739,093	10,483,750
Capital Projects Fund	1,560,114	25,310	11,275,000	-
Nonmajor funds	1,278,046	1,000,428	1,000,000	1,787,250
Proprietary Funds:				
Solid Waste Fund	159	253,384	-	-
Internal Service Fund	-	45,151	-	-
Total	<u>\$ 3,158,454</u>	<u>\$ 3,158,454</u>	<u>\$ 24,014,093</u>	<u>\$ 24,014,093</u>

### 14. LABOR CONTRACTS

The County's employees are represented by six collective bargaining units: the St. Lawrence County Deputies Association, Inc. and the St. Lawrence County Sheriff's Supervisor Association, Inc., are settled through December 31, 2021, and CSEA Local 1000 Unit 8427 Solid Waste Department, Civil Service Employees Association, Inc. and the St. Lawrence County Indigent Defenders are settled through December 31, 2024, and the Sheriff's Council 82, AFSCME Local No. 2390 is settled through December 31, 2026.

### 15. COMMITMENTS

**Encumbrances**—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The County considers encumbrances significant if they are in excess of \$100,000. As of December 31, 2021, the County reported significant encumbrances as shown below:

Fund	Purpose	Amount
General	Passenger Buses	\$ 588,689
General	Passenger Buses	368,704
County Road	Concrete Decking Services	178,822
County Road	Concrete Decking Services	153,276
Solid Waste	Tractor	131,466



## 16. TAX ABATEMENTS

The County is subject to tax abatements granted by the St. Lawrence County Industrial Development Agency. These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the Agency and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the County, the abatements have resulted in reductions of property taxes, which the County administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by Agency, the County collected \$334,486 during 2021 in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$1,695,638 in property taxes.

## 17. CONTINGENCIES

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

**Litigation**—Certain Indian tribes have asserted land claims under federal common law, and under the federal Non-Intercourse Act of 1790 as amended. The effect of these claims thus far has created some uncertainty as to the title to millions of acres of New York State land. Various alleged representatives of the St. Regis Mohawk tribe have made these claims for land in St. Lawrence County. The County has joined with other affected counties in defending the claims, and has also joined in the claims against the State of New York indemnity and for the cost of defense of the Indian claims. The case will be heard in the U.S. District Court. The impact of a decision on lands in St. Lawrence County, and therefore on the County, is indirect and difficult to assess. If the claimants were to succeed fully in their demands, the impact on the County and some of its constituent towns and individual land owners would be extremely severe. The County’s counsel is currently unable to appraise the possibility of success or failure. There are various other claims and legal actions pending against the County, as well as the Industrial Development Agency for which no provision has been made in the financial statements. In the opinion of the County Attorney and other County officials, liabilities arising from these claims and legal actions, if any, in connection with these matters will not have a material effect on the County’s financial condition or results of operations.

**Landfill Post-closure**—As discussed in Note 11, the County is responsible to perform specified operation and maintenance functions at a landfill sit for a period of thirty years. At December 31, 2021, the liability is \$92,972. The landfill post-closure liability is an estimate and is subject to changes resulting from inflation, deflation, technology or changes in applicable laws or regulations.

## 18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 4, 2022, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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## REQUIRED SUPPLEMENTARY INFORMATION



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**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Schedule of the Local Government's Proportionate Share of the**  
**Net Pension Liability—Employees' Retirement System**  
**Last Eight Fiscal Years\***

	Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Plan fiduciary net position as a percentage of the total pension liability	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%
<b>Governmental activities:</b>								
County's proportion of the net pension liability	0.1578611%	0.1607171%	0.1604015%	0.1679351%	0.1637932%	0.1696946%	0.1701861%	0.1701861%
County's proportionate share of the net pension liability	<u>\$ 157,189</u>	<u>\$ 42,558,801</u>	<u>\$ 11,364,934</u>	<u>\$ 5,420,013</u>	<u>\$ 15,390,374</u>	<u>\$ 27,236,451</u>	<u>\$ 5,749,304</u>	<u>\$ 7,690,473</u>
County's covered payroll	<u>\$ 40,405,691</u>	<u>\$ 38,398,195</u>	<u>\$ 37,563,176</u>	<u>\$ 36,447,598</u>	<u>\$ 37,212,020</u>	<u>\$ 35,793,819</u>	<u>\$ 36,255,937</u>	<u>\$ 37,138,446</u>
County's proportionate share of the net pension liability as a percentage of its covered payroll	0.4%	110.8%	30.3%	14.9%	41.4%	76.1%	15.9%	20.7%
<b>Business-type activities:</b>								
County's proportion of the net pension liability	0.0035654%	0.0035511%	0.0036720%	0.0039716%	0.0038110%	0.0039415%	0.0035264%	0.0035264%
County's proportionate share of the net pension liability	<u>\$ 3,550</u>	<u>\$ 940,365</u>	<u>\$ 260,170</u>	<u>\$ 128,181</u>	<u>\$ 358,095</u>	<u>\$ 632,628</u>	<u>\$ 119,129</u>	<u>\$ 159,351</u>
County's covered payroll	<u>\$ 908,356</u>	<u>\$ 943,165</u>	<u>\$ 914,455</u>	<u>\$ 858,778</u>	<u>\$ 888,693</u>	<u>\$ 818,848</u>	<u>\$ 774,877</u>	<u>\$ 769,527</u>
County's proportionate share of the net pension liability as a percentage of its covered payroll	0.4%	99.7%	28.5%	14.9%	40.3%	77.3%	15.4%	20.7%
<b>Discretely presented component unit:</b>								
<b>St. Lawrence County Industrial Development Agency (the "Agency"):</b>								
	Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Agency's proportion of the net pension liability	0.012940%	0.0013925%	0.0014630%	0.0015412%	0.0015513%	0.0020224%	0.0021613%	n/a
Agency's proportionate share of the net pension liability	<u>\$ 1,288</u>	<u>\$ 368,736</u>	<u>\$ 103,661</u>	<u>\$ 49,741</u>	<u>\$ 145,764</u>	<u>\$ 324,593</u>	<u>\$ 73,014</u>	n/a
Agency's covered payroll	<u>\$ 351,031</u>	<u>\$ 369,322</u>	<u>\$ 350,108</u>	<u>\$ 342,441</u>	<u>\$ 337,649</u>	<u>\$ 342,530</u>	<u>\$ 376,838</u>	n/a
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	99.95%	99.84%	29.6%	14.5%	43.2%	94.8%	19.4%	n/a

\*Information for the County prior to the year ended December 31, 2014 is not available and information for the Agency prior to the year ended December 31, 2015 is not available.

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Schedule of the Local Government's Contributions—**  
**Employees' Retirement System**  
**Last Eight Fiscal Years\***

	<b>Year Ended December 31,</b>							
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Governmental activities:</b>								
Contractually required contributions	\$ 6,387,665	\$ 5,638,850	\$ 5,563,197	\$ 5,591,351	\$ 5,728,022	\$ 5,822,765	\$ 6,522,591	\$ 6,961,227
Contributions in relation to the contractually required contribution	<u>(6,387,665)</u>	<u>(5,638,850)</u>	<u>(5,563,197)</u>	<u>(5,591,351)</u>	<u>(5,728,022)</u>	<u>(5,822,765)</u>	<u>(6,522,591)</u>	<u>(6,961,227)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 44,463,422	\$ 41,069,990	\$ 38,407,734	\$ 37,175,342	\$ 36,317,549	\$ 35,653,063	\$ 36,015,618	\$ 36,187,026
Contributions as a percentage of covered payroll	14.4%	13.7%	14.5%	15.0%	15.8%	16.3%	18.1%	19.2%
<b>Business-type activities:</b>								
Contractually required contributions	\$ 144,271	\$ 124,594	\$ 127,355	\$ 132,233	\$ 133,277	\$ 131,288	\$ 135,152	\$ 144,214
Contributions in relation to the contractually required contribution	<u>(144,271)</u>	<u>(124,594)</u>	<u>(127,355)</u>	<u>(132,233)</u>	<u>(133,277)</u>	<u>(131,288)</u>	<u>(135,152)</u>	<u>(144,214)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 977,074	\$ 934,315	\$ 904,339	\$ 901,785	\$ 866,712	\$ 839,316	\$ 816,458	\$ 757,442
Contributions as a percentage of covered payroll	14.8%	13.3%	14.1%	14.7%	15.4%	15.6%	16.6%	19.0%
<b>Discretely presented component unit:</b>								
<b>St. Lawrence County Industrial Development Agency (the "Agency"):</b>								
	<b>Year Ended December 31,</b>							
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contributions	\$ 61,341	\$ 52,812	\$ 50,398	\$ 49,700	\$ 49,766	\$ 55,996	\$ 74,013	n/a
Contributions in relation to the contractually required contribution	<u>(61,341)</u>	<u>52,812</u>	<u>50,398</u>	<u>49,700</u>	<u>49,766</u>	<u>55,996</u>	<u>74,013</u>	n/a
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	n/a
Agency's covered payroll	\$ 351,031	\$ 369,322	\$ 350,108	\$ 342,440	\$ 337,649	\$ 342,530	\$ 376,838	n/a
Contributions as a percentage of covered payroll	17.5%	14.3%	14.4%	14.5%	14.7%	16.3%	19.6%	n/a

\*Information for the County prior to the year ended December 31, 2014 is not available and information for the Agency prior to the year ended December 31, 2015 is not available.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Governmental Activities:</b>				
<b>Total OPEB Liability</b>				
Service cost	\$ 9,779,941	\$ 6,025,002	\$ 9,250,144	\$ 8,221,502
Interest	8,391,395	9,603,254	8,995,006	10,253,485
Difference between expected and actual experience	-	21,006,340	-	(29,747,737)
Changes of assumptions or other inputs	41,238,361	58,165,745	(34,674,286)	11,997,066
Changes in benefit terms	12,299,551	(16,732,290)	-	(4,379,101)
Benefit payments	<u>(9,594,589)</u>	<u>(7,748,478)</u>	<u>(7,457,143)</u>	<u>(6,837,622)</u>
Net changes in total OPEB liability	62,114,659	70,319,573	(23,886,279)	(10,492,407)
Total OPEB liability—beginning	<u>302,394,447</u>	<u>232,074,874</u>	<u>255,961,153</u>	<u>266,453,560</u>
Total OPEB liability—ending	<u>\$ 364,509,106</u>	<u>\$ 302,394,447</u>	<u>\$ 232,074,874</u>	<u>\$ 255,961,153</u>
Covered-employee payroll	\$ 39,244,193	\$ 39,244,193	\$ 38,817,275	\$ 36,778,788
County's total OPEB liability as a percentage of covered-employee payroll	928.8%	770.5%	597.9%	695.9%
<b>Business-type activities:</b>				
<b>Total OPEB Liability</b>				
Service cost	\$ 369,061	\$ 129,139	\$ 17,496	\$ 194,435
Interest	189,526	31,694	205,902	242,492
Differences between expected and actual experience	-	464,152	-	(703,523)
Changes of assumptions or other inputs	931,401	1,285,218	(793,720)	283,726
Changes in benefit terms	277,795	(369,713)	-	(103,564)
Benefit payments	<u>(216,701)</u>	<u>(171,209)</u>	<u>(170,699)</u>	<u>(161,707)</u>
Net changes in total OPEB liability	1,551,082	1,369,281	(741,021)	(248,141)
Total OPEB liability—beginning	<u>6,681,644</u>	<u>5,312,363</u>	<u>6,053,384</u>	<u>6,301,525</u>
Total OPEB liability—ending	<u>\$ 8,232,726</u>	<u>\$ 6,681,644</u>	<u>\$ 5,312,363</u>	<u>\$ 6,053,384</u>
Covered-employee payroll	\$ 888,925	\$ 882,794	\$ 842,518	\$ 869,804
County's total OPEB liability as a percentage of covered-employee payroll	926.1%	756.9%	630.5%	695.9%
<b>Discretely presented component unit:</b>				
<b>St. Lawrence County Industrial Development Agency (the "Agency")</b>				
Service cost	\$ 69,369	\$ 54,701	\$ 65,391	\$ 81,664
Interest	52,976	67,489	60,146	73,298
Differences between expected and actual experience	249,946	(144,943)	-	(387,465)
Changes of assumptions or other inputs	264,488	314,445	(197,857)	75,268
Benefit payments	<u>(17,963)</u>	<u>(20,087)</u>	<u>(18,638)</u>	<u>(15,633)</u>
Net changes in total OPEB liability	618,816	271,605	(90,958)	(172,868)
Total OPEB liability—beginning	<u>1,873,017</u>	<u>1,601,412</u>	<u>1,692,370</u>	<u>1,865,238</u>
Total OPEB liability—ending	<u>\$ 2,491,833</u>	<u>\$ 1,873,017</u>	<u>\$ 1,601,412</u>	<u>\$ 1,692,370</u>
Covered-employee payroll	\$ 369,322	\$ 336,768	\$ 354,822	\$ 333,900
Agency's total OPEB liability as a percentage of covered-employee payroll	674.7%	556.2%	451.3%	506.8%

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

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



**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—General Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 50,793,805	\$ 50,793,805	\$ 50,805,503	\$ 11,698
Real property tax items	2,815,634	2,815,634	3,119,024	303,390
Non-property tax items	61,274,850	66,504,850	74,499,533	7,994,683
Departmental income	13,545,091	14,756,356	16,201,552	1,445,196
Intergovernmental charges	1,434,586	1,570,786	1,673,181	102,395
Use of money and property	310,468	310,496	163,923	(146,573)
Licenses and permits	38,250	161,725	54,750	(106,975)
Fines and forfeitures	157,186	164,021	297,615	133,594
Sale of property and compensation for loss	1,663,500	1,676,100	1,925,356	249,256
Miscellaneous	2,379,423	2,501,295	2,953,438	452,143
Interfund revenues	271,288	271,288	186,288	(85,000)
State aid	29,945,907	31,996,259	29,954,374	(2,041,885)
Federal aid	19,958,548	24,372,099	23,607,229	(764,870)
Total revenues	<u>184,588,536</u>	<u>197,894,714</u>	<u>205,441,766</u>	<u>7,547,052</u>
<b>EXPENDITURES</b>				
Current:				
General government support	52,098,981	56,855,720	54,313,466	2,542,254
Education	651,000	951,000	910,854	40,146
Public safety	17,018,159	18,659,523	18,820,314	(160,791)
Health	16,222,761	18,949,909	17,096,436	1,853,473
Transportation	2,736,562	4,871,493	2,899,951	1,971,542
Economic assistance and opportunity	69,823,950	70,963,584	68,764,365	2,199,219
Culture and recreation	387,756	482,156	407,316	74,840
Home and community services	1,083,127	1,996,266	2,019,814	(23,548)
Employee benefits	11,178,896	11,179,241	13,608,839	(2,429,598)
Debt service	1,985,550	2,542,403	2,542,403	-
Total expenditures	<u>173,186,742</u>	<u>187,451,295</u>	<u>181,383,758</u>	<u>6,067,537</u>
Excess of revenues over expenditures	<u>11,401,794</u>	<u>10,443,419</u>	<u>24,058,008</u>	<u>13,614,589</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(11,714,093)	(11,743,093)	(11,743,093)	-
Capital lease issuance	-	-	236,111	236,111
Total other financing sources (uses)	<u>(11,714,093)</u>	<u>(11,743,093)</u>	<u>(11,506,982)</u>	<u>236,111</u>
Net change in fund balances*	(312,299)	(1,299,674)	12,551,026	13,850,700
Fund balances—beginning	<u>35,815,226</u>	<u>35,815,226</u>	<u>35,815,226</u>	<u>-</u>
Fund balances—ending	<u>\$ 35,502,927</u>	<u>\$ 34,515,552</u>	<u>\$ 48,366,252</u>	<u>\$ 13,850,700</u>

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

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

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—County Road Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental charges	\$ 2,763,388	\$ 2,793,388	\$ 2,191,401	\$ (601,987)
Use of money and property	30,200	45,200	31,011	(14,189)
Sale of property and compensation for loss	11,500	49,500	64,630	15,130
Miscellaneous	500	500	19,717	19,217
State aid	6,456,376	9,786,518	8,989,813	(796,705)
Federal aid	2,877,500	5,967,123	5,609,066	(358,057)
Total revenues	<u>12,139,464</u>	<u>18,642,229</u>	<u>16,905,638</u>	<u>(1,736,591)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	676,029	678,760	536,448	142,312
Transportation	19,729,476	21,677,203	20,136,357	1,540,846
Total expenditures	<u>20,405,505</u>	<u>22,355,963</u>	<u>20,672,805</u>	<u>1,683,158</u>
Deficiency of revenues over expenditures	<u>(8,266,041)</u>	<u>(3,713,734)</u>	<u>(3,767,167)</u>	<u>(53,433)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	11,714,093	11,739,093	11,739,093	-
Transfers out	(4,205,000)	(11,779,620)	(10,483,750)	1,295,870
Total other financing sources (uses)	<u>7,509,093</u>	<u>(40,527)</u>	<u>1,255,343</u>	<u>1,295,870</u>
Net change in fund balances*	(756,948)	(3,754,261)	(2,511,824)	1,242,437
Fund balances—beginning	<u>3,059,341</u>	<u>3,059,341</u>	<u>3,059,341</u>	<u>-</u>
Fund balances—ending	<u>\$ 2,302,393</u>	<u>\$ (694,920)</u>	<u>\$ 547,517</u>	<u>\$ 1,242,437</u>

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

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

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Notes to the Required Supplementary Information**  
**Year Ended December 31, 2021**

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**1. OPEB LIABILITY**

*Changes of Assumptions*—The actuarial cost method used as of January 1, 2021 was the Entry Age Normal Level Percent of Pay method as prescribed under GASB 75.

The rate used to discount future plan cash flows increased from 2.73% as of January 1, 2020 to 2.12% as of January 1, 2021 based on a review of the Bond Buyer Weekly 20-Bond General Obligation Index.

The Adjusted RPH-2014, fully generational using scale MP-2020 was used for mortality rates. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 6.00%, while the ultimate healthcare cost trend rate is 3.94%.

**2. BUDGETARY INFORMATION**

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

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

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriation and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

*Excess of Expenditures over Appropriations*—The County's General Fund expenditures for the year ended December 31, 2021 exceeded the final budgeted appropriations as follows:

- Public Safety—The \$160,791 variance is due to higher than expected costs related to the overtime and retroactive payroll.
- Home and Community Services—The \$23,548 variance is due to higher than expected costs related to the County's Community Development Block Grant Program.
- Employee Benefits—The \$2,429,598 variance is due to higher than expected costs related to hospital and medical insurance.

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## SUPPLEMENTARY INFORMATION



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**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Combining Statement of Net Position—**  
**Discretely Presented Component Units**  
**December 31, 2021**

	<b>Industrial Development Agency</b>	<b>Industrial Development Agency—Local Development Corporation</b>	<b>Soil and Water Conservation District</b>	<b>Property Development Corporation</b>	<b>Total Discretely Presented Component Units</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 3,791,369	\$ 420,424	\$ 122,072	\$ 4,241	\$ 4,338,106
Restricted cash and cash equivalents	1,010,271	10,004,932	254,780	100,000	11,369,983
Investments	998,786	718,384	-	-	1,717,170
Receivables, net of allowances:					
Accounts	182,442	22,642	30	144,105	349,219
Mortgages, loans and leases receivable, current portion	-	848,006	-	-	848,006
Grants	-	25,018	-	-	25,018
Prepaid items	-	-	6,556	11,966	18,522
Total current assets	<u>5,982,868</u>	<u>12,039,406</u>	<u>383,438</u>	<u>260,312</u>	<u>18,666,024</u>
Noncurrent assets:					
Mortgages, loans and leases receivable	773,138	3,495,924	-	-	4,269,062
Capital assets not being depreciated	458,343	-	-	1,115,739	1,574,082
Capital assets, net of accumulated depreciation	<u>1,667,589</u>	<u>302,644</u>	<u>-</u>	<u>-</u>	<u>1,970,233</u>
Total noncurrent assets	<u>2,899,070</u>	<u>3,798,568</u>	<u>-</u>	<u>1,115,739</u>	<u>7,813,377</u>
Total assets	<u>8,881,938</u>	<u>15,837,974</u>	<u>383,438</u>	<u>1,376,051</u>	<u>26,479,401</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources—relating to pensions	314,184	-	169,707	-	483,891
Deferred outflows of resources—relating to OPEB	<u>747,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>747,727</u>
Total deferred outflows of resources	<u>1,061,911</u>	<u>-</u>	<u>169,707</u>	<u>-</u>	<u>1,231,618</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	-	27,478	4,550	31,239	63,267
Accrued liabilities	8,880	-	19,646	-	28,526
Unearned revenue	<u>417,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>417,711</u>
Total current liabilities	<u>426,591</u>	<u>27,478</u>	<u>24,196</u>	<u>31,239</u>	<u>509,504</u>
Noncurrent liabilities:					
Due within one year	22,448	-	-	-	22,448
Due in more than one year	<u>3,313,249</u>	<u>-</u>	<u>744</u>	<u>595,463</u>	<u>3,909,456</u>
Total noncurrent liabilities	<u>3,335,697</u>	<u>-</u>	<u>744</u>	<u>595,463</u>	<u>3,931,904</u>
Total liabilities	<u>3,762,288</u>	<u>27,478</u>	<u>24,940</u>	<u>626,702</u>	<u>4,441,408</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources—relating to pensions	395,533	-	240,386	-	635,919
Deferred inflows of resources—relating to OPEB	<u>449,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>449,077</u>
Total deferred inflows of resources	<u>844,610</u>	<u>-</u>	<u>240,386</u>	<u>-</u>	<u>1,084,996</u>
<b>NET POSITION</b>					
Net investment in capital assets	1,579,985	-	-	-	1,579,985
Restricted	-	15,389,418	117,023	-	15,506,441
Unrestricted	<u>3,756,966</u>	<u>421,078</u>	<u>170,796</u>	<u>749,349</u>	<u>5,098,189</u>
Total net position	<u>\$ 5,336,951</u>	<u>\$ 15,810,496</u>	<u>\$ 287,819</u>	<u>\$ 749,349</u>	<u>\$ 22,184,615</u>



**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Combining Statement of Activities—**  
**Discretely Presented Component Units**  
**Year Ended December 31, 2021**

	<b>Industrial Development Agency</b>	<b>Industrial Development Agency—Local Development Corporation</b>	<b>Soil and Water Conservation District</b>	<b>Property Development Corporation</b>	<b>Total Discretely Presented Component Units</b>
Program expenses:					
Operation and maintenance	\$ 213,862	\$ 789,875	\$ 2,871	\$ 32,094	\$ 1,038,702
Administrative expenses	837,602	314,857	316,264	14,158	1,482,881
Contractual	-	-	462,922	-	462,922
Total program expenses	<u>1,051,464</u>	<u>1,104,732</u>	<u>782,057</u>	<u>46,252</u>	<u>2,984,505</u>
Program revenues:					
Charges for services	108,660	34,531	25,608	-	168,799
Operating grants and contributions	88,409	500,359	615,126	718,539	1,922,433
Total program revenues	<u>197,069</u>	<u>534,890</u>	<u>640,734</u>	<u>718,539</u>	<u>2,091,232</u>
Net (expense) revenue	<u>(854,395)</u>	<u>(569,842)</u>	<u>(141,323)</u>	<u>672,287</u>	<u>(893,273)</u>
General revenues:					
Use of money and property	38,471	156,096	33,703	-	228,270
Miscellaneous local sources	1,605,678	-	61,656	-	1,667,334
Other gains (losses)	-	(44,648)	-	23,760	(44,648)
Total general revenues	<u>1,644,149</u>	<u>111,448</u>	<u>95,359</u>	<u>23,760</u>	<u>1,874,716</u>
Change in net position	789,754	(458,394)	(45,964)	696,047	981,443
Net position—beginning	<u>4,547,197</u>	<u>16,268,890</u>	<u>333,783</u>	<u>53,302</u>	<u>21,203,172</u>
Net position—ending	<u>\$ 5,336,951</u>	<u>\$ 15,810,496</u>	<u>\$ 287,819</u>	<u>\$ 749,349</u>	<u>\$22,184,615</u>

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**December 31, 2021**

	<b>Road Machinery Fund</b>	<b>Special Grant Fund</b>	<b>Total Nonmajor Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 217,860	\$ 8,852	\$ 226,712
Receivables	19,434	-	19,434
Due from other funds	1,278,046	-	1,278,046
Intergovernmental receivables	-	199,000	199,000
Total assets	<u>\$ 1,515,340</u>	<u>\$ 207,852</u>	<u>\$ 1,723,192</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 595,663	\$ -	\$ 595,663
Accrued liabilities	23,321	-	23,321
Due to other funds	1,000,428	-	1,000,428
Unearned revenues	-	207,852	207,852
Total liabilities	<u>1,619,412</u>	<u>207,852</u>	<u>1,827,264</u>
<b>FUND BALANCES (DEFICIT)</b>			
Unassigned	<u>(104,072)</u>	<u>-</u>	<u>(104,072)</u>
Total fund balances (deficit)	<u>(104,072)</u>	<u>-</u>	<u>(104,072)</u>
Total liabilities and fund balances	<u>\$ 1,515,340</u>	<u>\$ 207,852</u>	<u>\$ 1,723,192</u>

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2021**

	<b>Road Machinery Fund</b>	<b>Special Grant Fund</b>	<b>Total Nonmajor Funds</b>
<b>REVENUES</b>			
Intergovernmental charges	\$ 1,088,785	\$ -	\$ 1,088,785
Use of money and property	109,000	-	109,000
Sale of property and compensation for loss	29,232	-	29,232
Miscellaneous	142,868	-	142,868
Interfund revenues	2,782,776	-	2,782,776
Federal aid	-	1,460,844	1,460,844
Total revenues	<u>4,152,661</u>	<u>1,460,844</u>	<u>5,613,505</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	6,117,111	-	6,117,111
Economic assistance and opportunity	-	1,460,844	1,460,844
Debt service:			
Principal	240,000	-	240,000
Interest and fiscal charges	42,238	-	42,238
Total expenditures	<u>6,399,349</u>	<u>1,460,844</u>	<u>7,860,193</u>
Deficiency of revenues over expenditures	<u>(2,246,688)</u>	<u>-</u>	<u>(2,246,688)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,000,000	-	1,000,000
Transfers out	<u>(1,787,250)</u>	<u>-</u>	<u>(1,787,250)</u>
Total other financing sources (uses)	<u>(787,250)</u>	<u>-</u>	<u>(787,250)</u>
Net change in fund balances	(3,033,938)	-	(3,033,938)
Fund balances—beginning	<u>2,929,866</u>	<u>-</u>	<u>2,929,866</u>
Fund balances (deficit)—ending	<u>\$ (104,072)</u>	<u>\$ -</u>	<u>\$ (104,072)</u>

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# FEDERAL AWARDS INFORMATION



**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

<b>Federal Grantor/ Pass-Through Program Title or Cluster (1a)</b>	<b>Assistance Listing Number (1b)</b>	<b>Pass-Through Grantor's Number (1c)</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures (1d)</b>
<b>U.S. Department of Agriculture:</b>				
Passed through NYS Office of Temporary and Disability Assistance:				
<i>SNAP Cluster:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	\$ -	\$ 1,421,303
<i>Total SNAP Cluster</i>			-	1,421,303
<b>Total U.S. Department of Agriculture</b>			-	1,421,303
<b>U.S. Department of Housing and Urban Development:</b>				
Passed through NYS Office of Community Renewal:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	1106WS303-18	38,967	38,967
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	1106HR363-19	381,222	381,222
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	1106HO321-19	155,455	155,455
Emergency Solutions Grant Program	14.231	N/A	4,344	4,344
Lead-Based Paint Hazard Control in Privately Owned Housing	14.900	NYLHB0693-18	227,048	227,048
<b>Total U.S. Department of Housing and Urban Development</b>			807,036	807,036
<b>U.S. Department of Justice:</b>				
Direct program:				
Comprehensive Opioid, Stimulant, and Substance Abuse Site-based Program	16.838	N/A	69,711	69,711
<b>Total U.S. Department of Justice</b>			69,711	69,711
<b>U.S. Department of Labor:</b>				
Passed through NYS Department of Labor:				
<i>WIOA/WIOA Cluster:</i>				
WIA/WIOA Adult Program	17.258	N/A	-	394,249
WIA/WIOA Youth Activities	17.259	N/A	-	468,940
WIA/WIOA Dislocated Worker Formula Grants	17.278	N/A	-	208,335
<i>Total WIA/WIOA Cluster</i>			-	1,071,524
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	N/A	-	17,752
<b>Total U.S. Department of Labor</b>			-	1,089,276

(continued)

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

Federal Grantor/ Pass-Through Program Title or Cluster (1a)	Assistance Listing Number (1b)	Pass-Through Grantor's Number (1c)	Passed Through to Subrecipients	Total Federal Expenditures (1d)
<b>U.S. Department of Transportation:</b>				
Passed through NYS Department of Transportation:				
<i>Highway Planning and Construction Cluster:</i>				
Highway Planning and Construction	20.205	D036114; PIN 7753.86	-	2,288,623
Highway Planning and Construction	20.205	D040155; PIN 7753.96	-	1,081,523
Highway Planning and Construction	20.205	D040142; PIN 7753.94	-	196,462
Highway Planning and Construction	20.205	D040325; PIN 7753.32	-	31,273
Highway Planning and Construction	20.205	D035694; PIN 7753.71	-	144,465
Highway Planning and Construction	20.205	D036050; PIN 7753.78	-	9,032
Highway Planning and Construction	20.205	D036060; PIN 7753.80	-	1,857,689
<i>Total Highway Planning and Construction Cluster</i>			<u>-</u>	<u>5,609,067</u>
Direct program:				
Formula Grants for Rural Areas	20.509	C005740	331,412	331,412
<b>Total U.S. Department of Transportation</b>			<u>331,412</u>	<u>5,940,479</u>
<b>U.S. Department of the Treasury:</b>				
Direct program:				
Coronavirus Relief Fund	21.019	T004200/T004184	412,766	412,766
Emergency Rental Assistance Program	21.023	N/A	49,457	49,457
<b>Total U.S. Department of the Treasury</b>			<u>462,223</u>	<u>462,223</u>
<b>U.S. Department of Education:</b>				
Passed through NYS Department of Health:				
Special Education - Grants for Infants and Families	84.181	N/A	-	36,563
<b>Total U.S. Department of Education</b>			<u>-</u>	<u>36,563</u>
<b>U.S. Department of Health and Human Services:</b>				
Passed through NYS Office for the Aging:				
Special Programs for Aging Title III , Part D, Disease Prevention and Health Promotion Services	93.043	N/A	-	22,539
Natonal Family Caregiver Support Title III, Part E	93.052	N/A	-	74,528
<i>Aging Cluster :</i>				
Special Programs for the Aging, Title III, Part B—Grants for Supportive Services and Senior Centers	93.044	N/A	-	175,537
Special Programs for the Aging, Title III, Part C—Nutrition Services	93.045	N/A	-	339,597

(continued)



**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

Federal Grantor/ Pass-Through Program Title or Cluster (1a)	Assistance Listing Number (1b)	Pass-Through Grantor's Number (1c)	Passed Through to Subrecipients	Total Federal Expenditures (1d)
Nutrition Services Incentive Program	93.053	N/A	-	110,945
<i>Total Aging Cluster</i>			-	626,079
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	N/A	-	141,632
Passed through the Health Research Institute:				
Medicare Enrollment Assistance Program	93.071	N/A	-	14,117
Injury Prevention and Control Research and Community Based Programs	93.136	N/A	-	62,055
Passed through NYS Department of Health:				
Immunization Cooperative Agreements	93.268	N/A	-	100,258
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	N/A	-	840,338
Public Health Emergency Response	93.354	N/A	-	56,590
Promoting Safe and Stable Families	93.556	N/A	-	15,324
Elder Abuse Prevention Interventions Program	93.747	N/A	-	12,132
<i>Medicaid Cluster:</i>				
Medical Assistance Program	93.778	N/A	-	2,252,589
<i>Total Medicaid Cluster</i>			-	2,252,589
Maternal and Child Health Services Block Grant to the States	93.994	N/A	-	9,973
Passed through NYS Office of Temporary and Disability Assistance:				
<i>TANF Cluster :</i>				
Temporary Assistance to Needy Families	93.558	N/A	-	7,236,560
<i>Total TANF Cluster</i>			-	7,236,560
Child Support Enforcement	93.563	N/A	-	1,198,208
Low Income Home Energy Assistance	93.568	N/A	-	7,942,806
Stephanie Tubbs Jones CWS	93.645	N/A	-	54,998
Foster Care—Title IV-E	93.658	N/A	-	5,003,774
Social Services Block Grant	93.667	N/A	-	1,083,844
Chafee Foster Care Independence Program	93.674	N/A	-	126,589
Passed through NYS Office of Alcoholism and Substance Abuse Services:				
Opioid STR	93.788	CHJC	-	280,563
Emergency Preparedness	96.069	N/A	-	85,884
<b>Total U.S. Department of Health and Human Services</b>			-	27,241,380
<b>U.S. Department of Homeland Security:</b>				
Passed through NYS Office for the Aging:				
Emergency Food and Shelter National Emergency Management Performance Grant Board Program	97.042	N/A	-	45,867

(continued)

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

<b>Federal Grantor/ Pass-Through Program Title or Cluster (1a)</b>	<b>Assistance Listing Number (1b)</b>	<b>Pass-Through Grantor's Number (1c)</b>	<b>Passed Through to Subrecipients</b>	<b>(concluded) Total Federal Expenditures (1d)</b>
Passed through NYS Division of Homeland Security and Emergency Services:				
<i>Homeland Security Program:</i>				
Building Resilient Infrastructure and Communities	97.047	N/A	-	95,700
Homeland Security Grant Program	97.067	WM18973580	-	48,129
Homeland Security Grant Program	97.067	WM20973500	-	95,385
Homeland Security Grant Program	97.067	WM21172010	-	7,150
Homeland Security Grant Program	97.067	WM20973509	-	42,556
Homeland Security Grant Program	97.067	WM18180156	-	2,399
Homeland Security Grant Program	97.067	WM19973590	-	75,510
Homeland Security Grant Program	97.067	WM18973582	-	2,287
Homeland Security Grant Program	97.067	WM19973592	-	27,499
Homeland Security Grant Program	97.067	WM18172089	-	5,174
Homeland Security Grant Program	97.067	WM19973599	-	75,287
<i>Total Homeland Security Program</i>			-	477,076
<b>Total U.S. Department of Homeland Security</b>			-	522,943
<b>Total Expenditures of Federal Awards (1e)</b>			<b>\$ 1,600,671</b>	<b>\$ 37,590,914</b>

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

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the County of St. Lawrence, New York (the “County”) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County. The following notes were identified on the schedule of expenditures of federal awards:

- a) Includes all federal award programs of the County of St. Lawrence, New York. The federal expenditures of the St. Lawrence County Industrial Development Agency, the St. Lawrence County Local Development Agency-Local Development Corporation, the St. Lawrence County Soil and Water Conservation District and the St. Lawrence County Property Development Corporation have not been included.
- b) Source: Catalog of Federal Domestic Assistance.
- c) Pass-through entity identifying numbers are presented where available.
- d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- e) A reconciliation to the basic financial statements is available.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The County has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**3. INDIRECT COSTS**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented.

**4. MATCHING COSTS**

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

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

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

## **6. AMOUNTS PROVIDED TO SUBRECIPIENTS**

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

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Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Honorable County Board of Legislators and County Administrator  
County of St. Lawrence, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of St. Lawrence, New York (the "County") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 4, 2022. Our report includes a reference to other auditors who audited the financial statements of the St. Lawrence County Industrial Development Agency—Civic Development Corporation, the Canton Human Service Initiatives, Inc., the St. Lawrence Industrial Development Agency, the St. Lawrence County Industrial Development Agency—Local Development Corporation, and the St. Lawrence County Property Development Corporation, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Drescher & Malecki LLP

August 4, 2022

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*Certified Public Accountants*

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

Honorable County Board of Legislators and County Administrator  
County of St. Lawrence, New York:

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

***Opinion on Each Major Federal Program***

We have audited the County of St. Lawrence, New York's, (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the St. Lawrence County Industrial Development Agency—Civic Development Corporation (the "CDC"), the Canton Human Service Initiatives, Inc. (the "CHSI"), the St. Lawrence County Industrial Development Agency (the "Agency"), the St. Lawrence County Industrial Development Agency—Local Development Corporation (the "LDC"), the St. Lawrence County Soil and Water Conservation District (the "District") and the St. Lawrence County Property Development Corporation (the "PDC"), which received \$0, \$0, \$0, \$0, \$23,801 and \$0 in federal awards, respectively, which are not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2021. Our compliance audit, described below, did not include the operations of the CDC, CHSI, Agency, LDC, District and PDC because other auditors were engaged to perform such audits on the CDC, CHSI, Agency, LDC and PDC in accordance with the Uniform Guidance, as applicable.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("*CFR*") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a



deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Drescher & Malecki LLP

August 4, 2022



**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

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

**Financial Statements:**

Type of auditors' report issued: Unmodified\*  
 \*(which report includes a reference to other auditors)

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes   ✓   No  
 Significant deficiency(ies) identified? \_\_\_\_\_ Yes   ✓   None reported  
 Noncompliance material to the financial statements noted? \_\_\_\_\_ Yes   ✓   No

**Federal Awards:**

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   ✓   No  
 Significant deficiency(ies) identified? \_\_\_\_\_ Yes   ✓   None reported

Type of report the auditor issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported  
 in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes   ✓   No

Identification of major federal programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.561	SNAP Cluster
93.323	Epidemiology & Laboratory Capacity for Infectious Disease
93.558	TANF Cluster
93.563	Child Support Enforcement
93.778	Medicaid Cluster

Dollar threshold used to distinguish between Type A and Type B programs? \$ 1,127,727

Auditee qualified as low-risk auditee?   ✓   Yes        No

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

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**Section II. FINANCIAL STATEMENT FINDINGS**

No findings noted.

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

No findings noted.

**COUNTY OF ST. LAWRENCE, NEW YORK**  
**Summary Schedule of Prior Year Audit Findings and Corrective Action Plan**  
**Year Ended December 31, 2021**  
**(Follow-Up on December 31, 2020 Findings)**

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No findings were reported.

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