

**COUNTY OF JEFFERSON,  
NEW YORK**

*Basic Financial Statements, Required Supplementary  
Information and Supplementary Information for the  
Year Ended December 31, 2024 and Independent  
Auditors' Reports*



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### **INDEPENDENT AUDITORS' REPORT**

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

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

##### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Jefferson, New York (the "County"), as of and for the year ended December 31, 2024 (with the Jefferson Community College for the fiscal year ended August 31, 2024), and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Jefferson Community College (the "College") or Jefferson County Industrial Development Agency (the "Agency"), which are shown as discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the College and the Agency, is based solely on the reports of 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* ("GAS"), 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.

##### ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, the financial statements have been restated for the implementation of GASB Statement No. 101, *Compensated Absences*, and the re-evaluation of Subscription-Based Information Technology Arrangements ("SBITA") agreements. Our opinion is not modified with respect to this matter.

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

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

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

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

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

In performing an audit in accordance with GAAS and GAS, 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, is presented for purposes of additional analysis and is 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. In our opinion, the Supplementary Information, as listed in the table of contents, is 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 26, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Brecher & Malecki LLC*

August 26, 2025



**COUNTY OF JEFFERSON, NEW YORK**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2024**

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As management of the County of Jefferson, New York (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements which follow this narrative. For comparative purposes, certain items from the prior year have been reclassified to conform with the current year presentation.

**Financial Highlights**

- The liabilities and deferred inflows of resources of the County's primary government exceeded its assets and deferred outflows of resources at December 31, 2024 by \$140,399,575 (net position). This consists of \$183,672,955 net investment in capital assets, \$18,309,885 restricted for specific purposes, and an unrestricted net position of \$(342,382,415).
- The County's total primary government net position increased by \$30,382,172 during the year ended December 31, 2024. Governmental activities increased the County's net position by \$29,051,154, while the net position of the County's business-type activity increased \$1,331,018.
- As of December 31, 2024, the County's governmental funds reported combined fund balances of \$134,412,003 a decrease of \$1,091,335 in comparison with the prior year.
- General Fund fund balance increased \$5,422,854 during the year ended December 31, 2024, reporting total fund balance of \$108,206,922. *Unassigned fund balance* for the General Fund was \$60,135,839, or 23.0 percent of the total General Fund expenditures and transfers out. This total amount is *available for spending* at the County's discretion and constitutes approximately 55.6 percent of the General Fund's total fund balance of \$108,206,922 at December 31, 2024.
- The County's governmental activities' total serial bonds outstanding decreased by \$1,225,000 during the current year as a result of scheduled principal payments.

**Overview of the Financial Statements**

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that principally are supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government support, education, public safety, public health, transportation, economic assistance and opportunity, culture and recreation, home and community services, and interest and fiscal charges. The business-type activity of the County is the Solid Waste Management Fund.

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

The government-wide financial statements can be found on pages 15-16 of this report.

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

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

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

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

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

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

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

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

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

The proprietary fund financial statements can be found on pages 21-23 of this report.

***Fiduciary funds***—Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of the funds are not available to support the County’s own programs. The County maintains one fiduciary fund, the Custodial Fund.

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-71 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the County’s net pension liability/(asset), the changes in the County’s total other postemployment benefits (“OPEB”) obligation, and budgetary comparison schedule for the General Fund. Required Supplementary Information and the related notes can be found on pages 72-79 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented as other supplementary information immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 80-81.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position over time, may serve as a useful indicator of a government’s financial position. In the case of the County, liabilities and deferred inflows of resources of the County’s primary government exceeded its assets and deferred outflows of resources at December 31, 2024 by \$140,399,575 at the close of the most recent fiscal year, as compared to \$170,781,747 at the close of the fiscal year ended December 31, 2023, as restated.

Table 1, as presented below, shows the net position as of December 31, 2024 and December 31, 2023 of the County's governmental activities and business-type activity.

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

	Governmental Activities		Business-type Activity		Total Primary Government	
	December 31,		December 31,		December 31,	
	2023		2023		2023	
	2024	(as restated)	2024	(as restated)	2024	(as restated)
Current and other assets	\$ 183,289,506	\$ 187,705,568	\$ 1,290,677	\$ 1,690,051	\$ 184,580,183	\$ 189,395,619
Noncurrent assets	190,264,134	172,565,476	5,247,021	3,583,080	195,511,155	176,148,556
Total assets	373,553,640	360,271,044	6,537,698	5,273,131	380,091,338	365,544,175
Deferred outflows of resources	63,399,281	90,571,639	1,033,577	1,478,314	64,432,858	92,049,953
Current liabilities	38,552,481	41,564,091	675,396	479,230	39,227,877	42,043,321
Noncurrent liabilities	399,585,987	420,909,839	7,108,454	7,511,556	406,694,441	428,421,395
Total liabilities	438,138,468	462,473,930	7,783,850	7,990,786	445,922,318	470,464,716
Deferred inflows of resources	136,770,640	155,376,094	2,230,813	2,535,065	139,001,453	157,911,159
Net position:						
Net investment in capital assets	178,425,934	163,506,509	5,247,021	3,583,080	183,672,955	167,089,589
Restricted	18,214,097	4,969,647	95,788	90,943	18,309,885	5,060,590
Unrestricted	(334,596,218)	(335,483,497)	(7,786,197)	(7,448,429)	(342,382,415)	(342,931,926)
Total net position	\$ (137,956,187)	\$ (167,007,341)	\$ (2,443,388)	\$ (3,774,406)	\$ (140,399,575)	\$ (170,781,747)

The County's combined net position during fiscal year ended December 31, 2024 increased from December 31, 2023, by \$30,382,172. The largest portion of the County's net position at December 31, 2024, \$183,672,955, reflects its investment in capital and right-to-use assets (e.g. land, buildings, machinery and equipment and infrastructure) net of depreciation/amortization any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$18,309,885, represents resources subject to external restrictions on how they may be used and are reported as restricted net position. The remaining category of total net position, \$(342,382,415), is considered to be unrestricted. This deficit does not mean the County does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments that are greater than currently available resources. Payments for these liabilities are to be budgeted in the year that actual payment will be made.

Table 2, presented below, shows the changes in net position for the years ended December 31, 2024 and December 31, 2023, as restated.

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

	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues	\$ 107,841,129	\$ 105,713,171	\$ 4,783,719	\$ 4,521,786	\$ 112,624,848	\$ 110,234,957
General revenues	181,435,114	181,867,078	196,130	15,427	181,631,244	181,882,505
Total revenues	<u>289,276,243</u>	<u>287,580,249</u>	<u>4,979,849</u>	<u>4,537,213</u>	<u>294,256,092</u>	<u>292,117,462</u>
Program expenses	<u>259,650,852</u>	<u>253,985,654</u>	<u>4,223,068</u>	<u>4,174,955</u>	<u>263,873,920</u>	<u>258,160,609</u>
Transfers	<u>(574,237)</u>	<u>(25,763)</u>	<u>574,237</u>	<u>25,763</u>	<u>-</u>	<u>-</u>
Change in net position	29,051,154	33,568,832	1,331,018	388,021	30,382,172	33,956,853
Net position—beginning	(167,007,341)	(191,136,395)	(3,774,406)	(3,908,717)	(170,781,747)	(195,045,112)
Restatement	<u>-</u>	<u>(9,439,778)</u>	<u>-</u>	<u>(253,710)</u>	<u>-</u>	<u>(9,693,488)</u>
Net position—ending	<u>\$ (137,956,187)</u>	<u>\$ (167,007,341)</u>	<u>\$ (2,443,388)</u>	<u>\$ (3,774,406)</u>	<u>\$ (140,399,575)</u>	<u>\$ (170,781,747)</u>

**Governmental Activities**—Governmental activities increased the County’s net position by \$29,051,154. A summary of sources of revenues for the years ended December 31, 2024 and December 31, 2023 is presented below in Table 3.

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

	Year Ended December 31,		Increase/(Decrease)	
	2024	2023	Dollars	Percent (%)
Charges for services	\$ 17,989,254	\$ 17,560,974	\$ 428,280	2.4
Operating grants and contributions	70,288,360	69,470,030	818,330	1.2
Capital grants and contributions	19,563,515	18,682,167	881,348	4.7
Property taxes and tax items	65,525,732	65,714,677	(188,945)	(0.3)
Sales taxes	102,475,098	103,709,287	(1,234,189)	(1.2)
Other general revenues	13,434,284	12,443,114	991,170	8.0
Total revenues	<u>\$ 289,276,243</u>	<u>\$ 287,580,249</u>	<u>\$ 1,695,994</u>	0.6

The most significant source of revenues is sales taxes, which accounts for \$102,475,098, or 35.4 percent, of total governmental activities revenues, for the year ended December 31, 2024, and \$103,709,287, or 36.1 percent, of total governmental activities revenues, for the year ended December 31, 2023. The next largest source of revenue is operating grants and contributions, which comprises 24.3 percent and 24.2 percent of total governmental activities revenues for the years ended December 31, 2024 and 2023, respectively.

During the year ended December 31, 2024 revenues increased by 0.6 percent from the year ended December 31, 2023 primarily due to increases in interest earnings.

A summary of program expenses of governmental activities for the years ended December 31, 2024 and December 31, 2023 is presented below in Table 4.

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

	Year Ended December 31,		Increase/(decrease)	
	2024	2023	Dollars	Percent
General government support	\$ 82,323,368	\$ 83,262,944	\$ (939,576)	(1.1)
Education	13,055,680	12,209,943	845,737	6.9
Public safety	34,625,786	32,522,177	2,103,609	6.5
Health	19,111,450	20,653,631	(1,542,181)	(7.5)
Transportation	26,559,979	27,326,788	(766,809)	(2.8)
Economic assistance and opportunity	80,775,652	74,274,225	6,501,427	8.8
Culture and recreation	422,187	322,283	99,904	31.0
Home and community services	2,411,091	3,120,774	(709,683)	(22.7)
Interest and fiscal charges	365,659	292,889	72,770	24.8
Total program expenses	<u>\$ 259,650,852</u>	<u>\$ 253,985,654</u>	<u>\$ 5,665,198</u>	2.2

The County's most significant expense items for governmental activities were general governmental support of \$82,323,368, or 31.7 of total expenses, economic assistance and opportunity of \$80,775,652 or 31.1 percent of total expenses, public safety of \$34,625,786, or 13.3 percent of total expenses, transportation of \$26,559,979, or 10.2 percent of total expenses, and health of \$19,111,450, or 7.3 percent of total expenses for the year ended December 31, 2024. Similarly, for the year ended December 31, 2023 the most significant expense items for governmental activities general governmental support of \$83,262,944, or 32.8, of total expenses, economic assistance and opportunity of \$74,274,225 or 29.2 percent, of total expenses, public safety of \$32,522,177 or 12.8 percent, of total expenses, transportation of \$27,326,788, or 10.8 percent, of total expenses, and health of \$20,653,631, or 8.1 percent of total expenses.

During the year ended December 31, 2024, expenditures increased 2.2 percent from the year ended December 31, 2023. The increase in expenditures were primarily due to the additional funding of economic assistance and opportunity services post-pandemic.

**Business-type Activity.** Business-type activity increased the County's net position by \$1,331,018, due primarily to increased collection rates and operating transfers in from the General Fund.

A summary of sources of revenues and expenses for the County's business-type activity for the years ended December 31, 2024 and December 31, 2023 is presented on the following page in Table 6.



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

	Year Ended December 31,		Increase/(Decrease)	
	2024	2023	Dollars	Percent (%)
Charges for services	\$ 4,783,719	\$ 4,521,786	\$ 261,933	5.8
General revenues	196,130	15,427	180,703	1,171.3
Total revenues	<u>\$ 4,979,849</u>	<u>\$ 4,537,213</u>	<u>\$ 442,636</u>	9.8
Solid waste management expenses	<u>\$ 4,223,068</u>	<u>\$ 4,174,955</u>	<u>\$ 48,113</u>	1.2
Interfund transfers	<u>\$ 574,237</u>	<u>\$ 25,763</u>	<u>\$ 548,474</u>	2,128.9

Revenues relating to the County's business-type activity increased 9.8 percent due to increased collection rates during the year ended December 31, 2024, while expenses increased 1.2 percent due primarily to an increase in tipping fees.

### Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$134,412,003, a decrease of \$1,091,335 in comparison with the prior year. Total *unassigned fund balance* is \$60,135,839 which is 18.7 percent of total governmental funds' expenditures and transfers out. Additionally, the County's total *assigned fund balances* total \$49,457,939 or 15.4 percent of total governmental funds' expenditures and transfers out. Together, *unassigned* and *assigned fund balance* represents \$109,593,778 or 34.1 percent of total governmental expenditures and transfers out. *Committed fund balance* of \$11,646,073 represents amounts that are subject to a purpose constraint imposed by a formal action of the County's highest level of decision-making authority, or by their designated body or official. *Restricted fund balance* of \$11,332,417 represent resources for which spending is restricted for a special purpose. *Nonspendable* amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. *Nonspendable* fund balance consists of \$1,758,479 of prepaid items and \$81,256 of inventory at December 31, 2024.

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 \$60,135,839, while total fund balance was \$108,206,922. The General Fund fund balance increased \$5,422,854 from the prior year, as compared to the planned use of fund balance of \$12,091,978 from appropriation of fund balance during the budget process and carryover of prior year encumbrances. The increase in fund balance is due primarily to the County receiving greater than anticipated sales tax, the collection of additional interest earnings and state aid, along with spending less than anticipated on public safety and employee benefits. As a measure of the General Fund's liquidity, it may be useful to compare both *unassigned fund balance* and total fund balance to total expenditures and transfers out. *Unassigned fund balance* represents 23.0 percent of

General Fund expenditures and transfers out, while total fund balance represents 41.3 percent of that same amount.

The fund balance in the Capital Projects Fund decreased \$4,611,212 from the prior year. This decrease is due to capital outlay and transfers out exceeding revenue and other financing sources.

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

The net position of Solid Waste Management Fund (the County’s only enterprise fund) at December 31, 2024, amounted to \$(2,443,388) and unrestricted net position was \$(7,786,197), due to the allocation of employee benefits related to OPEB. The operating activities of the Solid Waste Management Fund during 2024 resulted in an operating income of \$690,863 and the nonoperating revenues and expenses netted to total gain of \$640,155.

**General Fund Budgetary Highlights**

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

A summary of the General Fund results of operations for the year ended December 31, 2024 is presented in Table 7 below:

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 239,009,165	\$ 260,589,441	\$ 267,190,820	\$ 6,601,379
Expenditures and other financing uses	<u>251,101,143</u>	<u>275,056,638</u>	<u>261,767,966</u>	<u>13,288,672</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ (12,091,978)</u>	<u>\$ (14,467,197)</u>	<u>\$ 5,422,854</u>	<u>\$ 19,890,051</u>

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

**Final budget compared to actual results.** The General Fund had a favorable variance from final budgetary appropriations of \$13,288,672. The primary positive variances were realized in public safety, employee benefits, general government support, transportation, economic assistance and opportunity and health related to less than anticipated expenditures.

## Capital Assets and Debt Administration

**Capital assets.** The County’s investment in capital assets for its governmental and business-type activities as of December 31, 2024 amounts to \$195,511,155 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings and building improvements, improvements other than buildings, machinery and equipment, infrastructure, right-to-use lease assets, and right-to-use subscription-based information technology agreement (“SBITA”) assets. All depreciable/amortizable capital assets were depreciated/amortized from acquisition date to the end of the current year as outlined in the County’s capital asset policy.

Capital assets net of depreciation/amortization for the governmental activities and business-type activities at the years ended December 31, 2024 and December 31, 2023 are presented in Table 8 below:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,979,105	\$ 2,979,105	\$ 12,415	\$ 12,415	\$ 2,991,520	\$ 2,991,520
Construction in progress	47,646,341	34,366,596	-	352,747	47,646,341	34,719,343
Buildings and building improvements	47,036,830	48,887,499	2,061,451	2,113,403	49,098,281	51,000,902
Improvements other than buildings	116,624	121,890	-	-	116,624	121,890
Machinery and equipment	18,429,901	12,871,687	3,173,155	1,104,515	21,603,056	13,976,202
Infrastructure	73,055,976	73,012,027	-	-	73,055,976	73,012,027
Right-to-use lease	30,322	-	-	-	30,322	-
Right-to-use SBITA	969,035	326,672	-	-	969,035	326,672
Total	<u>\$ 190,264,134</u>	<u>\$ 172,565,476</u>	<u>\$ 5,247,021</u>	<u>\$ 3,583,080</u>	<u>\$ 195,511,155</u>	<u>\$ 176,148,556</u>

The County’s infrastructure assets are recorded at historical cost or estimated historical cost in the government-wide financial statements. The County has elected to depreciate its infrastructure assets. Additional information on County’s capital assets can be found in Note 5 of this report.

**Long-term liabilities.** In 2024, the County’s long-term liabilities, as reported on the County-wide statement of net position, continue to reflect a dramatic change, since Governmental Accounting Standards Board (“GASB”) requires that the County recognize, according to a prescribed calculation, its obligation for OPEB. In the case of the County, this obligation consists of health benefits promised to its current and future retirees. Based on a study of the County’s numerous benefit packages and the affected population, actuaries have determined the value of these benefits earned in prior years, as well as the value earned during 2024.

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

Governmental activities outstanding net bonds payable decreased \$1,233,850.

A summary of the County's long-term liabilities at December 31, 2024 and December 31, 2023 is presented below in Table 9:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2023		2023		2023	
	2024	(as restated)	2024	(as restated)	2024	(as restated)
Net bonds payable	\$ 13,366,686	\$ 14,600,536	\$ -	\$ -	\$ 13,366,686	\$ 14,600,536
Compensated absences	13,093,826	12,086,588	229,491	300,564	13,323,317	12,387,152
Installment purchase contract	1,641,491	2,274,018	-	-	1,641,491	2,274,018
Lease liability	26,718	-	-	-	26,718	-
SBITA liability	701,081	34,570	-	-	701,081	34,570
Claims and judgments	1,773,637	2,659,288	-	-	1,773,637	2,659,288
Other postemployment benefits	345,759,778	355,955,852	6,498,958	6,666,106	352,258,736	362,621,958
Net pension liability	23,222,770	33,298,988	380,005	544,886	23,602,775	33,843,874.00
Total	<u>\$ 399,585,987</u>	<u>\$ 420,909,840</u>	<u>\$ 7,108,454</u>	<u>\$ 7,511,556</u>	<u>\$ 406,694,441</u>	<u>\$ 428,421,396</u>

The County carries an Aa3 rating from Moody's. Additional information on the County's long-term liabilities can be found in Note 13 to the financial statements.

#### **Economic Factors and Next Year's Budgets and Rates**

- The County experiences fluctuations in population generally due to the movements of troops stationed at Fort Drum. Brigade components of the US Army's 10th Mountain Division continue to be periodically deployed and remain in rotation to the Middle East. These cycles continue to impact on the local housing market, especially the rental market, with variations in demand and vacancy rates noted. The current rental vacancy rate in the greater Watertown area is estimated to be roughly ten percent. The true economic impact of Fort Drum in 2024 is \$1.94 billion based on an economic impact model. The model also estimates an additional 3,754 jobs supported by Fort Drum related activity.
- The City of Watertown received \$22.2 million in American Recovery funding for use in assisting the City to recover from the effects of the COVID-19 pandemic.
- A significant local transportation development is the continued upgrade of the facilities and airfield infrastructure at Watertown International Airport. Due in part to these upgrades and the growth in the County, American Airlines continues twice daily non-stop commercial flights at the local airport. 45,601 and 47,728 passengers utilized commercial flights at the Watertown Airport in 2023 and 2024, respectively. This is a result of the jet service that has returned to the airport. General Aviation activity continues to grow since the opening of the new Fixed Base Operator (FBO) facility in 2015. There has been over \$2,606,000 collected in 2024 from airport and FBO operations. A new terminal is being constructed during 2024 and 2025.

- The unemployment rate, not seasonally adjusted, for the County during December 2024 was 3.4 percent, as compared to New York State's unemployment rate of 4.6 percent. These factors are considered in preparing the County's budget.
- The County considered operational expenses for the current year and estimated increases based on economic factors when establishing the 2025 budget. Additional information on the County's budgeted appropriations of fund balance can be found in Note 14 to the financial statements.
- The 2020 U.S. Census Bureau population for Jefferson County was 116,720, which is a slight decrease from the 2010 Census.
- The County's 2025 budget set the full value property tax rate at \$5.85 per thousand which is a decrease of 4.7% from the 2024 rate of \$6.14 average full value tax rate.

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

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

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## BASIC FINANCIAL STATEMENTS





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**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Net Position**  
**December 31, 2024**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activity	Total	Jefferson Community College (August 31, 2024)	Industrial Development Agency
<b>ASSETS</b>					
Cash and cash equivalents	\$ 53,533,590	\$ 703,262	\$ 54,236,852	\$ 3,914,550	\$ 4,912,775
Restricted cash and cash equivalents	26,166,861	95,788	26,262,649	632,900	2,176,307
Investments	51,079,953	-	51,079,953	19,390,527	-
Receivables, net of allowances:					
Property taxes receivable	9,456,445	-	9,456,445	-	-
Accounts receivable	4,776,041	465,879	5,241,920	3,030,080	112,598
Intergovernmental receivables	35,771,345	-	35,771,345	1,828,637	500,000
Leases receivable	665,536	-	665,536	208,873	-
Prepaid items	1,758,479	25,748	1,784,227	422,927	25,103
Inventories	81,256	-	81,256	-	-
Loans and notes receivable	-	-	-	333,926	1,454,592
Net pension asset	-	-	-	581,353	-
Capital assets not being depreciated/amortized	50,625,446	12,415	50,637,861	1,198,601	2,918,399
Capital assets, net of accumulated depreciation/amortization	139,638,688	5,234,606	144,873,294	48,815,769	2,924,858
Total assets	373,553,640	6,537,698	380,091,338	80,358,143	15,024,632
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows—relating to pensions	22,184,976	362,965	22,547,941	3,451,921	-
Deferred outflows—relating to OPEB	40,907,401	670,612	41,578,013	8,084,634	-
Excess consideration provided for acquisition	306,904	-	306,904	-	-
Total deferred outflows of resources	63,399,281	1,033,577	64,432,858	11,536,555	-
<b>LIABILITIES</b>					
Accounts payable	21,650,138	645,102	22,295,240	1,133,663	895,608
Retainages payable	579,723	-	579,723	-	-
Accrued liabilities	1,604,877	30,294	1,635,171	-	1,578
Intergovernmental payables	11,366,030	-	11,366,030	3,246,078	-
Unearned revenue	3,188,372	-	3,188,372	2,012,463	1,556,344
Other liabilities	163,341	-	163,341	-	59,739
Noncurrent liabilities:					
Due within one year	4,874,551	66,114	4,940,665	3,841,210	44,142
Due in more than one year	394,711,436	7,042,340	401,753,776	77,103,682	356,096
Total liabilities	438,138,468	7,783,850	445,922,318	87,337,096	2,913,507
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows—relating to leases	665,536	-	665,536	208,873	-
Deferred inflows—relating to pensions	13,779,639	225,482	14,005,121	2,213,106	-
Deferred inflows—relating to OPEB	122,325,465	2,005,331	124,330,796	21,139,732	-
Unavailable revenues—grants	-	-	-	359,132	-
Total deferred inflows of resources	136,770,640	2,230,813	139,001,453	23,920,843	-
<b>NET POSITION</b>					
Net investment in capital assets	178,425,934	5,247,021	183,672,955	27,803,480	5,443,019
Restricted for:					
General Fund restrictions	7,123,268	-	7,123,268	-	-
Capital projects	10,178,769	95,788	10,274,557	-	-
Road Machinery, Special Grant and Debt					
Service restrictions	912,060	-	912,060	-	-
Community College—expendable	-	-	-	2,993,223	-
Community College—nonexpendable	-	-	-	5,065,884	-
Community development	-	-	-	-	4,197,993
Unrestricted	(334,596,218)	(7,786,197)	(342,382,415)	(55,225,828)	2,470,113
Total net position	\$ (137,956,187)	\$ (2,443,388)	\$ (140,399,575)	\$ (19,363,241)	\$ 12,111,125

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Activities**  
**Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units		
					Governmental Activities	Business-type Activity	Total	Jefferson Community College (August 31, 2024)	Industrial Development Agency
<b>Primary government:</b>									
Governmental activities:									
General government support	\$ 82,323,368	\$ 7,664,017	\$ 11,152,100	\$ -	\$ (63,507,251)	\$ -	\$ (63,507,251)	\$ -	\$ -
Education	13,055,680	732,553	-	1,466,171	(10,856,956)	-	(10,856,956)	-	-
Public safety	34,625,786	1,803,349	1,794,362	699,673	(30,328,402)	-	(30,328,402)	-	-
Health	19,111,450	2,183,110	15,860,542	-	(1,067,798)	-	(1,067,798)	-	-
Transportation	26,559,979	2,868,158	20,990	17,397,671	(6,273,160)	-	(6,273,160)	-	-
Economic assistance and opportunity	80,775,652	2,725,938	39,962,648	-	(38,087,066)	-	(38,087,066)	-	-
Culture and recreation	422,187	-	126,736	-	(295,451)	-	(295,451)	-	-
Home and community services	2,411,091	12,129	1,370,982	-	(1,027,980)	-	(1,027,980)	-	-
Interest and fiscal charges	365,659	-	-	-	(365,659)	-	(365,659)	-	-
Total governmental activities	259,650,852	17,989,254	70,288,360	19,563,515	(151,809,723)	-	(151,809,723)	-	-
Business-type activity:									
Solid waste management	4,223,068	4,783,719	-	-	-	560,651	560,651	-	-
Total primary government	\$ 263,873,920	\$ 22,772,973	\$ 70,288,360	\$ 19,563,515	(151,809,723)	560,651	(151,249,072)	-	-
<b>Component units:</b>									
Jefferson Community College	\$ 33,206,430	\$ 8,961,477	\$ 7,721,287	\$ 1,109,337				(15,414,329)	-
Industrial Development Agency	3,078,838	886,064	1,923,255	-				-	(269,519)
Total component units	\$ 36,285,268	\$ 9,847,541	\$ 9,644,542	\$ 1,109,337				(15,414,329)	(269,519)
General revenues:									
Property taxes, levied for general purpose					62,997,684	-	62,997,684	-	-
Property tax items					2,528,048	-	2,528,048	-	-
Sales taxes					102,475,098	-	102,475,098	-	-
Other taxes					716,227	-	716,227	-	-
Use of money and property					6,841,183	10,259	6,851,442	2,353,542	4,594
Miscellaneous					4,606,937	130,212	4,737,149	-	32,475
State and federal appropriations					-	-	-	15,060,640	-
Sale of property and compensation for loss					1,244,867	-	1,244,867	122,898	-
Proceeds from sale of capital assets					25,070	55,659	80,729	-	-
Transfers					(574,237)	574,237	-	-	-
Total general revenues and transfers					180,860,877	770,367	181,631,244	17,537,080	37,069
Change in net position					29,051,154	1,331,018	30,382,172	2,122,751	(232,450)
Net position—beginning, as previously reported					(157,567,563)	(3,520,696)	(161,088,259)	(21,485,992)	12,279,486
Restatement for the implementation new standard and for re-evaluation of subscription and lease agreements					(9,439,778)	(253,710)	(9,693,488)	-	64,089
Net position—beginning, as restated					(167,007,341)	(3,774,406)	(170,781,747)	(21,485,992)	12,343,575
Net position—ending					\$ (137,956,187)	\$ (2,443,388)	\$ (140,399,575)	\$ (19,363,241)	\$ 12,111,125

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Balance Sheet—Governmental Funds**  
**December 31, 2024**

	<b>General</b>	<b>Capital Projects</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 36,762,912	\$ 5,809,492	\$ 10,961,186	\$ 53,533,590
Restricted cash and cash equivalents	21,891,821	3,297,089	977,951	26,166,861
Investments	51,079,953	-	-	51,079,953
Receivables, net of allowances:				
Property taxes receivable	9,456,445	-	-	9,456,445
Accounts receivable	3,668,373	-	427	3,668,800
Due from other funds	-	338,903	-	338,903
Intergovernmental receivables	23,158,155	9,491,483	3,121,707	35,771,345
Leases receivable	665,536	-	-	665,536
Inventory	81,256	-	-	81,256
Prepaid items	1,608,294	-	150,185	1,758,479
Total assets	<u>\$ 148,372,745</u>	<u>\$ 18,936,967</u>	<u>\$ 15,211,456</u>	<u>\$ 182,521,168</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 15,092,973	\$ 5,461,109	\$ 1,096,056	\$ 21,650,138
Accrued liabilities	1,411,807	-	150,444	1,562,251
Intergovernmental payables	10,535,091	-	830,939	11,366,030
Due to other funds	-	-	338,903	338,903
Unearned revenue	3,122,481	-	65,891	3,188,372
Other liabilities	163,341	-	-	163,341
Total liabilities	<u>30,325,693</u>	<u>5,461,109</u>	<u>2,482,233</u>	<u>38,269,035</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows—relating to leases	665,536	-	-	665,536
Unavailable revenues—grants	1,445,877	-	-	1,445,877
Unavailable revenues—property taxes	7,728,717	-	-	7,728,717
Total deferred inflows of resources	<u>9,840,130</u>	<u>-</u>	<u>-</u>	<u>9,840,130</u>
<b>FUND BALANCES</b>				
Nonspendable	1,689,550	-	150,185	1,839,735
Restricted	7,123,268	3,297,089	912,060	11,332,417
Committed	11,646,073	-	-	11,646,073
Assigned	27,612,192	10,178,769	11,666,978	49,457,939
Unassigned	60,135,839	-	-	60,135,839
Total fund balances	<u>108,206,922</u>	<u>13,475,858</u>	<u>12,729,223</u>	<u>134,412,003</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 148,372,745</u>	<u>\$ 18,936,967</u>	<u>\$ 15,211,456</u>	<u>\$ 182,521,168</u>

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Reconciliation of the Balance Sheet—Governmental Funds**  
**to the Government-wide Statement of Net Position**  
**December 31, 2024**

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

Total fund balances—governmental funds (page 17)	\$ 134,412,003
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Capital and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$349,116,111 and the accumulated depreciation is \$158,851,977.	190,264,134
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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	\$ 5,173,930	
Deferred outflows related to experience and investment earnings	17,011,046	
Deferred inflows of resources related to pensions	(13,779,639)	8,405,337

Deferred outflows and inflows of resources related to differences between expected and actual experience and changes of assumptions in other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the fund statements.

Deferred outflows of resources related to OPEB	\$ 40,907,401	
Deferred inflows of resources related to OPEB	(122,325,465)	(81,418,064)

Other long-term assets are not available to pay for current period expenditures and, therefore, are either recorded as unearned revenue or deferred inflows of resources in the funds but are considered government-wide revenues:

Deferred inflows of resources - grants	\$ 1,445,877	
Deferred inflows of resources - property taxes	7,728,717	9,174,594

Certain accrued revenues reported in the statement of net position are received after the availability period for recognition of revenue in the governmental funds.	1,107,241
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The excess consideration for acquired assets that have a useful life extending beyond a single reporting period is recorded as an expenditure within the fund statements, but recorded as a deferred outflow of resources on the government-wide financial statements.	306,904
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Retained percentages are not a current liability and, therefore, are not reported in the fund statements.	(579,723)
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Net accrued interest expense for serial bonds and leases are not reported in the fund statements.	(42,626)
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Long-term liabilities, including bonds payable, compensated absences, installment purchase contracts, leases, SBITA, claims and judgments payable, other postemployment benefits ("OPEB") and the net pension liability are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:

Serial bonds	\$ (13,290,000)	
Unamortized premiums	(76,686)	
Compensated absences	(13,093,826)	
Installment purchase contract	(1,641,491)	
Lease liability	(26,718)	
SBITA liability	(701,081)	
Claims and judgments	(1,773,637)	
Other postemployment benefits	(345,759,778)	
Net pension liability	(23,222,770)	(399,585,987)

Net position of governmental activities	\$ (137,956,187)
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The notes to the financial statements are an integral part of this statement.

**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds**  
**Year Ended December 31, 2024**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Real property taxes	\$ 62,997,684	\$ -	\$ -	\$ 62,997,684
Real property tax items	2,571,242	-	-	2,571,242
Non-property tax items	105,062,955	-	-	105,062,955
Departmental income	11,023,696	-	617,368	11,641,064
Intergovernmental charges	3,576,229	-	75,505	3,651,734
Use of money and property	6,091,056	185,904	560,207	6,837,167
Licenses and permits	28,454	-	1,825	30,279
Fines and forfeitures	147,436	-	-	147,436
Sale of property and compensation for loss	1,352,029	-	51,547	1,403,576
Miscellaneous	4,789,816	75,000	201,688	5,066,504
Interfund revenues	-	-	236,159	236,159
State aid	38,386,270	7,937,062	9,297,116	55,620,448
Federal aid	27,658,492	3,007,142	3,416,461	34,082,095
Total revenues	<u>263,685,359</u>	<u>11,205,108</u>	<u>14,457,876</u>	<u>289,348,343</u>
<b>EXPENDITURES</b>				
Current:				
General government support	80,835,836	-	-	80,835,836
Education	12,797,758	-	-	12,797,758
Public safety	31,567,388	-	-	31,567,388
Health	18,552,869	-	-	18,552,869
Transportation	3,701,465	-	20,016,229	23,717,694
Economic assistance and opportunity	75,784,294	-	2,801,496	78,585,790
Culture and recreation	414,363	-	-	414,363
Home and community services	1,159,735	-	1,196,941	2,356,676
Employee benefits	13,651,006	-	-	13,651,006
Debt service:				
Principal	107,269	-	1,857,527	1,964,796
Interest and fiscal charges	3,864	-	377,796	381,660
Capital outlay	-	25,840,103	-	25,840,103
Total expenditures	<u>238,575,847</u>	<u>25,840,103</u>	<u>26,249,989</u>	<u>290,665,939</u>
Excess (deficiency) of revenues over expenditures	<u>25,109,512</u>	<u>(14,634,995)</u>	<u>(11,792,113)</u>	<u>(1,317,596)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,704,963	13,474,803	13,834,024	30,013,790
Transfers out	(23,192,119)	(3,451,020)	(3,944,888)	(30,588,027)
Issuance of lease	33,892	-	-	33,892
Issuance of SBITA	766,606	-	-	766,606
Total other financing sources (uses)	<u>(19,686,658)</u>	<u>10,023,783</u>	<u>9,889,136</u>	<u>226,261</u>
Net change in fund balances	5,422,854	(4,611,212)	(1,902,977)	(1,091,335)
Fund balances—beginning	102,784,068	18,087,070	14,632,200	135,503,338
Fund balances—ending	<u>\$ 108,206,922</u>	<u>\$ 13,475,858</u>	<u>\$ 12,729,223</u>	<u>\$ 134,412,003</u>

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances—Governmental Funds to the Government-wide Statement of Activities**  
**Year Ended December 31, 2024**

Amounts reported for governmental activities in the statement of activities (page 16) are different because:

Net change in fund balances—total governmental funds (page 19) \$ (1,091,335)

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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense and loss on disposal of capital assets in the current period.

Capital asset additions	\$ 28,250,388	
Depreciation/amortization expense	(10,170,034)	
Loss on disposal of capital assets	<u>(381,696)</u>	17,698,658

Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:

County pension contributions	\$ 6,160,823	
Cost of benefits earned net of employee contributions	<u>(8,975,277)</u>	(2,814,454)

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.

Changes relating to expected and actual experience	\$ 9,047,591	
Changes in assumptions	<u>(4,746,615)</u>	4,300,976

Certain tax and other revenue in the governmental funds is deferred or not recognized because it is not available soon enough after year end to pay for the current period's expenditures. On the accrual basis, however, this is recognized regardless of when it is collected.

Change in deferred inflows of resources - property taxes	\$ (1,411,149)	
Change in deferred inflows of resources - grants	1,445,877	
Change in other receivable	<u>(106,828)</u>	(72,100)

Governmental funds report excess consideration paid for assets as expenditures in the year of acquisition. However, in the County's statement of activities the cost of consideration is allocated over the estimated useful life. (41,851)

Governmental funds report retained percentages expenditures on construction contracts when such a retained percentage is paid. However, in the statement of activities retained percentages on construction contracts is reported as an expense as it accrues. (183,526)

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. 7,151

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Repayment of serial bonds	\$ 1,225,000	
Amortization of premiums on serial bonds	8,850	
Change in compensated absences	(1,007,238)	
Principal payments on installment purchase contract	632,527	
Lease issued	(33,892)	
Principal payments on Lease	7,174	
SBITA issued	(766,606)	
Principal payments on SBITA	100,095	
Change in claims and judgments	885,651	
Change in other postemployment benefits	<u>10,196,074</u>	<u>11,247,635</u>

Change in net position of governmental activities \$ 29,051,154

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Net Position—Proprietary Fund**  
**December 31, 2024**

	<b>Business-type Activity— Enterprise Fund Solid Waste Management</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 703,262
Restricted cash and cash equivalents	95,788
Accounts receivable	465,879
Prepaid items	25,748
Total current assets	<u>1,290,677</u>
Noncurrent assets:	
Capital assets not being depreciated	12,415
Capital assets, net of accumulated depreciation	5,234,606
Total noncurrent assets	<u>5,247,021</u>
Total assets	<u>6,537,698</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows—relating to pensions	362,965
Deferred outflows—relating to OPEB	670,612
Total deferred outflows of resources	<u>1,033,577</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	645,102
Accrued liabilities	30,294
Total current liabilities	<u>675,396</u>
Noncurrent liabilities:	
Compensated absences—due within one year	66,114
Compensated absences—due in more than one year	163,377
Other postemployment benefits obligation	6,498,958
Net pension liability	380,005
Total noncurrent liabilities	<u>7,108,454</u>
Total liabilities	<u>7,783,850</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows—relating to pensions	225,482
Deferred inflows—relating to OPEB	2,005,331
Total deferred inflows of resources	<u>2,230,813</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,247,021
Restricted for capital projects	95,788
Unrestricted	(7,786,197)
Total net position	<u>\$ (2,443,388)</u>

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



**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position—Proprietary Fund**  
**Year Ended December 31, 2024**

	<b>Business-type Activity— Enterprise Fund</b>
	<b>Solid Waste Management</b>
Operating revenues:	
Charges for services	\$ 4,101,050
Recycling income	682,669
Miscellaneous	130,212
Total operating revenues	<u>4,913,931</u>
Operating expenses:	
Salaries, wages and employee benefits	917,499
Tipping fees	2,994,276
Depreciation	311,293
Total operating expenses	<u>4,223,068</u>
Operating income	<u>690,863</u>
Nonoperating revenues:	
Interfund transfer in	574,237
Interest earnings	10,259
Gain on disposal of capital assets	55,659
Total nonoperating revenues	<u>640,155</u>
Change in net position	1,331,018
Total net position—beginning, as previously reported	(3,520,696)
Restatement for the implementation of new standard	(253,710)
Total net position—beginning, as restated	<u>(3,774,406)</u>
Total net position—ending	<u>\$ (2,443,388)</u>

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Cash Flows—Proprietary Fund**  
**Year Ended December 31, 2024**

	<b>Business-type Activity— Enterprise Fund</b>
	<b>Solid Waste Management</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from services provided	\$ 4,778,843
Receipts from other operating revenue	130,212
Payments to employees	(1,179,605)
Payments to suppliers	(2,804,264)
Net cash provided by operating activities	<u>925,186</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Interfund transfers	<u>574,237</u>
Net cash provided by noncapital financing activities	<u>574,237</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital purchases	<u>(1,919,575)</u>
Net cash used for capital and related financing activities	<u>(1,919,575)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>10,259</u>
Net cash provided by investing activities	<u>10,259</u>
Net decrease in cash and cash equivalents	(409,893)
Cash and cash equivalents—beginning	<u>1,208,943</u>
Cash and cash equivalents—ending	<u>\$ 799,050</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 690,863
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	311,293
(Increase) in accounts receivable	(4,876)
(Increase) in prepaid items	(5,643)
Decrease in deferred outflows of resources	444,737
Increase in accounts payable	195,655
Increase in accrued liabilities	511
(Decrease) in other postemployment benefits	(167,148)
(Decrease) in compensated absences	(71,073)
Change in net pension liability	(164,881)
(Decrease) in deferred inflows of resources	(304,252)
Total adjustments	<u>234,323</u>
Net cash provided by operating activities	<u>\$ 925,186</u>

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Fiduciary Net Position—Custodial Fund**  
**December 31, 2024**

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	<u>Custodial Fund</u>
<b>ASSETS</b>	
Restricted cash and cash equivalents	\$ 6,281,313
Accounts receivable	<u>9,062</u>
Total assets	<u>6,290,375</u>
 <b>LIABILITIES</b>	
Accounts payable and other liabilities	<u>6,141,280</u>
Total liabilities	<u>6,141,280</u>
 <b>NET POSITION</b>	
Restricted for bail and other abandoned property	<u>149,095</u>
Total net position	<u>\$ 149,095</u>

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Statement of Changes in Fiduciary Net Position—Custodial Fund**  
**December 31, 2024**

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	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Funds collected on behalf of individuals	\$ 745,869
Total additions	<u>745,869</u>
<b>DEDUCTIONS</b>	
Funds distributed on behalf of individuals	<u>836,909</u>
Total deductions	<u>836,909</u>
Change in fiduciary net position	(91,040)
Net position—beginning	<u>240,135</u>
Net position—ending	<u><u>\$ 149,095</u></u>

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

**COUNTY OF JEFFERSON, NEW YORK**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

***Financial Reporting Entity***

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

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

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

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

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

the fiscal year end for the College is August 31. The College includes four discretely presented component units, the Jefferson Community College Foundation, Inc., Faculty Student Association of Jefferson Community College, Inc., Student Association of Jefferson Community College, and New Student Services of Jefferson Community College.

The County budget for 2024 included an appropriation of \$5,474,771 in support of the College budget for the College fiscal year ended August 31, 2024. In addition to the funds contributed for the support of the College budget for 2023-2024, the General Fund budget supports the debt service on other college capital improvement bonds as outlined in the following paragraphs.

In 2015, the County issued \$7,000,000 in public improvement serial bonds for the Jefferson Community College Collaborative Learning Project. In 2024, the County paid \$476,600 in debt service on the 2015 debt issue. The principal payment was \$335,000, and interest was paid in the amount of \$141,600. Outstanding debt on this issue at December 31, 2024, was \$4,335,000.

In 2017, the County issued \$6,206,500 in public improvement serial bonds of which \$1,500,000 was on behalf of the College. Of this amount, \$1,448,400 was for the campus building reconstruction at Jefferson Community College and \$51,600 was for purchasing a loader. In 2024, the County paid \$98,828 in debt service on the 2017 debt issue. The principal payment was \$67,000, and interest was paid in the amount of \$31,828. Outstanding debt on this issue at December 31, 2024 was \$1,081,000.

In 2020, the County converted a \$9,000,000 bond anticipation notes (“BAN”) of which \$1,885,000 was for the purpose of additional work on the Jefferson Community College Learning Center to permanent financing. In 2024, the County paid \$182,806 in debt service on the 2020 debt issue. The principal payment was \$165,000, and interest was paid in the amount of \$17,806. Outstanding debt on this issue at December 31, 2024 was \$1,225,000.

Jefferson County paid \$512,609 to other New York State Community Colleges for its residents attending community colleges outside the County.

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

***Jefferson County Industrial Development Agency***—The Jefferson County Industrial Development Agency (the “Agency”) is a public benefit corporation created by Article 18A of New York State General Municipal Law to promote the economic welfare, recreation opportunities and prosperity of County inhabitants. Members of the Agency are appointed by the County Board of Legislators which exercises no oversight responsibility for fiscal matters. The Agency members have complete responsibility for management of the Agency and accountability for fiscal matters. The County is not liable for agency bonds or notes.

In addition, the Agency administers a \$996,636 revolving loan fund, a \$82,398 micro-enterprise loan program which provides loans to small businesses, a \$249,499 city loan to a small business and a \$126,059 Watertown Economic Growth Fund which provides support to enterprises in the City of Watertown. These funds are used to provide loans to eligible businesses that save and create employment opportunities for residents of Jefferson County. The Agency works closely with Jefferson County Job Development Corporation (“JCJDC”) through funding of certain programs for economic development activities. The Agency has no staff; staff is supplied by the JCJDC under contract. The Agency includes two blended component units, the Jefferson County Local Development Corporation and the Jefferson County Civic Facilities Development Corporation.

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

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

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

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

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

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

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

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

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

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

The fund financial statements provide information about the County's funds, including its fiduciary fund. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

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

Additionally, the County reports the following nonmajor governmental funds:

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

- *County Road Fund*—The County Road Fund is used to account for expenditures for highway purposes authorized by Section 114 of the Highway Law.
- *Road Machinery Fund*—The Road Machinery Fund is used to account for the purchase, repair, maintenance and storage of highway machinery, tools and equipment pursuant to Section 133 of the Highway Law.
- *Special Grant Fund*—The Special Grant Fund is used to account for funds received under the Job Training Partnership Act/Workforce Investment Act and for Community Block Grant funds received from the Department of Housing and Urban Development.
- *Debt Service Fund*—used to account for current payments of principal and interest on general obligation long-term debt and for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness.

The County reports the following major enterprise fund:

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

Additionally, the County reports the following fund type:

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

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

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



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

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

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

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

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within one year of the end of the current fiscal period). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

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

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

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

***Lease Receivable***—The County is a lessor for a noncancellable lease of office space and a cell phone tower. The County recognizes a lease receivable and a deferred inflow of resources in the statement of net position and governmental fund financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

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

***Capital Assets***—Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads and bridges), right-to-use lease assets and subscription and SBITA assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County as assets with an initial, individual cost of more than \$5,000, or \$10,000 for heavy equipment, and an estimated useful life in excess of two years. For infrastructure (including buildings) assets, the same estimated minimum useful life is used (in excess of three years), but only those infrastructure projects that cost more than \$25,000 are reported as capital assets. Such assets are recorded at historical cost or estimated historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value. Right-to-use leased assets and SBITA assets are initially measured as the initial amount of the liability, adjusted for lease payments made at or before the commencement date, plus certain initial direct costs and are amortized on a straight line basis over their useful lives.

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

Capitalization Threshold and Useful Lives		
Class of Asset	Threshold	Useful Life
Land	\$ 5,000	n/a
Works of art and historical treasures	5,000	n/a
Construction in progress	5,000	n/a
Land improvements	5,000	20
Buildings	25,000	50
Building improvements	5,000	20
Machinery and equipment:		
Office equipment	5,000	10
Furniture	5,000	10
Computer and computer equipment	5,000	5
Vehicles	5,000	7
Heavy equipment	10,000	7
Infrastructure		
Roads, network	25,000	25
Bridges (includes culverts)	25,000	40
Improvements other than land or buildings	5,000	7
Right-to-use lease assets	5,000	3-5
SBITA assets	5,000	3-5

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).

***Intergovernmental Payables***—Intergovernmental payables include amounts owed to local, state and federal governments. At December 31, 2024, the County reported intergovernmental payables of \$10,535,091 and \$830,939 within the General Fund and nonmajor funds, respectively. Of this amount, \$9,926,342 consists of sales tax owed, and \$830,939 relates to Consolidated Local Street and Highway Improvement Program (“CHIP”) funds that are owed back to New York State.

***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, 2024, the County reported unearned revenues of \$3,122,481 and \$65,891 within the General Fund and nonmajor funds, respectively. The County received cash in advance related to grants, donations and forfeited funds, but has not yet performed the services, and therefore recognizes a liability. Of this amount, \$2,249,253 is related to the American Rescue Plan Act.

***Deferred Outflows/Inflows of Resources***—In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The primary government has three types of items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide financial statements. This represents the effect of the net change in the County’s proportion of the collective net pension asset or liability, and the difference during the measurement period between the County’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense and any contributions to the pension systems made subsequent to the measurement date. The second item is related to OPEB

reported in the government-wide financial statements and represents the effects of the change in the County's proportion of the collective OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability. The last item is the excess consideration provided for the acquisition of the fixed based operation at the airport and is reported in the government-wide statement of net position. The excess results from the difference in the carrying value of the items purchased and the acquisition price. This amount is considered deferred and is being impaired over the life of the assets that were acquired.

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

***Leases and Subscription-Based Information Technology Agreements ("SBITA")***—The County recognizes significant lease and SBITA liabilities. At the commencement of a lease/SBITA, the County initially measures the liability at the present value of any remaining payments expected to be made during the lease/SBITA term. Subsequently, the liability is reduced by the principal portion of the payments made, as applicable. More information regarding the lease/SBITA liabilities are included in Note 12.

The County is a lessor for a noncancellable leases of office space and real property. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Leases receivable are discussed within Note 4.

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

***Fund Balance Flow Assumptions***—Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance).

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

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

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

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

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

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

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

The County-wide property tax is levied by the Legislature effective January 1 of the year the taxes are recognizable as revenue. Taxes become a lien on the related property on that date of the year for which they are levied. Accordingly, property tax is only recognized as revenue in the year for which the levy is made, and to the extent that such taxes are received within the reporting period or 60 days thereafter in the governmental fund financial statements.

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

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

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

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

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

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

In 2024, the County Attorney, as Tax Enforcement Officer, conducted the County's annual sale of properties acquired through tax foreclosure. Of 42 properties acquired through foreclosure, 36 were sold at auction, generating gross receipts of \$288,883. County taxes collected on properties within the City of Watertown are enforced, and will continue to be enforced, by the City. The County receives the full amount of such taxes in the year due.

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

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

At December 31, 2024, the total real property tax receivables relating to the County of \$9,456,445 are offset by an allowance for uncollectible taxes of \$4,360,188. Additionally, included in real property tax receivables are current year returned village and school taxes of \$4,695,799. The remaining portion of tax receivables is partially offset by deferred inflows of resources – property taxes of \$7,728,717 in the General Fund and represents an estimate of tax liens which will not be collected within the first sixty (60) days of the subsequent year.

A 4.0% sales tax is levied in and for the County under the general authority of Article 29 of the Tax Law and specific authority of local law. This tax is administered and collected by the State Sales Tax Commission in the same manner as the State imposed 4.0% sales and compensating use tax. Net collections, meaning monies collected after deducting them from expenses of administration and collection and amounts refunded or to be refunded, but inclusive of any applicable penalties and interest, are paid by the State to the County on a monthly basis. Of the total \$102,475,098 sales tax collected or accrued for the year ended December 31, 2024, \$55,059,711 was distributed to the towns, villages and the City of Watertown, of which, \$9,926,342 is recorded as liabilities to be distributed.

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

The County constitutional tax limit (per New York State statutes) for the fiscal year ended December 31, 2024 is computed below:

Five-year average full valuation of taxable real estate	<u>\$ 8,872,196,509</u>
Tax limit @ 1.5%	\$ 133,082,948
Tax levy subject to tax limit	<u>62,731,689</u>
Tax margin	<u>\$ 70,351,259</u>

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

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

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

The compensated absences liability for the primary government at year end totaled \$13,323,317 and is reported within governmental activities at \$13,093,826 and business-type activities at \$229,491. The College reports \$508,946 as its liability for compensated absences.

Payment of vacation and compensatory time is recorded in the governmental funds is dependent upon many factors. Therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation and compensatory time when such payment becomes due. Refer to Note 2 for more information regarding the County's restatement of compensated absences as a result of the implementation of GASB Statements No. 101, *Compensated Absences*.

**Pension Plans**—The County and the College are mandated by New York State law to participate in the New York State Teachers' Retirement System ("TRS") and the New York State Local Employees' Retirement System ("ERS"). For purposes of measuring the net pension (asset)/liability, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included at Note 7.

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

Regarding the County's postemployment benefits, retirees' and their survivor's health care benefits are provided through an insurance company whose premiums are based on historic experience. Additionally the County finances the plan on a pay-as-you-go basis, and the cost of retiree group health insurance benefits is recognized as an expenditure/expense based on premiums paid during the year. During 2024, \$13,167,710 was paid by the County on behalf of eligible retirees, including their dependents and survivors. More information on other postemployment benefits is included in Note 8.

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

#### **Other**

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

**Adoption of New Accounting Pronouncements**—During the year ended December 31, 2024, the County implemented the remainder of GASB Statement No. 99, *Omnibus 2022*; and GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*. GASB Statement No. 99 enhances comparability in accounting and financial reporting and to improves the consistency of authoritative literature by addressing practice issues related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53. GASB Statement No. 100 improves financial reporting by enhancing accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. GASB Statement No. 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. The impacts of the implementation of GASB Statement No. 101 are discussed in Note 2. The implementation of GASB Statements No. 99 and 100 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. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025; and No. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 102, 103, and 104 will have on its financial position and results of operations when such statements are adopted.

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

***Legal Compliance—Budgets***—The County follows these procedures in establishing the budgetary data reflected in the financial statements:

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

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

## **2. RESTATEMENT OF NET POSITION**

During the year ended December 31, 2024, the County implemented GASB Statement No. 101, *Compensated Absences*. As a result of this implementation, the County restated its compensated absences liability as of December 31, 2023. In addition, the County re-evaluated agreements for Subscription-Based Information Technology Arrangements (“SBITA”) that resulted in a restatement as of December 31, 2023. The effect of these restatements to the County’s governmental and business-type activities is summarized as follows:

	Governmental Activities	Business-type Activity
Net position—December 31, 2023, as previously stated	\$ (157,567,563)	\$ (3,520,696)
GASB Statement No. 101 implementation	(9,731,881)	(253,710)
Re-evaluation of SBITA agreements	<u>292,103</u>	<u>-</u>
Net position—December 31, 2023, as restated	<u>\$ (167,007,341)</u>	<u>\$ (3,774,406)</u>

The County’s discretely presented component unit, the Agency, also restated beginning net position at December 31, 2023 by \$64,089 due to amended lease agreements.

### 3. 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 Legislature.

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

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

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

	Governmental Activities	Business-Type Activity	Fiduciary Fund	Total Balance
Petty cash (uncollateralized)	\$ 14,220	\$ 800	\$ -	\$ 15,020
Deposits	79,686,231	798,250	6,281,313	86,765,794
Total	<u>\$ 79,700,451</u>	<u>\$ 799,050</u>	<u>\$ 6,281,313</u>	<u>\$ 86,780,814</u>

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

	Bank Balance	Carrying Amount
FDIC insured	\$ 2,129,918	\$ 1,877,095
Uninsured:		
Collateral held by bank's agent in the County's name	85,457,809	84,888,699
Total	<u>\$ 87,587,727</u>	<u>\$ 86,765,794</u>

***Custodial Credit Risk—Deposits***—Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. For investments, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. By State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2024, the County's deposits were FDIC insured or collateralized. The County pools its cash from all funds, except for cash required by law to be segregated, into a concentration account for investment purposes.

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

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

	Purpose	Amount
Governmental activities:		
General Fund	Workers' compensation	\$ 745,900
General Fund	Unemployment insurance	80,046
General Fund	Insurance	2,074,504
General Fund	Advanced fundings	873,229
General Fund	ARPA fundings	2,249,252
General Fund	Law enforcement and prosecution	560,218
General Fund	Wireless 911 Surcharge	1,231,557
General Fund	Real property tax sale surplus	724,298
General Fund	Opioid settlements	1,706,745
General Fund	Committed funds	11,646,073
Capital Projects Fund	Unspent bond proceeds	3,265,465
Capital Projects Fund	Wireless 911 Surcharge	31,624
Nonmajor Funds:		
Road Machinery Fund	Highway equipment reserve	551,578
Special Grants Fund	Unspent grant proceeds	152,921
Debt Service Fund	Debt service	273,451
Total governmental activities		26,166,861
Business-type activity:		
Solid Waste Management Fund	Capital projects	95,788
Total primary government		\$ 26,262,649
Fiduciary Fund:		
Custodial Fund	Custodial liabilities	\$ 6,281,313
Total fiduciary fund		\$ 6,281,313

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

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

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the County has access at the measurement date.

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

The County has the following fair value measurements as of December 31, 2024:

- U.S. backed securities of \$25,832,258 are valued using quoted market prices for identical assets in active markets (level 1 input).
- Certificates of deposit of \$25,247,695 are valued based on quoted market prices for similar assets in active markets (level 2 input).

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

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

***Jefferson Community College***—The College and its component units had unrestricted deposits of \$1,429,571 and \$2,484,979, respectively. The College’s carrying value of cash and short-term investments subject to collateral requirements was \$1,428,142 at August 31, 2024, which included cash in checking accounts and interest-bearing savings accounts. Bank balances totaling \$1,608,482 were insured by the FDIC at August 31, 2024.

The Jefferson Community College Foundation, Inc. and the Jefferson FSA Auxiliary, LLC, component units of the College, have restricted cash totaling \$632,900, consisting of various reserve funds.

The primary institution of the College reports investments in the amount of \$9,408,720 as of August 31, 2024. Its component units had investments as of August 31, 2024 with a market value of \$8,713,931 and interest rate swap agreement of \$1,267,876. All investments held by the component unit are deemed to be observable in active markets and are therefore considered to be Level 1.

***Jefferson County Industrial Development Agency***—The Agency had unrestricted deposits of \$4,912,775 and restricted deposits of \$2,176,307 which were insured or collateralized by securities held by the pledging financial institution’s trust department or agent, but not in the Agency’s name.

#### 4. RECEIVABLES

***Taxes Receivable***—Represents amounts due from County taxpayers that remain unpaid. At December 31, 2024, the County recorded \$9,456,445 related to taxes receivable. These amounts are reported net of an allowance for uncollectible taxes provision of \$4,360,188.

***Accounts Receivable***—Represents amounts due from various sources. The County's accounts receivable as of December 31, 2024, are as follows:

Governmental Funds:

General Fund:

Various fees and charges	\$ 3,690,396
Less allowance for doubtful accounts	(22,023)
Nonmajor funds	<u>427</u>
Total governmental funds	<u>\$ 3,668,800</u>

Enterprise fund:

Various fees and charges	<u>\$ 465,879</u>
Total enterprise fund	<u>\$ 465,879</u>

Fiduciary fund:

Various fees and charges	<u>\$ 9,062</u>
Total fiduciary fund	<u>\$ 9,062</u>

Intergovernmental receivables as of December 31, 2024, are as follows:

Governmental Funds:

General Fund:

Due from State and Federal	\$ 21,936,817	
Due from other governments	<u>1,221,338</u>	\$ 23,158,155

Capital Projects Fund:

Due from State and Federal	9,491,483
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Nonmajor funds:

Due from State and Federal	\$ 3,081,782	
Due from other governments	<u>39,925</u>	<u>3,121,707</u>
Total governmental funds		<u>\$ 35,771,345</u>

***Leases Receivable***—During the year ended December 31, 2024, the County recognized leases for office space and real property to third parties. The leases have original maturities ranging from nine to twenty years and the County receives variable annual payments. The County recognized \$52,692 in lease revenue and \$23,167 in interest revenue during the current fiscal year related to this lease. As of December 31, 2024, the County's receivable for lease payments was \$665,536. Also, the Town has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2024, the balance of the deferred inflow of resources was \$665,536.

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

***Jefferson Community College***—Significant receivables include amounts due from students for fees and tuitions. These receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. The allowance amount is estimated and recorded based on the College’s historical bad debt experience, and based on management’s judgment. At August 31, 2024, the College reported total accounts receivable of \$3,030,080, intergovernmental receivables of \$1,828,637 and notes receivable of \$333,926. In addition, the College is a lessor for various noncancellable leases. The College reported a lease receivable of \$208,873 as of August 31, 2024 and a corresponding deferred inflow of resources of \$208,873.

***Jefferson County Industrial Development Agency***—Significant receivables of the Agency include loans and notes receivable and intergovernmental receivables. The Agency had loans and notes receivable of \$1,454,592 and intergovernmental receivables of \$500,000 at December 31, 2024.

## **5. CAPITAL ASSETS**

***Governmental activities***—Capital asset activity for the primary government’s governmental activities, for the year ended December 31, 2024 was as follows:

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
Capital assets, not being depreciated/amortized:				
Land	\$ 2,979,105	\$ -	\$ -	\$ 2,979,105
Construction in progress	34,366,596	19,354,912	6,075,167	47,646,341
Total capital assets, not being depreciated/amortized	<u>37,345,701</u>	<u>19,354,912</u>	<u>6,075,167</u>	<u>50,625,446</u>
Capital assets, being depreciated/amortized:				
Buildings and building improvements	100,983,893	523,467	127,678	101,379,682
Improvements other than buildings	1,407,921	-	-	1,407,921
Machinery and equipment	40,575,601	8,663,920	1,559,705	47,679,816
Infrastructure	141,809,719	4,974,272	-	146,783,991
Right-to-use lease assets	-	42,378	-	42,378
Right-to-use SBITA assets	430,271	766,606	-	1,196,877
Total capital assets, being depreciated/amortized	<u>285,207,405</u>	<u>14,970,643</u>	<u>1,687,383</u>	<u>298,490,665</u>
Less accumulated depreciation/amortization for:				
Buildings and building improvements	52,096,394	2,302,195	55,737	54,342,852
Improvements other than buildings	1,286,031	5,266	-	1,291,297
Machinery and equipment	27,703,914	2,795,951	1,249,950	29,249,915
Infrastructure	68,797,692	4,930,323	-	73,728,015
Right-to-use lease assets	-	12,056	-	12,056
Right-to-use SBITA assets	103,599	124,243	-	227,842
Total accumulated depreciation/amortization	<u>149,987,630</u>	<u>10,170,034</u>	<u>1,305,687</u>	<u>158,851,977</u>
Total capital assets, being depreciated/amortized, net	<u>135,219,775</u>	<u>4,800,609</u>	<u>381,696</u>	<u>139,638,688</u>
Governmental activities capital assets, net	<u>\$ 172,565,476</u>	<u>\$ 24,155,521</u>	<u>\$ 6,456,863</u>	<u>\$ 190,264,134</u>

Depreciation/amortization expense was charged to functions and programs of governmental activities as follows:

Governmental activities:	
General government support	\$ 1,076,862
Public safety	2,341,274
Health	35,776
Transportation	6,461,691
Economic assistance and opportunity	254,431
Total	<u>\$ 10,170,034</u>

***Business-type activity***—Capital asset activity for the primary government’s business-type activity (Enterprise Fund), for the year ended December 31, 2024, is presented below:

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
Capital assets, not being depreciated:				
Land	\$ 12,415	\$ -	\$ -	\$ 12,415
Construction in progress	352,747	114,922	467,669	-
Total capital assets, not being depreciated	<u>365,162</u>	<u>114,922</u>	<u>467,669.00</u>	<u>12,415</u>
Capital assets, being depreciated:				
Buildings	3,173,672	-	-	3,173,672
Machinery and equipment	3,289,344	2,365,430	753,338	4,901,436
Total capital assets, being depreciated	<u>6,463,016</u>	<u>2,365,430</u>	<u>753,338</u>	<u>8,075,108</u>
Less accumulated depreciation for:				
Buildings	1,060,269	51,952	-	1,112,221
Machinery and equipment	2,184,829	259,341	715,889	1,728,281
Total accumulated depreciation	<u>3,245,098</u>	<u>311,293</u>	<u>715,889</u>	<u>2,840,502</u>
Total capital assets, being depreciated, net	<u>3,217,918</u>	<u>2,054,137</u>	<u>37,449</u>	<u>5,234,606</u>
Business-type activity capital assets, net	<u>\$ 3,583,080</u>	<u>\$ 2,169,059</u>	<u>\$ 505,118</u>	<u>\$ 5,247,021</u>

***Discretely Presented Component Units***

***Jefferson Community College***—Capital asset activity for Jefferson Community College for the year ended August 31, 2024 was as follows:

	Beginning Balance	Additions	Deletions/ Reclassifications	Ending Balance
Capital assets, not being depreciated/amortized:				
Land	\$ 145,000	\$ -	\$ -	\$ 145,000
Construction in progress	-	1,053,601	-	1,053,601
Total capital assets, not being depreciated/amortized	145,000	1,053,601	-	1,198,601
Capital assets, being depreciated/amortized:				
Land improvements and infrastructure	14,343,023	38,702	-	14,381,725
Buildings	45,575,932	26,090	-	45,602,022
Furniture and equipment	3,604,469	221,739	36,451	3,789,757
Lease assets	1,540,248	615,653	-	2,155,901
SBITA	2,530,440	86,100	-	2,616,540
Library books	5,121,986	-	-	5,121,986
Total capital assets, being depreciated/amortized	72,716,098	988,284	36,451	73,667,931
Less accumulated depreciation/amortization for:				
Land improvements and infrastructure	4,905,239	623,383	-	5,528,622
Buildings	22,322,879	1,413,952	-	23,736,831
Furniture and equipment	2,925,307	243,844	36,451	3,132,700
Lease assets	791,923	257,918	-	1,049,841
SBITA	382,848	390,881	-	773,729
Library books	5,075,282	18,257	-	5,093,539
Total accumulated depreciation/amortization	36,403,478	2,948,235	36,451	39,315,262
Total capital assets, being depreciated/amortized, net	36,312,620	(1,959,951)	72,902	34,352,669
Capital assets, net	\$ 36,457,620	\$ (906,350)	\$ -	\$ 35,551,270

In addition to the capital assets reported above, the College reports net capital assets of its discretely presented component units in the amount of \$14,463,100.



**Jefferson County Industrial Development Agency**—Capital asset activity for the Jefferson County Industrial Development Agency for the year ended December 31, 2024 was as follows:

	Beginning Balance (as restated)	Additions	Deletions	Ending Balance
Capital assets, not being depreciated/amortized:				
Land and land improvements	\$ 1,274,094	\$ -	\$ -	\$ 1,274,094
Construction in progress	642,917	1,001,388	-	1,644,305
Total capital assets, not being depreciated/amortized	1,917,011	1,001,388	-	2,918,399
Capital assets, being depreciated/amortized:				
Equipment	96,314	2,350	-	98,664
Buildings	4,101,021	-	-	4,101,021
Right-to-use lease asset	289,808	-	42,285	247,523
Total capital assets, being depreciated/amortized:	4,487,143	2,350	42,285	4,447,208
Total accumulated depreciation/amortization	1,383,530	138,820	-	1,522,350
Total capital assets, being depreciated/amortized, net	3,103,613	864,918	42,285	2,924,858
Capital assets, net	\$ 5,020,624	\$ 136,470	\$ 42,285	\$ 5,843,257

## 6. ACCRUED LIABILITIES

Accrued liabilities reported by the County's funds at December 31, 2024 were as follows:

	Governmental Funds			Enterprise Fund
	General	Nonmajor Funds	Total Governmental Funds	Solid Waste Management
Salaries and employee benefits	\$ 1,411,807	\$ 150,444	\$ 1,562,251	\$ 30,294

## 7. PENSION PLANS

### *Plan Description and Benefits Provided*

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

The System is noncontributory, except for those employees who joined the ERS after July 27, 1976 who contribute 3% of their salary for the first ten years of membership and employees who joined on or after January 1, 2010, who generally contribute 3.0% to 3.5% of their salary for their entire length of service. Those joining after April 1, 2012 (Tier 6) are required to contribute a percentage ranging from 3% to 6%, based on salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employer's contributions based on the salaries paid during the ERS's fiscal year ending March 31. The County's pension plan does not have any assets accumulated in a GASB-compliant trust.

***Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***—At December 31, 2024, the County reported the liability shown below for their proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2024. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of April 1, 2023, with update procedures used to roll forward the total net pension liability to the measurement date. The County's proportion of the net pension liability was based on projections of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the County.

	ERS	
	Governmental Activities	Business-type Activity
Measurement date	March 31, 2024	
Net pension liability	\$ 23,222,770	\$ 380,005
County's portion of the Plan's total net pension liability	0.01744860%	0.0000286%

For the year ended December 31, 2024, the County recognized pension expense of \$9,377,793 and \$153,453 for the governmental and business-type activities, respectively. At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown in the chart below:

	ERS			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activity	Governmental Activities	Business-type Activity
Differences between expected and actual experiences	\$ 7,480,036	\$ 122,399	\$ 633,224	\$ 10,362
Changes of assumptions	8,780,008	143,671	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	11,344,200	185,630
Changes in proportion and differences between the County's contributions and proportionate share of contributions	751,002	12,289	1,802,215	29,490
County contributions subsequent to the measurement date	5,173,930	84,606	-	-
Total	<u>\$ 22,184,976</u>	<u>\$ 362,965</u>	<u>\$ 13,779,639</u>	<u>\$ 225,482</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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown below:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activity</u>
2025	\$ (4,782,751)	\$ (78,262)
2026	4,033,073	65,995
2027	6,560,261	107,348
2028	(2,579,176)	(42,204)

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

	<u>ERS</u>
Measurement date	March 31, 2024
Actuarial valuation date	April 1, 2023
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015- March 31, 2020
Inflation rate	2.9%
Cost-of-living adjustments	1.5%

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-2021. The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

	ERS	
	Long-Term Expected	
	Target Allocation	Real Rate of Return
Measurement date	March 31, 2024	
Asset class:		
Domestic equities	32.0 %	4.0 %
International equities	15.0	6.7
Private equity	10.0	7.3
Real estate	9.0	4.6
Opportunistics/Absolute return strategies	3.0	5.3
Credit	4.0	5.4
Real assets	3.0	5.8
Fixed income	23.0	1.5
Cash	1.0	0.3
Total	100 %	

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
<b>Governmental Activities:</b>			
Employer's proportionate share of the net pension liability/(asset)	\$ 73,014,762	\$ 23,222,770	\$ (18,363,873)
<b>Business-type Activity:</b>			
Employer's proportionate share of the net pension liability/(asset)	\$ 1,194,774	\$ 380,005	\$ (300,496)

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

	(Dollars in Thousands)
Valuation date	April 1, 2023
Employers' total pension liability	\$ 240,696,851
Plan fiduciary net position	225,972,801
Employers' net pension liability	<u>\$ 14,724,050</u>
System fiduciary net position as a percentage of total pension liability	93.9%

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

***Jefferson Community College***—The College participates in the ERS and the Teachers' Retirement System ("TRS").

### ***Plan Description and Benefits Provided***

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

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

Plan members who joined the TRS before July 27, 1976, are not required to make contributions. Those joining after July 27, 1976 are required to contribute two percent (2.0%) to three percent (3.0%) of their annual salary. Employees in the System more than ten years are no longer required to contribute. Pursuant to Article 11 of the Education Law, rates are established annually by the New York State Teachers' Retirement Board.

***Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***—At August 31, 2024, the College reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of March 31, 2024 for ERS and June 30, 2024 for TRS. The total pension liability/(asset) used to calculate the net pension liability were determined by an actuarial valuation as of April 1, 2023 for ERS and June 30, 2023 for TRS. The College's proportion of the net pension liability/(asset) was based on a projection of the College's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS and TRS in reports provided to the College, as shown on the following page.

	TRS	ERS
Measurement date	June 30, 2024	March 31, 2024
Net pension liability/(asset)	\$ (581,353)	\$ 2,509,030
The College's portion of the Plan's total net pension liability	0.019485%	0.01704%

For the year ended August 31, 2024, the College recognized pension expense of \$403,270 and \$1,003,740 for TRS and ERS, respectively. At August 31, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experiences of economic and demographic assumptions	\$ 626,011	\$ 808,157	\$ -	\$ 68,415
Changes in assumptions	347,767	948,608	58,498	-
Net difference between projected and actual earnings on pension plan investments	-	-	645,934	1,225,648
Changes in proportion and differences between the College's contributions and proportionate share of contributions	262,692	81,140	19,896	194,715
College contributions subsequent to the measurement date	65,743	311,803	-	-
Total	<u>\$ 1,302,213</u>	<u>\$ 2,149,708</u>	<u>\$ 724,328</u>	<u>\$ 1,488,778</u>

The College's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ending August 31, 2025. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to ERS and TRS will be recognized as pension expense below:

Year Ending August 31,	TRS	ERS
2025	\$ (211,955)	\$ (516,737)
2026	774,939	435,740
2027	(70,229)	708,783
2028	(99,875)	(278,659)
2029	92,389	-
Thereafter	26,873	-

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

	TRS	ERS
Measurement date	June 30, 2024	March 31, 2024
Actuarial valuation date	June 30, 2023	April 1, 2023
Interest rate	6.95%	5.90%
Salary scale	1.95%-5.18%	4.40%
Decrement tables	July 1, 2015 - June 30, 2020	April 1, 2015 - March 31, 2020
Inflation rates	2.4%	2.9%
Cost-of-living adjustments	1.3%	1.5%

For ERS, the long-term rate of return on pension plan investments is the same as disclosed within the County's primary government section of this footnote.

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. The actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. Best estimates of arithmetic real rates of return for each major asset class included in TRS' target asset allocation is summarized below:

	Long-Term Expected	
	Target Allocation	Real Rate of Return
	TRS	
Measurement date	June 30, 2024	
Asset class:		
Domestic equities	33.0 %	6.6 %
International equities	15.0	7.4
Global equities	4.0	6.9
Real estate equity	11.0	6.3
Private equity	9.0	10.0
Domestic fixed income	16.0	2.6
Global bonds	2.0	2.5
Private debt	2.0	5.9
Real estate debt	6.0	3.9
High-yield bonds	1.0	4.8
Cash equivalents	1.0	0.5
Total	100.0 %	

**Discount Rate**—The discount rate used to calculate the total pension liability was 6.95% for TRS and 5.90% for ERS for the year ending August 31, 2024. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption***—The chart below presents the College’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.95% for TRS and 5.90% for ERS at August 31, 2024, as well as what the College’s proportionate share of the net pension liability/(asset) would be if they were calculated using a discount rate that is one percentage-point lower (5.95% for TRS and 4.90% for ERS) or one percentage-point higher (7.95% for TRS and 6.90% for ERS) than the current rate.

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
<b>TRS</b>			
Employer's proportionate share of the net pension liability/(asset)	\$ 2,685,307	\$ (581,353)	\$ (3,328,703)
	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
<b>ERS</b>			
Employer's proportionate share of the net pension liability/(asset)	\$ 7,888,646	\$ 2,509,030	\$ (1,984,066)

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

	(Dollars in Thousands)		
	TRS	ERS	Total
Valuation date	June 30, 2024	April 1, 2023	
Employers' total pension liability	\$ 142,837,827	\$ 240,696,851	\$ 383,534,678
Plan fiduciary net position	145,821,435	225,972,801	371,794,236
Employers' net pension liability	<u>\$ (2,983,608)</u>	<u>\$ 14,724,050</u>	<u>\$ 11,740,442</u>
System fiduciary net position as a percentage of total pension liability	102.1%	93.9%	96.9%

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

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

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



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

***Employees Covered by Benefit Terms***—At December 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	600
Active employees	<u>711</u>
Total	<u>1,311</u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“AAL”) under GASB Statement No. 45.

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

The County’s total OPEB liability for governmental activities and business-type activity of \$345,759,778 and \$6,498,958, respectively, was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2024.

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

In the January 1, 2024 actuarial valuation, the Entry Age Normal over a level percent of salary was used. The single discount rate changed from 4.00% to 4.28% effective December 31, 2024. The salary scale used is based on the New York State Employees Retirement System and Police and Fire Retirement System which vary by age. Mortality rates are based on the SOA Pub-2010 General Headcount Mortality Table fully generational using scale MP-2021 or Disabled Retiree Mortality Table fully generational using MP-2021. The 2020 New York State Employees Retirement System and Police and Fire Retirement System rates were used for turnover and retirement rates. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 7.5%, while the ultimate healthcare cost trend rate is 4.5%.

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

	Total OPEB Liability	
	Governmental Activities	Business-type Activity
Balances at December 31, 2023	\$ 355,955,852	\$ 6,666,106
Changes for the year:		
Service cost	8,502,833	139,390
Interest	14,354,476	235,319
Changes of assumptions	(14,327,632)	(234,878)
Change of benefit terms	(205,197)	(3,364)
Differences between expected and actual experience	(5,565,226)	(91,233)
Contributions-employer	(12,955,328)	(212,382)
Net changes	(10,196,074)	(167,148)
Balances at December 31, 2024	<u>\$ 345,759,778</u>	<u>\$ 6,498,958</u>

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

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
Governmental activities:			
OPEB liability	\$ 401,125,571	\$ 345,759,778	\$ 301,867,501
Business-type activity			
OPEB liability	\$ 7,539,623	\$ 6,498,958	\$ 4,948,638

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

	1% Decrease (6.5% / 3.5%)	Healthcare Cost Trend Rates (7.5% / 4.5%)	1% Increase (8.5% / 5.5%)
Governmental activities:			
OPEB liability	\$ 296,280,679	\$ 345,759,778	\$ 410,279,065
Business-type activity:			
OPEB liability	\$ 4,857,050	\$ 6,498,958	\$ 6,725,873

**Funding Policy**—Authorization for the County to pay a portion of retiree health insurance premiums was enacted through various union contracts as specified above, which were ratified by the County’s Board of Legislators. The County recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. County governmental activities and business-type activity contributed \$12,955,328 and \$212,382, respectively, for the fiscal year ended December 31, 2024.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**—The County reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability are required to be determined. The table below presents the County’s deferred outflows and inflows of resources at December 31, 2024.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activity	Governmental Activities	Business-type Activity
Differences between expected and actual experiences	\$ 11,607,856	\$ 190,292	\$ 45,200,486	\$ 740,990
Changes of assumptions	29,299,545	480,320	77,124,979	1,264,341
Total	<u>\$ 40,907,401</u>	<u>\$ 670,612</u>	<u>\$ 122,325,465</u>	<u>\$ 2,005,331</u>

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

Year Ending December 31,	Governmental Activities	Business-type Activity
2025	\$ (17,142,881)	\$ (281,030)
2026	(26,357,482)	(432,089)
2027	(32,721,644)	(536,419)
2028	(1,880,580)	(30,829)
2029	<u>(3,315,477)</u>	<u>(54,352)</u>
Total	<u>\$ (81,418,064)</u>	<u>\$ (1,334,719)</u>

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

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

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

**Employees Covered by Benefit Terms**—At August 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	109
Active employees	<u>115</u>
Total covered employees	<u>224</u>

**Total OPEB Liability**—The College’s total OPEB liability of \$55,442,471 was measured as of August 31, 2024, and was determined by an actuarial valuation as of that date.

**Actuarial Methods and Assumption**—The total OPEB liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%
Discount rate	3.99%
Healthcare cost trend rate	7.75% for pre-65 age and 4.60% for post-65 for 2023, decreasing to 4.037% in 2075.
Cost method	Entry Age Normal

The discount rate is based on an analysis of returns on the Fidelity General Obligation 20-Year AA Municipal Bond Index.

As of August 31, 2024, mortality rates are based on the sex-distinct and job category headcount-weighted Pub-210 base mortality tables for employees and healthy annuitants, adjusted for mortality improvements with Scale MP-2021 mortality scale on a fully generational basis.

**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
Balances at August 31, 2023	\$ 51,471,503
Changes for the year:	
Service cost	1,182,984
Interest	2,131,827
Changes in assumptions or other inputs	2,728,970
Contributions—employer	<u>(2,072,813)</u>
Net changes	<u>3,970,968</u>
Balances at August 31, 2024	<u>\$ 55,442,471</u>

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

	1% Decrease (2.99%)	Current Discount Rate (3.99%)	1% Increase (4.99%)
OPEB liability	\$ 63,946,024	\$ 55,442,471	\$ 48,529,525

Additionally, healthcare costs can be subject to considerable volatility over time. The table on the following page presents the effect on the OPEB liability of a 1% change in the current rate of 6.00% of healthcare cost trend rates.

	1% Decrease (4.75%)	Health Care Cost Trend Rates (6.00%)	1% Increase (6.75%)
OPEB liability	\$ 47,167,477	\$ 55,442,471	\$ 65,903,503

***Funding Policy***—The obligations of the Plan members, employers and other entities are established by action of the College pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The College currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. For fiscal year 2024, the College contributed \$2,072,813 for current premiums. Plan members receiving benefits may be required to contribute to the Plan depending on date of hire. The costs of administering the plan are paid by the College.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***—For the year ended August 31, 2024, the College recognized OPEB expense of (\$478,905). At August 31, 2024, the College reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Changes in assumptions	\$ 7,420,809	\$ 6,866,497
Differences between expected and actual experience	663,825	14,273,235
Total	<u>\$ 8,084,634</u>	<u>\$ 21,139,732</u>

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

	Year ending August 31,
2025	\$ (3,779,131)
2026	(4,312,889)
2027	(3,683,469)
2028	(1,719,858)
Thereafter	440,249

## 9. DEFERRED COMPENSATION PLAN

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

## 10. RISK MANAGEMENT

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

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

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

Claims and judgments reportable as part of the County’s governmental activities are recognized as expenditures and fund liabilities in the General Fund when payment is due. Claims and judgments are recorded as a governmental activities long-term liability instead of in the General Fund at December 31, 2024 because they did not meet the criteria for recognition as fund liabilities.

The changes since January 1, 2022 in the reported Governmental Activities for risk financing activities claims and judgments were as follows:

Year Ended December 31,	Liability Beginning of Year	Claims and Adjustments	Claim Payments and Adjustments	Liability End of Year
2024	\$ 2,659,288	\$ 407,758	\$ 1,293,409	\$ 1,773,637
2023	2,877,871	948,681	1,167,264	2,659,288
2022	3,002,602	800,903	925,634	2,877,871

## 11. INSTALLMENT PURCHASE CONTRACTS

In 2017, the County entered into an installment purchase contract with Bank of America Public Capital Corporation for the purpose of acquiring, installing and implementing equipment related to the emergency communications project. The original agreement amount was \$7,974,153. The agreement has a 10 year term with an interest rate of 2.14 percent with a maturity of April 14, 2027. The County has full ownership of the assets acquired with the proceeds of the installment purchase contract. As of December 31, 2024, the remaining balance on the agreement was \$1,641,491.

The future minimum payments are shown below:

Year Ending December 31,	Principal	Interest
2025	\$ 646,130	\$ 31,675
2026	660,025	17,781
2027	335,336	3,564
Total	<u>\$ 1,641,491</u>	<u>\$ 53,020</u>

The County has purchased assets in the full amount of proceeds of the installment purchase contract. Accumulated depreciation has been recorded in the amount of \$1,275,100.

## 12. LEASE AND SBITA LIABILITIES

The County is a lessee for noncancellable leases of various property and equipment and a subscriber of various information technology agreements Under GASB Statement No. 87, *Leases*, the County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. Under GASB Statement No. 96, *Subscription Based Information Technology Agreements*, the County recognizes a SBITA liability and SBITA asset in the government-wide financial statements. The County recognizes all existing lease and SBITA liabilities.

At the commencement of a lease/SBITA, the County initially measures the lease/SBITA liability at the present value of payments expected to be made during the lease/SBITA term. Subsequently, the lease/SBITA liability is reduced by the principal portion of the lease/SBITA payments made. The lease/SBITA asset is initially measured as the initial amount of the lease/SBITA liability, adjusted for lease/SBITA payments made at or before the lease/SBITA commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases/SBITAs include how the County determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments.

- The County uses the interest rates charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases/SBITAs.
- The lease/SBITA terms include the noncancellable period of the lease/SBITA. Lease/SBITA payments included in the measurement of the liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease/SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term debt on the statement of net position.

The County maintains long-term, lease agreements as the lessee for the acquisition and use of various property and equipment. As of December 31, 2024, the value of the lease liabilities was \$26,718. The County is required to make annual principal and interest payments ranging from \$1,383 to \$9,313. The leases have an interest rate of 4.0%. The value of the right-to-use lease assets as of the end of the current fiscal year was \$42,378 and had accumulated amortization of \$12,056.

The future principal and interest payments as of December 31, 2024, were as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2025	\$ 8,378	\$ 935
2026	6,493	615
2027	5,134	399
2028	5,344	190
2029	1,369	13
Total	<u>\$ 26,718</u>	<u>\$ 2,152</u>

At December 31, 2024, the County maintained certain subscription based information technology agreements. As a result of the implementation of the GASB Statement No. 96, *Subscription Based Information Technology Agreements*, the County reports those as SBITA liabilities. As of December 31, 2024, the value of the SBITA liabilities was \$701,081. The County is required to make annual principal and interest payments ranging from \$163,165 to \$296,746. The agreements have an interest rate of 4.0%. The value of the right-to-use SBITA assets as of the end of the current fiscal year was \$1,196,877 and had accumulated amortization of \$227,842.

The future principal and interest payments related to the subscription liabilities as of December 31, 2024, were as follows:

Year Ending December 31,		
	Principal	Interest
2025	\$ 271,836	\$ 24,910
2026	127,707	17,488
2027	144,760	12,285
2028	156,778	6,387
Total	<u>\$ 701,081</u>	<u>\$ 61,070</u>



### 13. LONG-TERM LIABILITIES

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

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

The County's outstanding long-term liabilities include serial bonds, compensated absences, installment purchase contract, lease, SBITA, claims and judgments, other postemployment benefits and net pension liability.

The following is a summary of changes in the County's long-term liabilities for the year ended December 31, 2024:

	Balance 1/1/2024 (as restated)	Additions	Decreases	Balance 12/31/2024	Due Within One Year
<b>Governmental activities:</b>					
Serial bonds	\$ 14,515,000	\$ -	\$ 1,225,000	\$ 13,290,000	\$ 1,250,000
Unamortized premium	85,536	-	8,850	76,686	8,850
Net bonds payable	14,600,536	-	1,233,850	13,366,686	1,258,850
Compensated absences*	12,086,588	1,007,238	-	13,093,826	2,689,357
Installment purchase contract	2,274,018	-	632,527	1,641,491	646,130
Lease liability	-	33,892	7,174	26,718	8,378
SBITA liability	34,570	766,606	100,095	701,081	271,836
Claims and judgments	2,659,288	407,758	1,293,409	1,773,637	-
Other postemployment benefits	355,955,852	22,857,309	33,053,383	345,759,778	-
Net pension liability*	33,298,988	-	10,076,218	23,222,770	-
Total governmental activities	<u>\$ 420,909,840</u>	<u>\$ 25,072,803</u>	<u>\$ 46,396,656</u>	<u>\$ 399,585,987</u>	<u>\$ 4,874,551</u>
<b>Business type activity:</b>					
Compensated absences*	\$ 300,564	\$ -	\$ 71,073	\$ 229,491	\$ 66,114
Other postemployment benefits	6,666,106	374,709	541,857	6,498,958	-
Net pension liability*	544,886	-	164,881	380,005	-
Total business-type activity	<u>\$ 7,511,556</u>	<u>\$ 374,709</u>	<u>\$ 777,811</u>	<u>\$ 7,108,454</u>	<u>\$ 66,114</u>

\*(Additions/reductions to compensated absences and the net pension liability are shown net of reductions/additions.)

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

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

Description	Year of Issue/ Maturity	Amount of Original Issue	Interest Rate (%)	Balance 1/1/2024	Additions	Payments	Balance 12/31/2024
2017 Bond	2017/2037	\$ 4,706,500	2.25-3.00%	\$ 3,610,000	\$ -	\$ 213,000	\$ 3,397,000
2020 Bond	2020/2031	5,000,000	1.00-1.50%	3,695,000	-	445,000	3,250,000
Issued on behalf of							
Jefferson Community College							
2015 Bond	2015/2035	7,000,000	2.00-3.50%	4,670,000	-	335,000	4,335,000
2017 Bond	2017/2037	1,500,000	2.25-3.00%	1,150,000	-	67,000	1,083,000
2020 Bond	2020/2031	1,885,000	1.00-1.50%	1,390,000	-	165,000	1,225,000
Total				<u>\$ 14,515,000</u>	<u>\$ -</u>	<u>\$ 1,225,000</u>	<u>\$ 13,290,000</u>

**Premiums on Serial Bonds**—The County’s premiums are being amortized on a straight-line basis over the life of the related bonds. The total unamortized premiums as of December 31, 2024 was \$76,686.

**Compensated Absences**—Represents the value of earned and unused portion of the liability for compensated absences and is liquidated in various funds. The values recorded at December 31, 2024 for governmental and business-type activities are \$13,093,826 and \$229,491, respectively.

**Installment Purchase Contract**—As explained in Note 10, the County obtained an installment purchase contract for \$7,974,153. The installment purchase contract has a 10 year term with an interest rate of 2.14 percent with a maturity of April 14, 2027. The balance at December 31, 2024 was \$1,641,491.

**Lease liability**—The County has entered into long-term leases for property and equipment. The outstanding balance at December 31, 2024 was \$26,718. Refer to Note 12 for additional information related to the County’s leases.

**Subscription Liability**—The County has entered into a long-term subscription based information technology agreement. The outstanding balance at December 31, 2024 was \$701,081. Refer to Note 12 for additional information related to the County’s subscription liability.

**Claims and Judgments**—As further discussed in Note 10, the County is self-insured. Liabilities are established for workers’ compensation and general claims in accordance with GASB requirements. Estimated long-term contingent loss liabilities in the governmental fund types have been reported as long-term liabilities in the government-wide financial statements. The Proprietary Fund has no loss contingency liability except workers’ compensation which is recognized when invoiced from the County.

**Other Postemployment Benefits (“OPEB”) Obligation**—As explained in Note 8, the County provides health insurance coverage for retirees. The County’s annual postemployment benefit (“OPEB”) cost is calculated based in the annual required contributions of the employer, an amount actuarially determined in accordance with the parameters of GASB. The long-term OPEB liability is estimated to be \$345,759,778 and \$6,498,958 for governmental activities and business type activity, respectively, at December 31, 2024.

**Net Pension Liability**—The County reported liabilities of \$23,222,770 and \$380,005 within governmental and business-type activities for its proportionate share of the net pension liability for the Employees’ Retirement System, respectively. Refer to Note 7 for additional information related to the County’s net pension liability.

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

Year Ending December 31,	Governmental Activities									Total
	Serial Bonds	Unamortized Premium	Compensated Absences	Installment Purchase Contract	Lease	SBITA	Claims and Judgments	Other Postemployment Benefits	Net Pension Liability	
2025	\$ 1,250,000	\$ 8,850	\$ 2,689,357	\$ 646,130	\$ 8,378	\$ 271,836	\$ -	\$ -	\$ -	\$ 4,874,551
2026	1,275,000	8,850	-	660,025	6,493	127,707	-	-	-	2,078,075
2027	1,300,000	8,850	-	335,336	5,134	144,760	-	-	-	1,794,080
2028	1,330,000	8,850	-	-	5,344	156,778	-	-	-	1,500,972
2029	1,345,000	8,850	-	-	1,369	-	-	-	-	1,355,219
2030-2034	5,145,000	30,517	-	-	-	-	-	-	-	5,175,517
2035-2037	1,645,000	1,919	-	-	-	-	-	-	-	1,646,919
Thereafter	-	-	10,404,469	-	-	-	1,773,637	345,759,778	23,222,770	381,160,654
	<u>\$ 13,290,000</u>	<u>\$ 76,686</u>	<u>\$ 13,093,826</u>	<u>\$ 1,641,491</u>	<u>\$ 26,718</u>	<u>\$ 701,081</u>	<u>\$ 1,773,637</u>	<u>\$ 345,759,778</u>	<u>\$ 23,222,770</u>	<u>\$ 399,585,987</u>

Interest requirements on serial bonds, installment purchase contract, leases and SBITA are as follows:

Year Ending December 31,	Serial Bonds	Installment Purchase Contract	Lease	SBITA	Total
2025	\$ 309,156	\$ 31,675	\$ 935	\$ 24,910	\$ 366,676
2026	285,206	17,781	615	17,488	321,090
2027	260,657	3,564	399	12,285	276,905
2028	235,507	-	190	6,387	242,084
2029	208,244	-	13	-	208,257
2030-2034	597,057	-	-	-	597,057
2035-2037	62,400	-	-	-	62,400
Total	<u>\$ 1,958,227</u>	<u>\$ 53,020</u>	<u>\$ 2,152</u>	<u>\$ 61,070</u>	<u>\$ 2,074,469</u>

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

***Jefferson Community College***—The College and its component units' long-term debt balances for the year ended August 31, 2024 were as follows:

	Balance 9/1/2023	Additions	Decreases	Balance 8/31/2024	Due Within One Year
Compensated absences	\$ 442,415	\$ 66,531	\$ -	\$ 508,946	\$ -
Reserve payable	6,346	-	5,970	376	-
Bonds payable	18,971,158	-	1,721,928	17,249,230	490,000
Notes payable	573,412	-	237,203	336,209	111,008
Lease liability	1,301,725	290,676	-	1,592,401	566,543
SBITA liability	2,114,752	86,100	351,887	1,848,965	358,141
Pledges payable	1,570,062	-	112,798	1,457,264	160,000
Other postemployment benefits	51,471,503	6,043,781	2,072,813	55,442,471	2,155,518
Net pension liability	3,855,354	-	1,346,324	2,509,030	-
Total	<u>\$ 80,306,727</u>	<u>\$ 6,487,088</u>	<u>\$ 5,848,923</u>	<u>\$ 80,944,892</u>	<u>\$ 3,841,210</u>

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

**Notes Payable**—Notes payable reported by the College represent various lease/purchase agreements.

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

**SBITA Liability**—The College has multiple subscriptions which are considered to be SBITAs. The SBITAs have various inception dates with remaining terms of 12 - 48 months. The SBITAs do not contain renewal options. The interest rate/discount rate associated with the SBITA is 1.84%.

The future minimum obligations under notes payable, lease liability and SBITA liability at August 31, 2024 are presented on the following page.

Year Ending	Bonds Payable	Notes Payable	Lease Liability		SBITA Liability	
August 31,	Principal*	Principal	Principal**	Interest	Principal	Interest
2025	\$ 490,000	\$ 111,008	\$ 295,543	\$ 57,417	\$ 358,141	\$ 71,779
2026	515,000	33,084	272,264	43,196	268,473	57,894
2027	540,000	34,904	275,102	28,332	275,984	47,185
2028	570,000	36,823	204,001	15,999	287,347	36,198
2029	600,000	38,849	66,768	3,823	306,050	24,760
Thereafter	15,008,405	81,541	-	-	352,970	21,059
Total	<u>\$ 17,723,405</u>	<u>\$ 336,209</u>	<u>\$ 1,113,678</u>	<u>\$ 148,767</u>	<u>\$ 1,848,965</u>	<u>\$ 258,875</u>

\*Bonds payable are reported on the financial statements net of unamortized bond issuance costs of \$474,175.

\*\*Lease liability are reported on the financial statements excluding activity from component units.

**Other Postemployment Benefits**—As explained in Note 8, the College provides health insurance coverage for retirees. The College's annual postemployment benefit ("OPEB") cost is calculated based in the annual required contributions of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*. The estimated long-term OPEB liability is estimated to be \$55,442,471 at August 31, 2024.

**Jefferson County Industrial Development Agency**— The Agency and its component units' long-term debt balances for the fifteen months ended December 31, 2024 were as follows:

	Balance 1/1/2024 (as restated)	Addition	Decreases	Balance 12/31/2024	Due Within One Year
Notes payable	\$ 180,160	\$ -	\$ -	\$ 180,160	\$ -
Lease liability	276,086	-	56,008	220,078	44,142
Total	<u>\$ 456,246</u>	<u>-</u>	<u>\$ 56,008</u>	<u>\$ 400,238</u>	<u>\$ 44,142</u>

**Notes payable**—Grant repayment of 40% of the Industrial Access project due to the New York State Department of Transportation. Payments to start five years from project completion; however, project is partially completed and extended as of December 31, 2024. Secured notes payable due to the Local Development Corporation of the City of Watertown, interest is due quarterly at 4.0%.

New York State Department of Transportation	<u>\$ 180,160</u>
Total notes payable, long-term	<u>\$ 180,160</u>

**Lease Liability**—A component unit of the Agency leases space under an agreement with remaining terms of 5.33 years, with a discount rate of 3.0%.

The future minimum obligations under the lease liability at December 31, 2024 are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 44,142	\$ 5,806	\$ 49,948
2026	38,597	4,642	43,239
2027	39,771	3,468	43,239
2028	40,981	2,258	43,239
2029	42,227	1,012	43,239
Thereafter	14,360	54	14,414
Total	<u>\$ 220,078</u>	<u>\$ 17,240</u>	<u>\$ 237,318</u>

#### 14. NET POSITION AND FUND BALANCE

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

- **Net Investment in Capital Assets**—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Governmental Activities	
Capital assets, net of accumulated depreciation/amortization	\$ 190,264,134
Related debt:	
Serial bonds issued	\$(13,290,000)
Unamortized bond premium	(76,686)
Installment purchase contract	(1,641,491)
Lease liability	(26,718)
SBITA liability	(701,081)
Capital Projects Fund accounts payable	(5,461,109)
Retainages payable	(579,723)
Less: Serial bonds issued on behalf of Jefferson Community College	6,643,000
Less: Unamortized bond premium on serial bonds issued on behalf of Jefferson Community College	30,143
Less: Unspent serial bond proceeds	3,265,465
Net investment in capital assets	<u>\$ 178,425,934</u>
Business-Type Activity	
Capital assets, net of accumulated depreciation	<u>\$ 5,247,021</u>
Net investment in capital assets	<u>\$ 5,247,021</u>

- **Restricted**—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

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

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

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

- **Nonspendable**—Amount of assets that cannot be spent in the current period because of their form or because they must be maintained intact. As of December 31, 2024, the County had \$1,758,479 of prepaid expenses and \$81,256 of inventory that were classified as nonspendable funds.
- **Restricted**—Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. As of December 31, 2024, the County had the restricted fund balances listed below:

	Nonmajor Funds					
	General	Capital	Road	Special	Debt	
	Fund	Projects	Machinery	Grant	Service	Total
		Fund	Fund	Fund	Fund	
Restricted for:						
Workers' compensation	\$ 745,900	\$ -	\$ -	\$ -	\$ -	\$ 745,900
Unemployment insurance	80,046	-	-	-	-	80,046
Insurance	2,074,504	-	-	-	-	2,074,504
Law enforcement and						
prosecution	560,218	-	-	-	-	560,218
Wireless 911 surcharges	1,231,557	-	-	-	-	1,231,557
Real property tax surplus	724,298	-	-	-	-	724,298
Opioid funding	1,706,745	-	-	-	-	1,706,745
Highway equipment	-	-	551,579	-	-	551,579
Capital projects	-	3,297,089	-	-	-	3,297,089
Grants	-	-	-	87,030	-	87,030
Debt service	-	-	-	-	273,451	273,451
Total restricted fund balance	<u>\$ 7,123,268</u>	<u>\$ 3,297,089</u>	<u>\$ 551,579</u>	<u>\$ 87,030</u>	<u>\$ 273,451</u>	<u>\$ 11,332,417</u>

- **Committed**—Amounts that are subject to a purpose constraint imposed by a formal action of the County's highest level of decision-making authority, or by their designated body or official. As of December 31, 2024, the Jefferson County reported \$11,646,073 of committed fund balance for contingencies and tax stabilization.

- **Assigned**—Amounts that are subject to a purpose constraint that represents an intended use established by the County Legislature, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. As of December 31, 2024, the balances presented below were considered to be assigned.

	General Fund	Capital Projects Fund	County Road Fund	Road Machinery Fund	Special Grant Fund	Total
Assigned for:						
Temporary assistance for needy families reserve	\$ 643,653	\$ -	\$ -	\$ -	\$ -	\$ 643,653
Workers' compensation	3,000,000	-	-	-	-	3,000,000
Compensated absences	2,354,707	-	-	-	-	2,354,707
Risk retention	5,000,000	-	-	-	-	5,000,000
Encumbrances	2,988,686	10,178,769	23,732	546,735	136,644	13,874,566
Appropriated for subsequent year's expenditures	13,625,146	-	-	-	-	13,625,146
Capital projects	-	-	-	-	-	-
Specific use	-	-	7,902,806	3,057,061	-	10,959,867
Total assigned fund balance	<u>\$ 27,612,192</u>	<u>\$10,178,769</u>	<u>\$ 7,926,538</u>	<u>\$ 3,603,796</u>	<u>\$ 136,644</u>	<u>\$ 49,457,939</u>

**Unassigned**—Represents the residual classification of the government's General Fund, and could report a surplus or deficit. As of December 31, 2024, the unassigned fund balance of the General Fund represented a surplus totaling \$60,135,839.

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

**Minimum Fund Balance**—It is the intention of the Board of Legislators to maintain adequate reserves in the General Fund assigned and unassigned fund balance equal to two months of General Fund operating expenditures (approximately 16.67% of operating expenditures), net of local sales tax distribution. If the General Fund's unrestricted fund balance should fall 10% above or below (between 6.67% and 26.67% of operating expenditures) the level set by the policy, the County Administrator shall recommend increasing or decreasing the use of fund balance appropriated in the following year's budget, such that in his estimation over the course of no more than three years, the fund balance will be again within the level set by the fund balance policy. At December 31, 2024, the County's assigned and unassigned General Fund balance was 34.4% of General Fund annual operating expenditures, which exceeds the 10% of the level set by the policy.

## 15. INTERFUND BALANCES AND ACTIVITY

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

Transfers are used primarily to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute of budget required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the fund making payments when due, and (3) move residual cash from closed capital projects.

Interfund receivables, payables, and transfers of the County as of, and for the year ended December 31, 2024 are presented below:

	Interfund			
	Receivables	Payables	Transfers In	Transfers Out
Governmental Funds:				
General Fund	\$ -	\$ -	\$ 2,704,963	\$ 23,192,119
Capital Projects Fund	338,903	-	13,474,803	3,451,020
Other nonmajor funds	-	338,903	13,834,024	3,944,888
Enterprise Fund:				
Solid Waste Management Fund	-	-	574,237	-
Total	<u>\$ 338,903</u>	<u>\$ 338,903</u>	<u>\$ 30,588,027</u>	<u>\$ 30,588,027</u>

## 16. 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, 2024, the significant encumbrances of the County are shown below:

Fund	Purpose	Amount Encumbered
Governmental Funds:		
General Fund	Automotive Equipment	\$ 795,624
General Fund	Hazard Mitigation Plan	165,457
General Fund	Radio Consortium Planning	128,799
General Fund	Infrastructure and Broadband	1,008,566
Road Machinery Fund	Pickup Truck Replacement	173,778
Road Machinery Fund	Dump Truck Replacement	243,709
Capital Projects Fund*	Airport Terminal Improvements	19,474,574
Capital Projects Fund*	Airport Runway Reconstruction	3,785,254
Capital Projects Fund*	Road and Bridge Repairs	3,990,193
Capital Projects Fund*	Airport Fuel	2,419,854
Capital Projects Fund*	Airport Equipment	1,138,612
Capital Projects Fund*	Snow Removal Equipment	130,000

\*Capital Projects Fund reported encumbrances that are greater than assigned fund balance of \$10,178,769.



## 17. JOINT VENTURE/LONG-TERM RECEIVABLE

The County previously entered into an intermunicipal agreement with the City of Watertown, New York (the “City”) for the operation of a Public Safety Facility. The County receives a minimum lease payment annually from the City based on the prorated share of square footage utilized by the City. For its prorated share of costs for operation and maintenance in 2024, the City was billed \$180,941 for the lease agreement as well as \$27,681 for joint services. These payments are offset by a percentage of eligible costs incurred by the City.

## 18. TAX ABATEMENTS

The County provides tax abatements under several different programs: low income housing, economic assistance to startup or incubator businesses, residential real estate ventures and other commercial and manufacturing projects new to Jefferson County. Part of these abatements are done through the offices of the Jefferson County Industrial Development Agency (the “Agency”). The Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the Enabling Act) and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law.

Abatements are generally for the purpose of reducing the real estate tax burden during the construction period of building residential units as well as a reduction during the early years while occupancy is low. Abatements are usually fifty percent of the actual tax and progresses on a sliding scale over a period of fifteen years until 100% is reached. In commercial and manufacturing, the abatements of real estate taxes range from five to twenty years while the business is being developed. Under agreements made through JCIDA, the following amounts were abated and collected as payments in lieu of taxes in 2024:

	Taxes Abated	Payments in Lieu of Taxes
Residential housing projects	\$ 352,182	\$ 186,843
Commercial endeavors	559,066	331,536
Manufacturing	278,164	63,246
Totals	<u>\$ 1,189,412</u>	<u>\$ 581,625</u>

## 19. CONTINGENCIES

***Sales Tax Audits***—The State of New York periodically audits its distribution of sales tax revenues to counties throughout the State. Subsequent revisions to the revenues recorded as of December 31, 2024, if any, would be reflected in the operations statement in the year they are calculated.

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

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

## **20. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 26, 2025 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 JEFFERSON, NEW YORK**  
**Schedule of the Local Government's Proportionate Share of the**  
**Net Pension Liability (Asset)—Teachers' Retirement System**  
**Last Ten Fiscal Years**

	Year Ended August 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Jefferson County Community College ("JCC"):</b>										
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2015	June 30, 2014
JCC's proportion of the net pension liability (asset)	0.019490%	0.018940%	0.022554%	0.023487%	0.025940%	0.027423%	0.030171%	0.029436%	0.031981%	0.030745%
JCC's proportionate share of the net pension liability (asset)	<u>\$ (581,354)</u>	<u>\$ 216,592</u>	<u>\$ 432,776</u>	<u>\$ (4,070,064)</u>	<u>\$ 716,818</u>	<u>\$ (712,461)</u>	<u>\$ (545,565)</u>	<u>\$ (223,744)</u>	<u>\$ 342,530</u>	<u>\$ (3,193,443)</u>
JCC's covered payroll	\$ 3,764,917	\$ 3,696,573	\$ 4,108,190	\$ 4,085,769	\$ 4,532,830	\$ 4,919,470	\$ 5,077,016	\$ 4,851,815	\$ 4,850,948	\$ 4,576,270
JCC's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	15.44%	(5.86%)	(10.53%)	99.62%	(15.81%)	14.48%	10.75%	4.61%	(7.06%)	(69.78%)
Plan fiduciary net position as a percentage of the total pension liability	102.1%	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%

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

	Year Ended August 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Jefferson County Community College ("JCC"):</b>										
Contractually required contribution	\$ 363,107	\$ 359,944	\$ 391,553	\$ 379,912	\$ 390,106	\$ 486,121	\$ 481,618	\$ 546,698	\$ 654,380	\$ 809,595
Contributions in relation to the contractually required contribution	(363,107)	(359,944)	(391,553)	(379,912)	(390,106)	(486,121)	(481,618)	(546,698)	(654,380)	(809,595)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
JCC's covered payroll	\$ 3,764,917	\$ 3,696,573	\$ 4,108,190	\$ 4,085,769	\$ 4,532,830	\$ 4,919,470	\$ 5,077,016	\$ 4,851,815	\$ 4,850,948	\$ 4,576,270
Contributions as a percentage of covered payroll	9.6%	9.7%	9.5%	9.3%	8.6%	9.9%	9.5%	11.3%	13.5%	17.7%

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

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
<b>Jefferson County - Governmental Activities:</b>										
County's proportion of the net pension liability (asset)	0.0174486%	0.0157824%	0.0156598%	0.01766743%	0.1756567%	0.1606118%	0.1556141%	0.1593473%	0.1666266%	0.1637608%
County's proportionate share of the net pension liability (asset)	<u>\$ 23,222,770</u>	<u>\$ 33,298,988</u>	<u>\$ (12,607,623)</u>	<u>\$ 158,196</u>	<u>\$ 41,404,429</u>	<u>\$ 11,379,829</u>	<u>\$ 5,022,358</u>	<u>\$ 14,934,244</u>	<u>\$ 26,744,025</u>	<u>\$ 5,532,242</u>
County's covered payroll	\$ 46,069,708	\$ 42,112,281	\$ 41,286,550	\$ 39,257,157	\$ 39,482,291	\$ 38,288,079	\$ 38,357,265	\$ 37,119,434	\$ 37,410,024	\$ 38,251,778
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.4%	79.1%	(30.5%)	0.4%	104.9%	29.7%	13.1%	40.2%	71.5%	14.5%
<b>Jefferson County - Business-type Activity:</b>										
Proportion of the net pension liability (asset)	0.0000286%	0.0000169%	0.0000122%	0.0000274%	0.0025744%	0.0024175%	0.0023423%	0.0023985%	0.0025081%	0.0024650%
Proportionate share of the net pension liability (asset)	<u>\$ 380,005</u>	<u>\$ 544,886</u>	<u>\$ (194,594)</u>	<u>\$ 2,454</u>	<u>\$ 606,810</u>	<u>\$ 171,291</u>	<u>\$ 75,598</u>	<u>\$ 224,793</u>	<u>\$ 402,557</u>	<u>\$ 83,272</u>
Covered payroll	\$ 753,859	\$ 633,683	\$ 621,258	\$ 609,076	\$ 578,640	\$ 576,320	\$ 577,362	\$ 558,729	\$ 563,104	\$ 575,774
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.4%	86.0%	(31.9%)	0.4%	104.9%	29.7%	13.1%	40.2%	87.1%	17.8%
County's plan fiduciary net position as a percentage of its covered payroll	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Jefferson Community College ("JCC"):</b>										
JCC's proportion of the net pension liability (asset)	.0170400%	.0168900%	.0168800%	.0180780%	0.0195818%	0.0197379%	0.0183342%	0.0185125%	0.0198426%	0.0195013%
JCC's proportionate share of the net pension liability (asset)	<u>\$ 2,509,030</u>	<u>\$ 3,621,698</u>	<u>\$ (1,380,064)</u>	<u>\$ 18,001</u>	<u>\$ 5,185,380</u>	<u>\$ 1,398,566</u>	<u>\$ 591,727</u>	<u>\$ 1,739,478</u>	<u>\$ 3,184,794</u>	<u>\$ 658,804</u>
JCC's covered payroll	\$ 5,197,818	\$ 5,009,050	\$ 4,734,943	\$ 4,688,644	\$ 5,077,843	\$ 5,110,419	\$ 4,615,902	\$ 4,486,774	\$ 4,412,165	\$ 4,409,421
JCC's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	48.27%	72.30%	(29.2%)	99.95%	102.12%	27.37%	12.82%	38.77%	72.18%	14.94%



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

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Jefferson County - Governmental Activities:</b>										
Contractually required contributions	\$ 6,160,823	\$ 5,265,434	\$ 7,018,782	\$ 5,743,066	\$ 5,613,338	\$ 5,660,535	\$ 5,704,344	\$ 5,589,269	\$ 6,396,434	\$ 6,880,026
Contributions in relation to the contractually required contribution	(6,160,823)	(5,265,434)	(7,018,782)	(5,743,066)	(5,613,338)	(5,660,535)	(5,704,344)	(5,589,269)	(6,396,434)	(6,880,026)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 48,900,658	\$ 45,231,333	\$ 43,255,202	\$ 39,700,124	\$ 39,459,368	\$ 38,784,057	\$ 38,357,851	\$ 38,147,156	\$ 37,576,991	\$ 37,336,151
Contributions as a percentage of covered payroll	12.6%	11.6%	16.2%	14.5%	14.2%	14.6%	14.9%	14.7%	14.5%	15.7%
<b>Jefferson County - Business-type Activity:</b>										
Contractually required contributions	\$ 100,812	\$ 86,161	\$ 108,332	\$ 89,104	\$ 82,267	\$ 85,204	\$ 85,863	\$ 84,131	\$ 96,280	\$ 103,560
Contributions in relation to the contractually required contribution	(100,812)	(86,161)	(108,332)	(89,104)	(82,267)	(85,204)	(85,863)	(84,131)	(96,280)	(103,560)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 800,184	\$ 740,141	\$ 667,627	\$ 615,949	\$ 578,304	\$ 583,786	\$ 577,370	\$ 574,199	\$ 565,617	\$ 561,992
Contributions as a percentage of covered payroll	12.6%	11.6%	16.2%	14.5%	14.2%	14.6%	14.9%	14.7%	17.0%	18.4%
	Year Ended August 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Jefferson Community College ("JCC"):</b>										
Contractually required contributions	\$ 730,471	\$ 581,934	\$ 693,532	\$ 654,064	\$ 702,218	\$ 695,165	\$ 645,916	\$ 651,958	\$ 768,765	\$ 868,711
Contributions in relation to the contractually required contribution	(730,471)	(581,934)	(693,532)	(654,064)	(702,218)	(695,165)	(645,916)	(651,958)	(768,765)	(868,711)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
JCC's covered payroll	\$ 5,197,818	\$ 5,009,050	\$ 4,734,943	\$ 4,688,644	\$ 5,077,843	\$ 5,110,419	\$ 4,615,902	\$ 4,486,774	\$ 4,412,165	\$ 4,409,421
Contributions as a percentage of covered payroll	14.1%	11.6%	14.6%	13.9%	13.8%	13.6%	14.0%	14.5%	17.4%	19.7%

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

	Year Ended December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
<b>Jefferson County - Governmental Activities:</b>								
<b>Total OPEB liability</b>								
Service cost	\$ 8,502,833	\$ 7,346,186	\$ 14,856,305	\$ 13,400,321	\$ 9,531,274	\$ 10,349,198	\$ 12,058,234	\$ 11,917,964
Interest	14,354,476	14,692,304	11,682,169	9,913,006	12,668,360	15,720,088	14,828,158	14,179,187
Changes of assumptions	(14,327,632)	20,335,808	(130,493,673)	3,364,332	80,564,966	8,502,861	(28,191,299)	19,555,529
Change of benefit terms	(205,197)	(1,429,400)	-	-	-	-	-	730,329
Differences between expected and actual experience	(5,565,226)	(11,726,426)	(54,727,452)	34,853,688	(16,365,780)	(18,749,497)	(21,058,663)	(4,543,321)
Contributions—employer	(12,955,328)	(11,850,573)	(11,819,805)	(11,017,839)	(10,721,804)	(10,014,085)	(9,929,532)	(9,139,399)
Net changes in total OPEB liability	(10,196,074)	17,367,899	(170,502,456)	50,513,508	75,677,016	5,808,565	(32,293,101)	32,700,288
Total OPEB liability—beginning	355,955,852	338,587,953	509,090,409	458,576,901	382,899,885	377,091,320	409,384,422	376,684,133
Total OPEB liability—ending (a)	\$ 345,759,778	\$ 355,955,852	\$ 338,587,953	\$ 509,090,409	\$ 458,576,901	\$ 382,899,885	\$ 377,091,320	\$ 409,384,422
<b>Plan fiduciary net position</b>								
Contributions—employer	\$ 12,955,328	\$ 11,850,573	\$ 11,819,805	\$ 11,017,839	\$ 10,721,804	\$ 10,014,085	\$ 9,929,532	\$ 9,139,399
Benefit payments	(12,955,328)	(11,850,573)	(11,819,805)	(11,017,839)	(10,721,804)	(10,014,085)	(9,929,532)	(9,139,399)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position—ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>County's net OPEB liability—ending (a) - (b)</b>	<u>\$ 345,759,778</u>	<u>\$ 355,955,852</u>	<u>\$ 338,587,953</u>	<u>\$ 509,090,409</u>	<u>\$ 458,576,901</u>	<u>\$ 382,899,885</u>	<u>\$ 377,091,320</u>	<u>\$ 409,384,422</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 41,245,095	\$ 40,082,697	\$ 39,310,406	\$ 32,471,582	\$ 31,832,186	\$ 31,393,231	\$ 35,785,396	\$ 34,912,582
County's net OPEB liability as a percentage of covered-employee payroll	838.31%	888.05%	861.32%	1567.80%	1440.61%	1219.69%	1053.76%	1172.60%
<b>Jefferson County - Business-type Activity:</b>								
<b>Total OPEB liability</b>								
Service cost	\$ 139,390	\$ 120,429	\$ 229,301	\$ 207,906	\$ 139,687	\$ 192,448	\$ 224,229	\$ 221,620
Interest	235,319	240,857	180,310	153,801	185,664	292,323	275,737	263,669
Changes of assumptions	(234,878)	333,373	(2,014,118)	52,198	1,180,735	158,115	(524,231)	363,644
Change of benefit terms	(3,364)	(23,433)	-	-	-	-	-	13,581
Differences between expected and actual experience	(91,233)	(192,236)	(844,697)	540,756	(239,852)	(348,656)	(391,596)	(84,485)
Contributions—employer	(212,382)	(194,271)	(182,434)	(170,942)	(157,135)	(186,217)	(184,644)	(169,952)
Net changes in total OPEB liability	(167,148)	284,719	(2,631,638)	783,719	1,109,099	108,013	(600,506)	608,078
Total OPEB liability—beginning	6,666,106	6,381,387	9,013,025	8,229,306	7,120,207	7,012,194	7,612,699	7,004,622
Total OPEB liability—ending (a)	\$ 6,498,958	\$ 6,666,106	\$ 6,381,387	\$ 9,013,025	\$ 8,229,306	\$ 7,120,207	\$ 7,012,194	\$ 7,612,699
<b>Plan fiduciary net position</b>								
Contributions—employer	\$ 212,382	\$ 194,271	\$ 182,434	\$ 170,942	\$ 157,135	\$ 186,217	\$ 184,644	\$ 169,952
Benefit payments	(212,382)	(194,271)	(182,434)	(170,942)	(157,135)	(186,217)	(184,644)	(169,952)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position—ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>County's net OPEB liability—ending (a) - (b)</b>	<u>\$ 6,498,958</u>	<u>\$ 6,666,106</u>	<u>\$ 6,381,387</u>	<u>\$ 9,013,025</u>	<u>\$ 8,229,306</u>	<u>\$ 7,120,207</u>	<u>\$ 7,012,194</u>	<u>\$ 7,612,699</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 676,148	\$ 657,092	\$ 606,741	\$ 1,493,059	\$ 466,523	\$ 583,772	\$ 665,447	\$ 649,216
County's net OPEB liability as a percentage of covered-employee payroll	961.17%	1014.49%	1051.75%	603.66%	1763.97%	1219.69%	1053.76%	1172.60%

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

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

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

	Year Ended August 31,						
	2024	2023	2022	2021	2020	2019	2018
<b>Jefferson Community College ("JCC")</b>							
<b>Total OPEB Liability</b>							
Service cost	\$ 1,182,984	\$ 675,550	\$ 1,407,899	\$ 1,283,727	\$ 2,071,776	\$ 1,579,263	\$ 1,474,246
Interest	2,131,827	1,422,051	1,048,041	1,180,761	1,755,477	2,135,025	1,781,419
Differences between expected and actual experience	-	(6,118,882)	-	(20,983,936)	(6,557,525)	3,571,095	-
Changes of assumptions	2,728,970	(544,600)	(11,385,138)	2,081,365	10,143,542	5,914,791	(2,319,023)
Change of benefit terms	-	15,016,892	-	-	-	517,361	2,531,456
Benefit payments	(2,072,813)	(1,584,856)	(1,606,451)	(1,595,136)	(1,830,916)	(1,670,147)	(1,075,293)
Net changes in total OPEB liability	3,970,968	8,866,155	(10,535,649)	(18,033,219)	5,582,354	12,047,388	2,392,805
Total OPEB liability—beginning	51,471,503	42,605,348	53,140,997	71,174,216	65,591,862	53,544,474	51,151,669
Total OPEB liability—ending (a)	<u>\$ 55,442,471</u>	<u>\$ 51,471,503</u>	<u>\$ 42,605,348</u>	<u>\$ 53,140,997</u>	<u>\$ 71,174,216</u>	<u>\$ 65,591,862</u>	<u>\$ 53,544,474</u>
<b>Plan fiduciary net position</b>							
Contributions—employer	\$ 2,072,813	\$ 1,584,856	\$ 1,606,451	\$ 1,595,136	\$ 1,830,916	\$ 1,670,147	\$ 1,075,293
Benefit payments	(2,072,813)	(1,584,856)	(1,606,451)	(1,595,136)	(1,830,916)	(1,670,147)	(1,075,293)
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-
Plan fiduciary net position—ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>JCC's OPEB liability—ending (a) - (b)</b>	<u>\$ 55,442,471</u>	<u>\$ 51,471,503</u>	<u>\$ 42,605,348</u>	<u>\$ 53,140,997</u>	<u>\$ 71,174,216</u>	<u>\$ 65,591,862</u>	<u>\$ 53,544,474</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 10,983,000	\$ 10,736,000	\$ 11,259,000	\$ 10,949,000	\$ 12,675,000	\$ 12,875,107	\$ 13,220,846
JCC's OPEB liability as a percentage of covered-employee payroll	504.80%	479.43%	378.41%	485.35%	561.53%	509.45%	405.00%

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

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

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**COUNTY OF JEFFERSON, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—General Fund**  
**Year Ended December 31, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Real property taxes	\$ 63,807,854	\$ 63,807,854	\$ 62,997,684	\$ (810,170)
Real property tax items	2,500,000	2,500,000	2,571,242	71,242
Non-property tax items	96,698,980	101,014,011	105,062,955	4,048,944
Departmental income	12,522,662	12,991,103	11,023,696	(1,967,407)
Intergovernmental charges	3,447,508	3,447,508	3,576,229	128,721
Use of money and property	1,725,400	2,688,108	6,091,056	3,402,948
Licenses and permits	30,000	30,000	28,454	(1,546)
Fines and forfeitures	188,209	188,209	147,436	(40,773)
Sale of property and compensation for loss	1,448,124	1,548,729	1,352,029	(196,700)
Miscellaneous	4,807,711	5,548,918	4,789,816	(759,102)
State aid	30,398,204	33,203,747	38,386,270	5,182,523
Federal aid	21,434,513	30,115,793	27,658,492	(2,457,301)
Total revenues	239,009,165	257,083,980	263,685,359	6,601,379
<b>EXPENDITURES</b>				
Current:				
General government support	77,370,055	82,707,934	80,835,836	1,872,098
Education	12,784,599	12,856,371	12,797,758	58,613
Public safety	32,709,096	35,381,702	31,567,388	3,814,314
Health	17,899,898	19,826,848	18,552,869	1,273,979
Transportation	4,206,036	5,284,939	3,701,465	1,583,474
Economic assistance and opportunity	75,441,916	77,157,102	75,784,294	1,372,808
Culture and recreation	417,059	417,059	414,363	2,696
Home and community services	1,077,060	1,746,875	1,159,735	587,140
Employee benefits	13,475,400	16,374,556	13,651,006	2,723,550
Debt service:				
Principal	-	107,269	107,269	-
Interest and fiscal charges	-	3,864	3,864	-
Total expenditures	235,381,119	251,864,519	238,575,847	13,288,672
Excess of revenues over expenditures	3,628,046	5,219,461	25,109,512	19,890,051
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	2,704,963	2,704,963	-
Transfers out	(15,720,024)	(23,192,119)	(23,192,119)	-
Issuance of lease	-	33,892	33,892	-
Issuance of SBITA	-	766,606	766,606	-
Total other financing sources (uses)	(15,720,024)	(19,686,658)	(19,686,658)	-
Net change in fund balances*	(12,091,978)	(14,467,197)	5,422,854	19,890,051
Fund balances—beginning	102,784,068	102,784,068	102,784,068	-
Fund balances—ending	\$ 90,692,090	\$ 88,316,871	\$ 108,206,922	\$ 19,890,051

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

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

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**COUNTY OF JEFFERSON, NEW YORK**  
**Notes to the Required Supplementary Information**  
**Year Ended December 31, 2024**

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**1. OPEB LIABILITY**

*Changes of Assumptions*—Changes in assumptions reflect the effects of changes in the long-term discount rate, and the healthcare trend rate. The discount rate changed from 4.00% at December 31, 2023 to 4.28% at December 31, 2024. The healthcare trend rate used is 7.50% while the ultimate healthcare trend rate is 4.50%

*Jefferson Community College (“JCC”)*—The discount rate changed from 4.13% at August 31, 2023 to 3.99% at August 31, 2024. The healthcare trend rate increased from 4.50% for the year ended August 31, 2023 to 4.60% at August 31, 2024, respectively.

**2. BUDGETARY INFORMATION**

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

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

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

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## SUPPLEMENTARY INFORMATION



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**COUNTY OF JEFFERSON, NEW YORK**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**December 31, 2024**

	<b>County Road</b>	<b>Road Machinery</b>	<b>Special Grant</b>	<b>Debt Service</b>	<b>Total Nonmajor Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,487,051	\$ 3,474,135	\$ -	\$ -	\$10,961,186
Restricted cash and cash equivalents	-	551,579	152,921	273,451	977,951
Accounts receivable, net of allowances	177	-	250	-	427
Intergovernmental receivables	1,918,888	276,068	587,848	338,903	3,121,707
Prepaid items	110,333	15,195	24,657	-	150,185
Total assets	<u>\$ 9,516,449</u>	<u>\$ 4,316,977</u>	<u>\$ 765,676</u>	<u>\$ 612,354</u>	<u>\$15,211,456</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 550,817	\$ 127,955	\$ 417,284	\$ -	\$ 1,096,056
Accrued liabilities	97,822	18,452	34,170	-	150,444
Intergovernmental payables	830,939	-	-	-	830,939
Due to other funds	-	-	-	338,903	338,903
Unearned revenue	-	-	65,891	-	65,891
Total liabilities	<u>1,479,578</u>	<u>146,407</u>	<u>517,345</u>	<u>338,903</u>	<u>2,482,233</u>
<b>FUND BALANCES</b>					
Nonspendable	110,333	15,195	24,657	-	150,185
Restricted	-	551,579	87,030	273,451	912,060
Assigned	7,926,538	3,603,796	136,644	-	11,666,978
Total fund balances	<u>8,036,871</u>	<u>4,170,570</u>	<u>248,331</u>	<u>273,451</u>	<u>12,729,223</u>
Total liabilities and fund balances	<u>\$ 9,516,449</u>	<u>\$ 4,316,977</u>	<u>\$ 765,676</u>	<u>\$ 612,354</u>	<u>\$15,211,456</u>

**COUNTY OF JEFFERSON, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2024**

	<b>County Road</b>	<b>Road Machinery</b>	<b>Special Grant</b>	<b>Debt Service</b>	<b>Total Nonmajor Funds</b>
<b>REVENUES</b>					
Departmental income	\$ -	\$ -	\$ 617,368	\$ -	\$ 617,368
Intergovernmental charges	25,327	50,178	-	-	75,505
Use of money and property	224,703	200,475	116,345	18,684	560,207
Licenses and permits	1,825	-	-	-	1,825
Sale of property and compensation for loss	26,477	25,070	-	-	51,547
Miscellaneous	15,630	174	-	185,884	201,688
Interfund revenues	1,105	235,054	-	-	236,159
State aid	8,619,311	-	-	677,805	9,297,116
Federal aid	-	-	3,416,461	-	3,416,461
Total revenues	<u>8,914,378</u>	<u>510,951</u>	<u>4,150,174</u>	<u>882,373</u>	<u>14,457,876</u>
<b>EXPENDITURES</b>					
Current:					
Transportation	16,462,145	3,554,084	-	-	20,016,229
Economic assistance and opportunity	-	-	2,801,496	-	2,801,496
Home and community services	-	-	1,196,941	-	1,196,941
Debt service:					
Principal	-	-	-	1,857,527	1,857,527
Interest and fiscal charges	-	-	-	377,796	377,796
Total expenditures	<u>16,462,145</u>	<u>3,554,084</u>	<u>3,998,437</u>	<u>2,235,323</u>	<u>26,249,989</u>
Excess (deficiency) of revenues over expenditures	<u>(7,547,767)</u>	<u>(3,043,133)</u>	<u>151,737</u>	<u>(1,352,950)</u>	<u>(11,792,113)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,384,296	1,772,042	-	1,677,686	13,834,024
Transfers out	<u>(3,609,888)</u>	<u>(35,000)</u>	<u>-</u>	<u>(300,000)</u>	<u>(3,944,888)</u>
Total other financing sources (uses)	<u>6,774,408</u>	<u>1,737,042</u>	<u>-</u>	<u>1,377,686</u>	<u>9,889,136</u>
Net change in fund balances	(773,359)	(1,306,091)	151,737	24,736	(1,902,977)
Fund balances—beginning	8,810,230	5,476,661	96,594	248,715	14,632,200
Fund balances—ending	<u>\$ 8,036,871</u>	<u>\$ 4,170,570</u>	<u>\$ 248,331</u>	<u>\$ 273,451</u>	<u>\$ 12,729,223</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Jefferson, New York (the "County") as of and for the year ended December 31, 2024 (with the Jefferson Community College for the fiscal year ended August 31, 2024), 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 26, 2025 (which report includes an emphasis of matter paragraph regarding a restatement for the implementation of GASB Statement No. 101, *Compensated Absences*, and the re-evaluation of Subscription-Based Information Technology Arrangements ("SBITA") agreements). Our report includes a reference to other auditors who audited the financial statements of the Jefferson Community College and Jefferson County Industrial Development Agency, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### **Report on Internal Control Over Financial Reporting**

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

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

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

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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.

*Brecher & Malecki LLC*

August 26, 2025