

**COUNTY OF RENSSELAER,
NEW YORK**

*Basic Financial Statements, Required Supplementary
Information, Supplementary Information and Federal Awards
Information for the Year Ended December 31, 2020 and
Independent Auditors' Reports*

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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable County Executive and County Legislature
County of Rensselaer, New York:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Rensselaer County Industrial Development Agency and the Hudson Valley Community College, 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 discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-

type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Drescher & Malecki LLP

May 27, 2021

COUNTY OF RENSSELAER, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2020

As management of the County of Rensselaer (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2020. We encourage the reader to consider the information contained in this analysis in conjunction with the additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the County's primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$127,226,970 (net position). This consists of \$74,512,811 net investment in capital assets, \$13,362,741 restricted for specific purposes and unrestricted net position of \$39,351,418.
- The County's total primary government net position increased by \$6,500,869 during the year ended December 31, 2020. Governmental activities increased the County's net position by \$11,608,917, while net position of the business-type activities decreased \$5,108,048.
- At the close of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$100,431,299, an increase of \$27,612,711 from the prior year's combined ending fund balance of \$72,818,588.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$49,890,523, or 21.3 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the County's discretion and constitutes approximately 62.9 percent of the General Fund's total fund balance of \$79,323,971 at December 31, 2020.
- The County's primary government and blended component units total bonded indebtedness decreased by \$583,939. During the year scheduled principal payments of \$6,238,205 were made, and accreted interest of \$292,901 was incurred. In addition, during the year the County refinanced short-term debt to long-term financing in the amount of \$5,176,061, issued \$4,000,000 in 2020 Public Improvement Serial bonds, and issued \$18,150,000 in refunding bonds of which \$15,427,500 was issued on behalf of HVCC.

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 in addition to 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 inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported 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 are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to remove 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, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services. The business-type activity of the County is the Van Rensselaer Manor nursing home.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate development agency (Rensselaer County Industrial Development Agency) and a legally separate college (Hudson Valley Community College) for which the County is financially accountable. Financial information for these discretely presented component units is reported separately from the financial information presented for the primary government itself.

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

Fund financial statements—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and 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 fund balance sheet and the governmental fund 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 seven 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 Capital Projects Fund which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor funds is provided in the form of the combining statements in the Supplementary Information section of this report.

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

Proprietary funds—The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for its Van Rensselaer Manor (nursing home) operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County’s various functions. The County uses internal service funds to account for the operation of self-insurance for unemployment, dental and vision, workers’ compensation and central internal services programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Van Rensselaer Manor, which is considered to be a major fund of the County. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

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

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The 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, the changes in the County’s total other postemployment benefits (“OPEB”) obligation, and the County’s budgetary comparison for the General Fund. Required Supplementary Information and the related notes to the Required Supplementary Information can be found on pages 72-81 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 82-83.

Finally, the Federal Awards Information presents the County’s Schedule of Expenditures of Federal Awards and can be found on pages 84-95.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County's primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$127,226,970 at the close of the most recent fiscal year, as compared to \$120,726,101 at the close of the fiscal year ended December 31, 2019.

Table 1—Condensed Statements of Net Position—Primary Government

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|-------------------------|----------------|--------------------------|---------------|----------------|----------------|
| | December 31, | | December 31, | | December 31, | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Assets: | | | | | | |
| Current assets | \$ 201,407,200 | \$ 176,853,698 | \$ 64,750,532 | \$ 59,759,691 | \$ 266,157,732 | \$ 236,613,389 |
| Capital assets | 197,022,336 | 195,073,515 | 19,264,535 | 20,236,220 | 216,286,871 | 215,309,735 |
| Total assets | 398,429,536 | 371,927,213 | 84,015,067 | 79,995,911 | 482,444,603 | 451,923,124 |
| Deferred outflows of resources | 57,483,887 | 21,722,797 | 18,961,984 | 7,976,954 | 76,445,871 | 29,699,751 |
| Liabilities: | | | | | | |
| Current liabilities | 45,693,139 | 46,058,923 | 7,682,575 | 4,461,917 | 53,375,714 | 50,520,840 |
| Non-current liabilities | 294,906,316 | 249,104,483 | 52,722,529 | 36,903,197 | 347,628,845 | 286,007,680 |
| Total liabilities | 340,599,455 | 295,163,406 | 60,405,104 | 41,365,114 | 401,004,559 | 336,528,520 |
| Deferred inflows of resources | 24,959,281 | 19,740,834 | 5,699,664 | 4,627,420 | 30,658,945 | 24,368,254 |
| Net position: | | | | | | |
| Net investment in capital assets | 66,603,276 | 60,645,959 | 7,909,535 | 6,651,220 | 74,512,811 | 67,297,179 |
| Restricted | 12,389,080 | 4,038,369 | 973,661 | 836,606 | 13,362,741 | 4,874,975 |
| Unrestricted | 11,362,331 | 14,061,442 | 27,989,087 | 34,492,505 | 39,351,418 | 48,553,947 |
| Total net position | \$ 90,354,687 | \$ 78,745,770 | \$ 36,872,283 | \$ 41,980,331 | \$ 127,226,970 | \$ 120,726,101 |

The largest portion of the County's primary government net position, \$74,512,811, reflects its net investment in capital assets (e.g. land, land improvements, buildings and improvements, infrastructure and machinery and equipment), less any debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position of the primary government, \$13,362,741 represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining portion of the County's net position of the primary government, \$39,351,418, is considered to be unrestricted net position.

Table 2, as presented below, shows the changes in net position for the years ended December 31, 2020 and December 31, 2019.

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

| | Governmental activities | | Business-type activities | | Total | |
|------------------------|-------------------------|----------------------|--------------------------|----------------------|-------------------------|-----------------------|
| | Year Ended December 31, | | Year Ended December 31, | | Year Ended December 31, | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program revenues | \$ 96,140,415 | \$ 103,936,588 | \$ 46,535,618 | \$ 51,979,978 | \$ 142,676,033 | \$ 155,916,566 |
| General revenues | 176,553,780 | 175,307,277 | - | - | 176,553,780 | 175,307,277 |
| Total revenues | <u>272,694,195</u> | <u>279,243,865</u> | <u>46,535,618</u> | <u>51,979,978</u> | <u>319,229,813</u> | <u>331,223,843</u> |
| Total expenses | <u>261,085,278</u> | <u>257,598,842</u> | <u>51,643,666</u> | <u>43,671,065</u> | <u>312,728,944</u> | <u>301,269,907</u> |
| Change in net position | 11,608,917 | 21,645,023 | (5,108,048) | 8,308,913 | 6,500,869 | 29,953,936 |
| Net position—beginning | <u>78,745,770</u> | <u>57,100,747</u> | <u>41,980,331</u> | <u>33,671,418</u> | <u>120,726,101</u> | <u>90,772,165</u> |
| Net position—ending | <u>\$ 90,354,687</u> | <u>\$ 78,745,770</u> | <u>\$ 36,872,283</u> | <u>\$ 41,980,331</u> | <u>\$ 127,226,970</u> | <u>\$ 120,726,101</u> |

Governmental activities—Governmental activities increased the County’s net position by \$11,608,917. Total revenues decreased 2.3 percent primarily as a result of decrease in charges for services related to intergovernmental revenue decreases, as well as a decrease in operating and capital grants. These decreases were partially offset by an increase in non-property taxes primarily due to an increase in sales tax revenue. Total expenses increased 1.4 percent. This is primarily related to an increase in public health and general government support expenses related to the COVID-19 pandemic.

A summary of revenues for governmental activities for the years ended December 31, 2020 and 2019 is presented below.

Table 3—Summary of Sources of Revenues—Governmental Activities

| | Year Ended December 31, | | Increase/(Decrease) | |
|------------------------------|-------------------------|-----------------------|-----------------------|--------------|
| | 2020 | 2019 | Dollars | Percent (%) |
| Charges for services | \$ 33,926,964 | \$ 38,767,841 | \$ (4,840,877) | (12.5) |
| Operating and capital grants | 62,213,451 | 65,168,747 | (2,955,296) | (4.5) |
| Property taxes and tax items | 70,707,634 | 69,646,213 | 1,061,421 | 1.5 |
| Non-property taxes | 99,857,723 | 98,499,301 | 1,358,422 | 1.4 |
| Use of money and property | 2,793,054 | 3,593,029 | (799,975) | (22.3) |
| Tobacco settlement revenue | 2,293,522 | 1,886,832 | 406,690 | 21.6 |
| Other | 901,847 | 1,681,902 | (780,055) | (46.4) |
| Total revenues | <u>\$ 272,694,195</u> | <u>\$ 279,243,865</u> | <u>\$ (6,549,670)</u> | <u>(2.3)</u> |

For the year ended December 31, 2020, the most significant source of revenues for governmental activities are non-property taxes, which account for \$99,857,723, or 36.6 percent of total revenues. The other significant sources of revenue include property taxes and tax items which account for \$70,707,634, or 25.9 percent of total revenues and operating and capital grants which account for \$62,213,451, or 22.8 percent of total revenues. For the year ended December 31, 2019, the most significant source of revenues for governmental activities are non-property taxes, which account for \$98,499,301, or 35.3 percent of total revenues. The other significant sources of revenue include property taxes and tax items which account for \$69,646,213, or 24.9 percent of total revenues and operating and capital grants which account for \$65,168,747, or 23.3 percent of total revenues.

A summary of program expenses of governmental activities for the years ended December 31, 2020 and 2019 is presented below.

Table 4—Summary of Program Expenses—Governmental Activities

| | Year Ended December 31, | | Increase/(Decrease) | |
|-------------------------------------|-------------------------|-----------------------|---------------------|-------------|
| | 2020 | 2019 | Dollars | Percent (%) |
| General government support | \$ 57,947,535 | \$ 53,550,863 | \$ 4,396,672 | 8.2 |
| Education | 19,200,507 | 19,941,743 | (741,236) | (3.7) |
| Public safety | 43,017,899 | 41,742,711 | 1,275,188 | 3.1 |
| Health | 26,745,477 | 21,442,291 | 5,303,186 | 24.7 |
| Transportation | 11,928,356 | 14,347,105 | (2,418,749) | (16.9) |
| Economic assistance and opportunity | 90,138,149 | 94,407,371 | (4,269,222) | (4.5) |
| Culture and recreation | 502,080 | 510,023 | (7,943) | (1.6) |
| Home and community services | 7,562,550 | 7,174,633 | 387,917 | 5.4 |
| Interest and fiscal charges | 4,042,725 | 4,482,102 | (439,377) | (9.8) |
| Total program expenses | <u>\$ 261,085,278</u> | <u>\$ 257,598,842</u> | <u>\$ 3,486,436</u> | 1.4 |

For the year ended December 31, 2020, the County's most significant expense category for governmental activities is economic assistance and opportunity (primarily composed of social service costs) of \$90,138,149, or 34.5 percent of program expenses. The other significant expenses include general government support of \$57,947,535, or 22.2 percent of total expenses, and public safety expenses of \$43,017,899, or 16.5 percent of total expenses. Similarly, for the year ended December 31, 2019, the County's most significant expense category for governmental activities is economic assistance and opportunity (primarily composed of social service costs) of \$94,407,371, or 36.6 percent of program expenses. The other significant expenses include general government support of \$53,550,863, or 20.8 percent of total expenses, and public safety expenses of \$41,742,711, or 16.2 percent of total expenses.

Business-type activities—Business-type activities (Van Rensselaer Manor) decreased the County's net position by \$5,108,048. Operating revenues for the year ended December 31, 2020 decreased 10.5 percent from the previous year. The Manor's total operating expenses for the year ended December 31, 2020 increased 18.3 percent from the previous year.

A summary of operating revenues and operating expenses for the County's business-type activities for the years ended December 31, 2020 and 2019 is presented on the following page.

Table 5—Summary of Operating Revenues and Expenses—Business-Type Activities

| | Year Ended December 31, | | Increase/(Decrease) | |
|------------------------------------|-------------------------|----------------------|-----------------------|-------------|
| | 2020 | 2019 | Dollar | Percent (%) |
| Operating revenues: | | | | |
| Charges for services | \$ 34,203,698 | \$ 38,097,613 | \$ (3,893,915) | (10.2) |
| Operating grants and contributions | 12,331,920 | 13,882,365 | (1,550,445) | (11.2) |
| Total operating revenues | <u>\$ 46,535,618</u> | <u>\$ 51,979,978</u> | <u>\$ (5,444,360)</u> | (10.5) |
| Operating expenses: | | | | |
| Nursing and medical | \$ 21,792,550 | \$ 18,140,639 | \$ 3,651,911 | 20.1 |
| Ancillary | 7,739,139 | 7,533,950 | 205,189 | 2.7 |
| Administrative and general | 5,708,425 | 5,427,154 | 281,271 | 5.2 |
| Fringe benefits | 13,778,081 | 10,787,395 | 2,990,686 | 27.7 |
| Interest expense | 290,579 | 329,150 | (38,571) | (11.7) |
| Depreciation | 1,584,438 | 1,323,349 | 261,089 | 19.7 |
| Bad debt | 717,670 | 91,216 | 626,454 | 686.8 |
| Total operating expenses | <u>\$ 51,610,882</u> | <u>\$ 43,632,853</u> | <u>\$ 7,978,029</u> | 18.3 |

For the year ended December 31, 2020, the Manor’s overall operating revenues decreased by 10.5 percent, primarily due to a decreased allocation of Intergovernmental Transfer (“IGT”) funds to the Manor coupled with a decrease in net patient revenue due to the impacts of the COVID-19 pandemic. This decrease was partially offset with an increase in other revenue, which recorded Emergency Federal Relief funding to the nursing home.

As detailed above, the Manor’s total operating expenses for the year ended December 31, 2020 increased 18.3 percent from the previous year. The increase is mainly due to the increase in nursing and medical costs due the COVID-19 pandemic, which were partially reimbursed with emergency relief funds and fringe benefits as a result of increases in the other postemployment benefits obligation and the related change in deferred inflows and outflows of resources.

The Manor’s most significant expense items for the year ended December 31, 2020 are nursing and medical care, which accounts for \$21,792,550, or 42.2 percent of total expenses, and fringe benefit expenses which account for \$13,778,081, or 26.7 percent of total expenses. Similarly, for the year ended December 31, 2019, the most significant items are nursing and medical care, which accounts for \$18,140,639 or 41.6 percent of total expenses and fringe benefit expenses which account for \$10,787,394 or 24.7 percent of total expenses.

Financial Analysis of 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 County Legislature.

At December 31, 2020, the County’s governmental funds reported combined ending fund balances of \$100,431,299, an increase of \$27,612,711 from the prior year. Approximately 49.7 percent of this amount, \$49,890,523, constitutes *unassigned fund balance*, which is available for spending at the County’s discretion. The remainder of fund balance is either *nonspendable, restricted, or assigned* to indicate that it is: (1) not in spendable form, \$4,880,642, (2) restricted for particular purposes, \$11,519,280, or (3) assigned for particular purposes, \$34,140,854.

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 \$49,890,523, while total fund balance increased to \$79,323,971. As a measure of the General Fund’s liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to the total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 21.3 percent of the total General Fund expenditures and transfers out, while total fund balance represents approximately 33.9 percent of that same amount. Fund balance in the General Fund increased \$18,026,020 during the year, primarily as a result of budgetary savings in economic assistance and opportunity and public safety combined with higher than anticipated non-property tax revenue related to sales tax.

The fund balance in the Capital Projects Fund increased \$9,590,028 from December 31, 2019, resulting in an ending restricted fund balance of \$8,572,562. During the year the County refinanced short-term Environmental Facilities Corporation (“EFC”) debt to a long-term financing in the amount of \$5,176,061. In addition, the County received proceeds from the issuance of \$4,000,000 in 2020 Public Improvement Bonds during the year.

General Fund Budgetary Highlights

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

A summary of the General Fund results of operations for the year ended December 31, 2020 is presented in Table 6 below:

Table 6—Summary of General Fund Results of Operations

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|-----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Revenues and other financing sources | \$ 250,127,706 | \$ 259,487,230 | \$ 251,843,473 | \$ (7,643,757) |
| Expenditures and other financing uses | <u>250,682,264</u> | <u>261,603,958</u> | <u>233,817,453</u> | <u>27,786,505</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>\$ (554,558)</u> | <u>\$ (2,116,728)</u> | <u>\$ 18,026,020</u> | <u>\$ 20,142,748</u> |

Original budget compared to final budget—During the year, the budget is modified, primarily to reflect the acceptance of new grants. These grants explain some of the increases in appropriations and revenue from the original adopted budget final budget. Significant grants for which the budget was modified were for various social service programs. In addition, the budget was modified to reflect the higher than anticipated distribution of sales tax in general government support. A majority of the remaining increases in budgeted appropriations were a result of higher than anticipated operating expenses.

Final budget compared to actual results—The General Fund had a favorable variance from final budgetary appropriations of \$27,786,505. The primary positive variances were realized in economic assistance and opportunity, public safety, and general government support expenditures. These positive variances were primarily a result of lower than anticipated program costs, personnel services and contractual services.

Capital Assets and Debt Administration

Capital assets—The County’s primary government investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounts to \$216,286,871 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, infrastructure, and machinery and equipment.

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

Capital assets of the primary government net of depreciation for the governmental activities and business-type activities at the years ended December 31, 2020 and December 31, 2019 are presented in Table 7 below:

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

| | Governmental activities | | Business-type activities | | Total | |
|-------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | December 31, | | December 31, | | December 31, | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 762,880 | \$ 762,880 | \$ 550,000 | \$ 550,000 | \$ 1,312,880 | \$ 1,312,880 |
| Construction in progress | 11,236,200 | 9,660,011 | 164,254 | - | 11,400,454 | 9,660,011 |
| Land improvements | 69,220 | 72,945 | - | - | 69,220 | 72,945 |
| Buildings and building improvements | 64,215,799 | 68,619,982 | 3,445,912 | 3,819,567 | 67,661,711 | 72,439,549 |
| Infrastructure | 88,839,106 | 88,345,326 | - | - | 88,839,106 | 88,345,326 |
| Machinery and equipment | 31,899,131 | 27,612,371 | 15,104,369 | 15,866,653 | 47,003,500 | 43,479,024 |
| Total | <u>\$ 197,022,336</u> | <u>\$ 195,073,515</u> | <u>\$ 19,264,535</u> | <u>\$ 20,236,220</u> | <u>\$ 216,286,871</u> | <u>\$ 215,309,735</u> |

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

Long-term liabilities—The County currently has approximately \$109.7 million in total bonded debt for functions of the primary government and blended component units. This includes serial bonds and tobacco settlement bonds issued by the Rensselaer Tobacco Asset Securitization Corporation (the “RTASC”).

As previously discussed, the RTASC is considered a component unit of the County and its long-term debt is included within the non-current liabilities of the County. The long-term debt, comprised of bonded debt and accreted interest, of RTASC at December 31, 2020 is \$33,743,935. RTASC was created by the County in 2001 for the purpose of issuing bonds backed by the County's interests in the national tobacco Master Settlement Agreement ("MSA") in exchange for the County's future rights to a portion of this revenue stream.

The County's business-type activity, Van Rensselaer Manor, also has long-term debt issued and recorded as a liability. The amount outstanding consists of public improvement serial bonds totaling \$11,355,000 as of December 31, 2020.

The County carries an AA rating from Standard & Poor's.

A summary of the County's long-term liabilities at December 31, 2020 and December 31, 2019 is presented in Table 8 below:

Table 8—Summary of Long-Term Liabilities

| | Governmental activities | | Business-type activities | | Total | |
|------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | December 31, | | December 31, | | December 31, | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Serial bonds | \$ 44,630,924 | \$ 40,198,266 | \$ - | \$ - | \$ 44,630,924 | \$ 40,198,266 |
| Serial bonds - HVCC | 24,872,138 | 29,888,735 | - | - | 24,872,138 | 29,888,735 |
| Unamortized premiums | 5,089,909 | 1,631,535 | - | - | 5,089,909 | 1,631,535 |
| RTASC bonds, and accreted interest | 33,371,836 | 33,743,935 | - | - | 33,371,836 | 33,743,935 |
| RTASC unamortized premium | 1,274,270 | 1,303,616 | - | - | 1,274,270 | 1,303,616 |
| Installment purchase debt | 45,833,121 | 49,963,320 | 3,866,742 | - | 49,699,863 | 49,963,320 |
| Compensated absences | 15,981,673 | 14,715,377 | - | - | 15,981,673 | 14,715,377 |
| Net OPEB obligation | 53,112,107 | 53,918,628 | 16,340,948 | 16,500,775 | 69,453,055 | 70,419,403 |
| Workers' compensation | 8,050,361 | 7,619,762 | - | - | 8,050,361 | 7,619,762 |
| Bond payable - Manor | - | - | 11,355,000 | 13,585,000 | 11,355,000 | 13,585,000 |
| Net pension liability | 62,689,977 | 16,121,309 | 21,159,839 | 6,817,528 | 83,849,816 | 22,938,837 |
| Total | <u>\$ 294,906,316</u> | <u>\$ 249,104,483</u> | <u>\$ 52,722,529</u> | <u>\$ 36,903,303</u> | <u>\$ 347,628,845</u> | <u>\$ 286,007,786</u> |

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

Economic Factors and Next Year's Budgets

New York State ("NYS") requires that counties expend significant local resources for unfunded mandates. In particular, the required contribution to the State run Medicaid program continues to place budgetary pressure upon the County. The County's expenditures for this program consume nearly fifty percent of the County's tax levy:

| Year | Expense |
|------|---------------|
| 2020 | \$ 31,405,285 |
| 2019 | 33,361,115 |
| 2018 | 32,789,783 |

Other areas of concern are:

- Impact of the Covid-19 virus on the County’s economy as it relates to revenues derived from sales and use taxes and property taxes, and the additional costs incurred for the disinfection, personal protective equipment (“PPE”), testing, and vaccination programs.
- Anticipated state budget cuts in reimbursement funding allocations and direct aid to local governments.
- Employee benefit costs in the form of contributions to the New York State and Local Retirement System, and for rising health insurance premiums.
- New York State’s plan to increase the age of criminality from 17 to 18 years of age and the state sponsored Bail Reform, which will require the County to spend additional resources for support and services to support the family court and juvenile placements.
- Liabilities relating to postemployment benefits for retirees and net pension liability due to mandated participation in the NYS and Local Retirement System.
- Capital and maintenance funding of aging Highway infrastructure and equipment.
- Increasing home and community expenses, due to an aging sewer system and other capital assets requiring significant future investments in infrastructure.
- The ability of the County to continue to control costs at the Van Rensselaer Manor Nursing Home and the reliance on the federal IGT program revenue to offset County subsidies.
- Limitations on future property tax increases due to the NYS Tax Cap legislation.

Despite these factors, the County was able to develop a General Fund budget for 2021 which did not increase the property tax levy. The County has formulated a budget that stayed within the New York State Tax Cap every year since its inception. The County has generated General Fund surpluses over each of the last thirteen fiscal years, continuing to strengthen its fund balance and cash holdings.

The County’s economic development efforts have been successful in attracting new technology and pharmaceutical research jobs. Amazon has opened a \$150 million distribution center in Schodack that will employ 1,000 employees during peak times. The recent revitalization of the City of Troy’s downtown has generated additional economic activity and a reinvestment into housing. Additionally, the commercial corridors in the Towns of Brunswick and North Greenbush are continuing to add retail businesses. As part of New York’s Capital Region, the County continues to experience lower unemployment rates as compared to other regions of the State. The unemployment rate for the region for December 2020 was 5.4 percent, while the average rate of unemployment for the region for all of 2020 was 7.0 percent.

Requests for Information

This financial report is designed to provide a general overview of the County’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Fiscal Officer, Rensselaer County Bureau of Finance, 1600 Seventh Avenue, Troy, New York 12180.

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BASIC FINANCIAL STATEMENTS

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

| | Primary Government | | | Component Units | |
|---|----------------------------|-----------------------------|-----------------------|-------------------------------------|---|
| | Governmental Activities | Business-type Activities | Total | Industrial Development Agency | Hudson Valley Community College (August 31, 2020) |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 73,309,584 | \$ 47,532,979 | \$ 120,842,563 | \$ 6,389,802 | \$ 51,361,618 |
| Restricted cash and cash equivalents | 11,778,465 | 973,661 | 12,752,126 | 13,601 | - |
| Cash with fiscal agent | 474,693 | 3,866,742 | 4,341,435 | - | - |
| Investments | - | - | - | - | 10,851,253 |
| Property taxes receivable (net of allowance) | 25,143,034 | - | 25,143,034 | - | - |
| Other receivables (net of allowance) | 16,168,800 | 11,552,065 | 27,720,865 | 2,355 | 12,990,218 |
| Intergovernmental receivables | 42,836,884 | - | 42,836,884 | - | - |
| Internal balances | 2,812,760 | (2,812,760) | - | - | - |
| Inventories | 300,680 | 198,064 | 498,744 | - | 451,340 |
| Prepaid items | 3,710,162 | 627,021 | 4,337,183 | - | 1,071,459 |
| Other assets | - | - | - | 245,187 | 199,429 |
| Assets held by trustee | - | - | - | - | 1,660,467 |
| Due from component units/primary government | 24,872,138 | - | 24,872,138 | - | - |
| Capital assets not being depreciated | 11,999,080 | 714,254 | 12,713,334 | - | 2,532,155 |
| Capital assets, net of accumulated depreciation | 185,023,256 | 18,550,281 | 203,573,537 | 8,630 | 146,436,735 |
| Total assets | 398,429,536 | 81,202,307 | 479,631,843 | 6,659,575 | 227,554,674 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred outflows—relating to pensions | 43,983,049 | 14,715,796 | 58,698,845 | 165,548 | 16,314,901 |
| Deferred outflows—relating to OPEB | 12,770,083 | 4,246,188 | 17,016,271 | - | 1,615,116 |
| Deferred loss on refunding | 730,755 | - | 730,755 | - | - |
| Total deferred outflows of resources | 57,483,887 | 18,961,984 | 76,445,871 | 165,548 | 17,930,017 |
| LIABILITIES | | | | | |
| Accounts payable | 11,789,993 | 1,700,343 | 13,490,336 | 45,581 | 3,692,593 |
| Accrued liabilities | 10,298,393 | 3,169,472 | 13,467,865 | - | 6,664,807 |
| Intergovernmental payables | 19,880,707 | - | 19,880,707 | - | - |
| Security deposits | - | - | - | 7,710 | - |
| Due to primary government | - | - | - | - | 24,872,138 |
| Unearned revenues | 1,278,195 | - | 1,278,195 | - | 10,465,452 |
| Amounts held on behalf of HVCC | 2,445,851 | - | 2,445,851 | - | - |
| Noncurrent liabilities: | | | | | |
| Due within one year | 14,297,658 | 2,280,000 | 16,577,658 | - | 439,108 |
| Due within more than one year | 280,608,658 | 50,442,529 | 331,051,187 | 177,054 | 67,683,719 |
| Total liabilities | 340,599,455 | 57,592,344 | 398,191,799 | 230,345 | 113,817,817 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Rent advances applicable to future years | - | - | - | 14,765 | - |
| Deferred inflows—relating to pensions | 3,677,880 | 1,241,400 | 4,919,280 | 3,873 | 2,104,022 |
| Deferred inflows—relating to OPEB | 13,539,004 | 4,458,264 | 17,997,268 | - | 649,358 |
| Deferred gain on refunding | 7,742,397 | - | 7,742,397 | - | - |
| Total deferred inflows of resources | 24,959,281 | 5,699,664 | 30,658,945 | 18,638 | 2,753,380 |
| NET POSITION | | | | | |
| Net investment in capital assets | 66,603,276 | 7,909,535 | 74,512,811 | 8,630 | 118,558,155 |
| Restricted for: | | | | | |
| Tax stabilization | 745,899 | - | 745,899 | - | - |
| Handicapped parking | 61,892 | - | 61,892 | - | - |
| Debt service | 2,080,833 | - | 2,080,833 | - | - |
| Sheriff | 58,094 | - | 58,094 | - | - |
| Scholarships and fellowships | - | - | - | - | 7,095,930 |
| Capital projects and debt service | 8,572,562 | 973,661 | 9,546,223 | - | 1,218,990 |
| South Troy Industrial Park Project | - | - | - | 13,601 | - |
| Loans | 869,800 | - | 869,800 | - | - |
| Unrestricted | 11,362,331 | 27,989,087 | 39,351,418 | 6,553,909 | 2,040,419 |
| Total net position | \$ 90,354,687 | \$ 36,872,283 | \$ 127,226,970 | \$ 6,576,140 | \$ 128,913,494 |

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

COUNTY OF RENNELLAER, NEW YORK
Statement of Activities
Year Ended December 31, 2020

| Function/Program | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | | Component Units | |
|--|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------|-------------------------------|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | Industrial Development Agency | Hudson Valley Community College (August 31, 2020) |
| Primary government: | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| General government support | \$ 57,947,535 | \$ 7,322,967 | \$ 3,029,536 | \$ - | \$ (47,595,032) | \$ - | \$ (47,595,032) | \$ - | \$ - |
| Education | 19,200,507 | 1,186,441 | 7,905,179 | - | (10,108,887) | - | (10,108,887) | - | - |
| Public safety | 43,017,899 | 4,255,075 | 2,187,015 | - | (36,575,809) | - | (36,575,809) | - | - |
| Health | 26,745,477 | 6,063,552 | 13,591,591 | - | (7,090,334) | - | (7,090,334) | - | - |
| Transportation | 11,928,356 | 21,379 | 3,371,574 | 699,942 | (7,835,461) | - | (7,835,461) | - | - |
| Economic assistance and opportunity | 90,138,149 | 3,726,095 | 30,732,812 | - | (55,679,242) | - | (55,679,242) | - | - |
| Culture and recreation | 502,080 | - | 255,139 | - | (246,941) | - | (246,941) | - | - |
| Home and community services | 7,562,550 | 11,351,455 | 65,663 | 375,000 | 4,229,568 | - | 4,229,568 | - | - |
| Interest and fiscal charges | 4,042,725 | - | - | - | (4,042,725) | - | (4,042,725) | - | - |
| Total governmental activities | 261,085,278 | 33,926,964 | 61,138,509 | 1,074,942 | (164,944,863) | - | (164,944,863) | - | - |
| Business-type activities: | | | | | | | | | |
| Van Rensselaer Manor | 51,643,666 | 34,203,698 | 12,331,920 | - | - | (5,108,048) | (5,108,048) | - | - |
| Total primary government | \$ 312,728,944 | \$ 68,130,662 | \$ 73,470,429 | \$ 1,074,942 | (164,944,863) | (5,108,048) | (170,052,911) | 1,092,840 | (7,048,318) |
| Component units: | | | | | | | | | |
| Industrial Development Agency | \$ 1,698,758 | \$ 2,791,598 | \$ - | \$ - | 70,707,634 | - | 70,707,634 | - | - |
| Hudson Valley Community College | 134,501,337 | 65,201,464 | 51,898,416 | 10,353,139 | 99,857,723 | - | 99,857,723 | - | - |
| Total component units | \$ 136,200,095 | \$ 67,993,062 | \$ 51,898,416 | \$ 10,353,139 | 2,793,054 | 20,506 | 2,793,054 | 20,506 | 1,000,077 |
| | | | | | 179,754 | - | 179,754 | - | - |
| | | | | | 160,586 | - | 160,586 | - | - |
| | | | | | 561,507 | - | 561,507 | - | 2,207,256 |
| | | | | | 2,293,522 | - | 2,293,522 | - | - |
| | | | | | 176,553,780 | - | 174,260,258 | 20,506 | 3,207,333 |
| | | | | | 11,608,917 | (5,108,048) | 6,500,869 | 1,113,346 | (3,840,985) |
| | | | | | 78,745,770 | 41,980,331 | 120,726,101 | 5,462,794 | 132,754,479 |
| | | | | | \$ 90,354,687 | \$ 36,872,283 | \$ 127,226,970 | \$ 6,576,140 | \$ 128,913,494 |
| General revenues: | | | | | | | | | |
| Real property taxes and tax items | | | | | 70,707,634 | - | 70,707,634 | - | - |
| Non-property taxes | | | | | 99,857,723 | - | 99,857,723 | - | - |
| Use of money and property | | | | | 2,793,054 | - | 2,793,054 | 20,506 | 1,000,077 |
| Fines and forfeitures | | | | | 179,754 | - | 179,754 | - | - |
| Sale of property and compensation for loss | | | | | 160,586 | - | 160,586 | - | - |
| Miscellaneous | | | | | 561,507 | - | 561,507 | - | 2,207,256 |
| Tobacco settlement revenue | | | | | 2,293,522 | - | 2,293,522 | - | - |
| Total general revenues | | | | | 176,553,780 | - | 174,260,258 | 20,506 | 3,207,333 |
| Change in net position | | | | | 11,608,917 | (5,108,048) | 6,500,869 | 1,113,346 | (3,840,985) |
| Net position—beginning | | | | | 78,745,770 | 41,980,331 | 120,726,101 | 5,462,794 | 132,754,479 |
| Net position—ending | | | | | \$ 90,354,687 | \$ 36,872,283 | \$ 127,226,970 | \$ 6,576,140 | \$ 128,913,494 |

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

COUNTY OF RENSSELAER, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2020

| | <u>General</u> | <u>Capital Projects</u> | <u>Total Nonmajor Funds</u> | <u>Total Governmental Funds</u> |
|---|-----------------------|-----------------------------|-------------------------------------|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 52,736,838 | \$ - | \$ 7,331,388 | \$ 60,068,226 |
| Restricted cash and cash equivalents | 3,377,808 | 6,317,949 | 2,082,708 | 11,778,465 |
| Cash with fiscal agent | - | 474,693 | - | 474,693 |
| Property taxes receivable (net of allowance) | 25,143,034 | - | - | 25,143,034 |
| Other receivables | 11,089,761 | - | 4,936,890 | 16,026,651 |
| Intergovernmental receivables | 37,989,151 | 2,067,102 | 746,605 | 40,802,858 |
| Due from other funds | 4,393,312 | 1,210,000 | 12,766 | 5,616,078 |
| Inventories | - | - | 300,680 | 300,680 |
| Prepaid items | 3,552,572 | - | 157,590 | 3,710,162 |
| Total assets | <u>\$ 138,282,476</u> | <u>\$ 10,069,744</u> | <u>\$ 15,568,627</u> | <u>\$ 163,920,847</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 10,246,905 | \$ 193,440 | \$ 1,264,578 | \$ 11,704,923 |
| Accrued liabilities | 9,308,748 | - | 76,142 | 9,384,890 |
| Due to other funds | 713,068 | 93,494 | 1,690,838 | 2,497,400 |
| Intergovernmental payables | 19,880,279 | - | 428 | 19,880,707 |
| Unearned revenues | 1,276,320 | - | 1,875 | 1,278,195 |
| Amounts held on behalf of HVCC | 1,235,603 | 1,210,248 | - | 2,445,851 |
| Total liabilities | <u>42,660,923</u> | <u>1,497,182</u> | <u>3,033,861</u> | <u>47,191,966</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue—property taxes | 16,297,582 | - | - | 16,297,582 |
| Total deferred inflows of resources | <u>16,297,582</u> | <u>-</u> | <u>-</u> | <u>16,297,582</u> |
| FUND BALANCES | | | | |
| Nonspendable | 3,552,572 | - | 1,328,070 | 4,880,642 |
| Restricted | 865,885 | 8,572,562 | 2,080,833 | 11,519,280 |
| Assigned | 25,014,991 | - | 9,125,863 | 34,140,854 |
| Unassigned | 49,890,523 | - | - | 49,890,523 |
| Total fund balances | <u>79,323,971</u> | <u>8,572,562</u> | <u>12,534,766</u> | <u>100,431,299</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 138,282,476</u> | <u>\$ 10,069,744</u> | <u>\$ 15,568,627</u> | <u>\$ 163,920,847</u> |

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

COUNTY OF RENSSELAER, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2020

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

| | | | |
|--|----|---------------------|----------------------|
| Total fund balances (deficit)—governmental funds (page 16) | \$ | 100,431,299 | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$399,825,248 and the accumulated depreciation is \$202,802,912. | | | 197,022,336 |
| A long-term receivable from Hudson Valley Community College is not reported as a fund receivable, but rather is recognized when the resources are available. The asset is reported in the statement of net position. | | | 24,872,138 |
| A long-term asset owed to RTASC by New York State is not available to pay for current period expenditures and, therefore, is not reported in the funds. | | | 1,971,043 |
| Uncollected property taxes are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds. | | | 16,297,582 |
| Deferred charges associated with refunding of bonds are not reported in the governmental funds. The charge is reported as a deferred outflow of resources on the statement of net position and is recognized as a component of interest expense over the life of the related debt. | | | 730,755 |
| Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds. | | | |
| Deferred outflows related to employer contributions | \$ | 6,654,938 | |
| Deferred outflows related to experience, changes of assumptions, investment earnings, and changes in proportion | | 37,328,111 | |
| Deferred inflows related to pension plans | | (3,677,880) | |
| Deferred outflows related to OPEB | | 12,770,083 | |
| Deferred inflows related to OPEB | | <u>(13,539,004)</u> | 39,536,248 |
| Internal service funds are used by management to charge the costs of management information systems and other internal services in addition to health insurance and workers' compensation. The assets and liabilities of the internal service funds are included in the government-wide statement of net position. | | | 4,849,502 |
| Net accrued interest expense for serial bonds is not reported in the funds. Accrued interest for general obligation bonds is \$627,810 and accrued interest on RTASC bonds is \$130,054 at year end. | | | (757,864) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are: | | | |
| Serial bonds | \$ | (44,630,924) | |
| Serial bonds - HVCC | | (24,872,138) | |
| Unamortized premiums | | (5,089,909) | |
| RTASC Tobacco Settlement Bonds and accreted interest | | (33,371,836) | |
| Unamortized premium on RTASC Tobacco Settlement Bonds | | (1,274,270) | |
| RTASC deferred gain on refunding | | (7,742,397) | |
| Installment purchase debt | | (45,833,121) | |
| Compensated absences | | (15,981,673) | |
| Other post-employment benefits plan obligation | | (53,112,107) | |
| Net pension liability | | <u>(62,689,977)</u> | <u>(294,598,352)</u> |
| Total net position of governmental activities | \$ | | <u>90,354,687</u> |

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

COUNTY OF RENSSELAER, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds
Year Ended December 31, 2020

| | <u>General</u> | <u>Capital Projects</u> | <u>Total Nonmajor Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|-----------------------------|-------------------------------------|---|
| REVENUES | | | | |
| Real property taxes | \$ 57,292,976 | \$ - | \$ 6,906,296 | \$ 64,199,272 |
| Real property tax items | 6,230,366 | - | - | 6,230,366 |
| Non-property tax items | 98,902,254 | - | 955,469 | 99,857,723 |
| Departmental income | 13,437,933 | - | 10,855,317 | 24,293,250 |
| Intergovernmental charges | 15,598,880 | - | - | 15,598,880 |
| Use of money and property | 520,388 | 6,847 | 2,265,819 | 2,793,054 |
| Licenses and permits | - | - | 5,430 | 5,430 |
| Fines and forfeitures | 179,654 | - | - | 179,654 |
| Sale of property and compensation for loss | 119,127 | - | 39,070 | 158,197 |
| Miscellaneous | 469,145 | 91,535 | 3,316 | 563,996 |
| Interfund revenues | 2,367,260 | - | - | 2,367,260 |
| State aid | 37,961,472 | 643,626 | 3,198,128 | 41,803,226 |
| Federal aid | 18,672,155 | 431,316 | 1,322,703 | 20,426,174 |
| Tobacco settlement revenue | - | - | 2,240,698 | 2,240,698 |
| Total revenues | <u>251,751,610</u> | <u>1,173,324</u> | <u>27,792,246</u> | <u>280,717,180</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government support | 55,212,381 | - | 917,054 | 56,129,435 |
| Education | 19,200,507 | - | - | 19,200,507 |
| Public safety | 38,389,995 | - | 283,956 | 38,673,951 |
| Health | 23,903,878 | - | - | 23,903,878 |
| Transportation | 582,125 | - | 12,024,029 | 12,606,154 |
| Economic assistance and opportunity | 84,220,097 | - | 1,585,067 | 85,805,164 |
| Culture and recreation | 441,175 | - | - | 441,175 |
| Home and community services | 772,284 | - | 4,034,891 | 4,807,175 |
| Employee benefits | - | - | 2,303,883 | 2,303,883 |
| Debt service: | | | | |
| Principal | 5,736,083 | - | 5,297,321 | 11,033,404 |
| Interest | 2,178,928 | - | 3,008,812 | 5,187,740 |
| Capital outlay | - | 2,320,147 | - | 2,320,147 |
| Total expenditures | <u>230,637,453</u> | <u>2,320,147</u> | <u>29,455,013</u> | <u>262,412,613</u> |
| Excess (deficiency) of revenues over expenditures | <u>21,114,157</u> | <u>(1,146,823)</u> | <u>(1,662,767)</u> | <u>18,304,567</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 91,863 | 1,653,000 | 2,880,347 | 4,625,210 |
| Transfers out | (3,180,000) | (92,210) | (1,353,000) | (4,625,210) |
| Serial bonds issued | - | 9,176,061 | - | 9,176,061 |
| Refunding bonds issued | - | - | 18,150,000 | 18,150,000 |
| Premium on refunding bonds issued | - | - | 3,735,179 | 3,735,179 |
| Payment to refunded bond escrow agent | - | - | (21,753,096) | (21,753,096) |
| Total other financing sources (uses) | <u>(3,088,137)</u> | <u>10,736,851</u> | <u>1,659,430</u> | <u>9,308,144</u> |
| Net change in fund balances (deficit) | 18,026,020 | 9,590,028 | (3,337) | 27,612,711 |
| Fund balances (deficit)—beginning | 61,297,951 | (1,017,466) | 12,538,103 | 72,818,588 |
| Fund balances (deficit)—ending | <u>\$ 79,323,971</u> | <u>\$ 8,572,562</u> | <u>\$ 12,534,766</u> | <u>\$ 100,431,299</u> |

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

COUNTY OF RENNELAER, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2020

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

Net change in fund balances (deficit)—total governmental funds (page 18) \$ 27,612,711

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and capital disposals in the current period.

| | | |
|-------------------------|---------------------|-----------|
| Capital asset additions | \$ 14,914,328 | |
| Loss on disposal | (70,059) | |
| Depreciation expense | <u>(12,895,448)</u> | 1,948,821 |

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 RTASC long-term receivable | \$ 52,824 | |
| Change in property tax revenue | 277,996 | |
| HVCC principal reimbursement | <u>(5,019,802)</u> | (4,688,982) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.

(12,767)

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

| | | |
|---|------------------|--------------|
| Direct pension contributions | \$ 6,654,938 | |
| Cost of benefits earned net of employee contributions | <u>5,772,783</u> | (12,427,721) |

Deferred outflows and deferred 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 and are as follows:

| | | |
|--|---------------------|-------------|
| Changes of assumptions | \$ 7,083,654 | |
| Differences between expected and actual experience | <u>(10,847,501)</u> | (3,763,847) |

Internal service funds are used by management to charge the costs of management information systems and other internal services in addition to health insurance and workers' compensation. The net revenue of certain activities of internal service funds is reported within the governmental activities.

1,484,178

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

77,575

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on 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:

| | | |
|---|----------------|------------------|
| Serial bonds issued | \$ (9,176,061) | |
| Refunding bonds issued | (18,150,000) | |
| Payment to refunded bond escrow agent | 21,675,000 | |
| Principal payments on serial bonds | 4,251,903 | |
| Principal payments on serial bonds - HVCC | 1,986,302 | |
| Premium on refunding bonds issued | (3,735,179) | |
| Amortization of bond premiums | 276,805 | |
| Accreted interest on RTASC Subordinate Turbo CABs | (292,901) | |
| Principal payments on RTASC Tobacco Settlement Bonds | 665,000 | |
| Amortization of RTASC Tobacco Settlement Bonds premium | 29,346 | |
| Change in RTASC deferred gain on refunding | 178,310 | |
| Payment of installment purchase debt | 4,130,199 | |
| Change in compensated absences | (1,266,296) | |
| Change in net other postemployment benefits plan obligation | <u>806,521</u> | <u>1,378,949</u> |

Change in net position of governmental activities

\$ 11,608,917

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

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

| | <u>Business-type Activities</u> | <u>Governmental Activities</u> |
|--|-------------------------------------|---------------------------------------|
| | <u>Van Rensselaer Manor</u> | <u>Internal Service Funds</u> |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 47,532,979 | \$ 13,241,358 |
| Restricted cash and cash equivalents | 973,661 | - |
| Other receivables, net of allowance for uncollectibles | 11,552,065 | 142,149 |
| Intergovernmental receivables | - | 62,983 |
| Due from other funds | - | 959,486 |
| Inventories | 198,064 | - |
| Prepaid items | 627,021 | - |
| Total current assets | <u>60,883,790</u> | <u>14,405,976</u> |
| Noncurrent assets: | | |
| Cash with fiscal agent | 3,866,742 | - |
| Capital assets not being depreciated | 714,254 | - |
| Capital assets, net of accumulated depreciation | 18,550,281 | - |
| Total noncurrent assets | <u>23,131,277</u> | <u>-</u> |
| Total assets | <u>84,015,067</u> | <u>14,405,976</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows—relating to pensions | 14,715,796 | - |
| Deferred outflows—relating to OPEB | 4,246,188 | - |
| Total deferred outflows of resources | <u>18,961,984</u> | <u>-</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 1,700,343 | 85,070 |
| Accrued liabilities | 3,169,472 | 155,639 |
| Due to other funds | 2,812,760 | 1,265,404 |
| Long-term debt—current | 2,280,000 | - |
| Total current liabilities | <u>9,962,575</u> | <u>1,506,113</u> |
| Noncurrent liabilities: | | |
| Accrued workers' compensation liability | - | 8,050,361 |
| Accrued other post employment benefits | 16,340,948 | - |
| Long-term debt—excluding current portion | 12,941,742 | - |
| Net pension liability | 21,159,839 | - |
| Total noncurrent liabilities | <u>50,442,529</u> | <u>8,050,361</u> |
| Total liabilities | <u>60,405,104</u> | <u>9,556,474</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows—relating to pensions | 1,241,400 | - |
| Deferred inflows—relating to OPEB | 4,458,264 | - |
| Total deferred inflows of resources | <u>5,699,664</u> | <u>-</u> |
| NET POSITION | | |
| Net investment in capital assets | 7,909,535 | - |
| Restricted for capital purposes | 973,661 | - |
| Unrestricted | 27,989,087 | 4,849,502 |
| Total net position | <u>\$ 36,872,283</u> | <u>\$ 4,849,502</u> |

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

COUNTY OF RENSSELAER, NEW YORK
Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds
Year Ended December 31, 2020

| | Business-type Activities | Governmental Activities |
|--|-------------------------------------|---------------------------------------|
| | Van Rensselaer Manor | Internal Service Funds |
| Operating revenues: | | |
| Net patient service revenue | \$ 34,203,698 | \$ - |
| Charges for services—interfund | - | 25,374,663 |
| Charges for services—intergovernmental | 7,703,098 | 1,336,960 |
| Other operating revenues | <u>4,628,822</u> | <u>-</u> |
| Total operating revenues | <u>46,535,618</u> | <u>26,711,623</u> |
| Operating expenses: | | |
| Nursing and medical services | 21,792,550 | - |
| Dietary | 3,444,319 | - |
| Household and plant operation | 4,294,820 | - |
| Administrative and general services | 5,708,425 | - |
| Fringe benefits | 13,778,081 | 2,161,383 |
| Interest expense | 290,579 | - |
| Depreciation | 1,584,438 | - |
| Contractual expenses | - | 23,128,460 |
| Bad debt expense | <u>717,670</u> | <u>-</u> |
| Total operating expenses | <u>51,610,882</u> | <u>25,289,843</u> |
| Operating income (loss) | <u>(5,075,264)</u> | <u>1,421,780</u> |
| Nonoperating revenues (expenses): | | |
| Other nonoperating expenses | (32,784) | - |
| Interest income | <u>-</u> | <u>62,398</u> |
| Total nonoperating revenues (expenses) | <u>(32,784)</u> | <u>62,398</u> |
| Change in net position | (5,108,048) | 1,484,178 |
| Total net position—beginning | <u>41,980,331</u> | <u>3,365,324</u> |
| Total net position—ending | <u>\$ 36,872,283</u> | <u>\$ 4,849,502</u> |

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

COUNTY OF RENSSELAER, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2020

| | Business-type Activities | Governmental Activities |
|---|-------------------------------------|---------------------------------------|
| | Van Rensselaer Manor | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts for patient care or services provided | \$ 37,752,779 | \$ 26,507,043 |
| Receipts for intergovernmental transfer | 5,796,716 | - |
| Payments to suppliers for goods and services | (16,608,057) | (23,108,225) |
| Payments to employees for services | (27,578,704) | (1,613,687) |
| Payments for interest | (489,709) | - |
| Other operating revenue | 4,628,822 | - |
| Net cash provided by operating activities | 3,501,847 | 1,785,131 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| (Payments to) advances from other funds | 2,627,345 | 236,166 |
| Other nonoperating expenses | (32,784) | - |
| Interest earned on bank accounts | - | 62,398 |
| Net cash provided by non-capital financing activities | 2,594,561 | 298,564 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Capital purchases | (612,753) | - |
| Principal payments on long-term debt | (2,230,000) | - |
| Net cash (used for) capital and related financing activities | (2,842,753) | - |
| Net increase in cash and cash equivalents | 3,253,655 | 2,083,695 |
| Cash and cash equivalents—beginning | 45,252,985 | 11,157,663 |
| Cash and cash equivalents—ending | \$ 48,506,640 | \$ 13,241,358 |

(continued)

COUNTY OF RENSSELAER, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2020

(concluded)

| | Business-type Activities | Governmental Activities |
|--|-------------------------------------|---------------------------------------|
| | Van Rensselaer Manor | Internal Service Funds |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | |
| Operating income (loss) | \$ (5,075,264) | \$ 1,421,780 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation expense | 1,584,438 | - |
| Decrease (increase) in accounts receivable | 2,360,369 | (141,597) |
| (Increase) in intergovernmental receivables | - | (62,983) |
| (Increase) in inventory | (32,183) | - |
| (Increase) in prepaid expenses | (13,215) | - |
| (Increase) in deferred outflows of resources | (10,985,030) | - |
| Increase in accounts payable | 695,292 | 20,235 |
| (Decrease) increase in accrued liabilities | (287,394) | 547,696 |
| (Decrease) in other postemployment benefits obligation | (159,827) | - |
| Increase in net pension liability | 14,342,417 | - |
| Increase in deferred inflows of resources | 1,072,244 | - |
| Total adjustments | 8,577,111 | 363,351 |
| Net cash provided by operating activities | \$ 3,501,847 | \$ 1,785,131 |

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

COUNTY OF RENSSELAER, NEW YORK
Statement of Fiduciary Net Position—Fiduciary Fund
December 31, 2020

| | <u>Custodial Fund</u> |
|--------------------------------------|----------------------------------|
| ASSETS | |
| Restricted cash and cash equivalents | \$ 4,313,879 |
| Total assets | <u>4,313,879</u> |
| LIABILITIES | |
| Accounts payable | <u>2,422,494</u> |
| Total liabilities | <u>2,422,494</u> |
| NET POSITION | |
| Restricted for resident trust funds | 257,507 |
| Restricted for other | <u>1,633,878</u> |
| Total restricted net position | <u><u>\$ 1,891,385</u></u> |

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

COUNTY OF RENSSELAER, NEW YORK
Statement of Changes in Fiduciary Net Position—Fiduciary Fund
Year Ended December 31, 2020

| | <u>Custodial Fund</u> |
|------------------------------------|----------------------------------|
| ADDITIONS | |
| Funds received on behalf of others | \$ 3,907,550 |
| Total additions | <u>3,907,550</u> |
| DEDUCTIONS | |
| Funds distributed to others | <u>3,776,001</u> |
| Total deductions | <u>3,776,001</u> |
| Change in fiduciary net position | 131,549 |
| Net position—beginning | <u>1,759,836</u> |
| Net position—ending | <u><u>\$ 1,891,385</u></u> |

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

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COUNTY OF RENSSELAER, NEW YORK
Notes to the Financial Statements
Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of Government-Wide Financial Statements

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

Reporting Entity

The County was established in 1791 and is governed by County Law, other general laws of the State of New York and various local laws. The County Charter was adopted September 7, 1972, effective January 1, 1974. The County Executive and County Legislature govern the County. The County Executive appoints the Chief Fiscal Officer, the Administrator of the Bureau of Finance.

Independently elected officials of the County include:

| | |
|-------------------------|--------------|
| County Executive | County Clerk |
| County Legislators (19) | Sheriff |
| District Attorney | |

The County provides mandated social service programs such as Medicaid, Temporary Assistance for Needy Families and Safety Net. The County also provides services and facilities in the areas of culture, recreation, education, police, youth, health, senior services, roads, and sanitary sewerage. These general government programs and services are financed by various taxes, state and federal aid and departmental revenue (which is primarily comprised of service fees and various types of program-related charges). Additionally, the County also operates a nursing home.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. 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 discretely presented component units are reported in a separate column to emphasize that they are legally separate from the County.

Rensselaer County Industrial Development Agency—The Rensselaer County Industrial Development Agency (the “Agency”) was created April 1, 1974 by a special act of the New York State Legislature based upon the need to maintain and stimulate the economy and industry of Rensselaer County by providing attractive programs of industrial financing. The financial statements of the Agency have been prepared on an accrual basis.

The Agency does not record the property and related bond financing on its books since it only assists in obtaining monies for such projects. Equipment owned by the Agency is stated at cost less accumulated depreciation. Depreciation is recognized on a straight-line basis over the estimated useful life of the asset. The annual financial report can be obtained by writing the Rensselaer County Industrial Development Agency, Rensselaer County Economic Development and Planning Department, 1600 Seventh Avenue, Troy, New York 12180.

Hudson Valley Community College—The Hudson Valley Community College (“HVCC”) was established under Article 126 of the Education Act of the State of New York under the sponsorship of Rensselaer County. A Board of Trustees operates the College under paragraph (C) of the Subdivision 6 of Section 6304 of the Education Act of the State of New York. There are ten board members, five are appointed by the County Legislature, the Governor appoints four, and one is an elected student. HVCC is included based on its August 31, 2020 fiscal year end. The annual financial report can be obtained by writing the Chief Fiscal Officer, Hudson Valley Community College, 80 Vandenberg Avenue, Troy, New York 12180.

The financial statements of HVCC have been prepared on the accrual basis.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as: (1) expenditures, in the case of normal replacement of moveable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and (3) transfers of a non-mandatory nature for all other cases.

The financial statements of HVCC include two discretely presented component units; the Faculty Student Association and the Hudson Valley Community College Endowment Corporation.

Blended Component Units—The following blended component units are legally separate entities from the County, but are, in substance, part of the County’s operations and therefore data from the units is combined with data of the primary government.

Rensselaer Tobacco Asset Securitization Corporation—The Rensselaer Tobacco Asset Securitization Corporation (“RTASC”) is a special purpose, bankruptcy remote, local development corporation organized under the Not-for-Profit Corporation Law of the State of New York and is an instrumentality of, but separate and apart from, the County. Although legally separate and independent of the County, RTASC is considered an affiliated organization and, therefore, is reported as a blended component unit of the County. The annual financial report may be obtained by writing the Rensselaer County Bureau of Finance, Rensselaer County Office Building, 1600 Seventh Avenue, Troy, New York 12180.

Rensselaer County Capital Resource Corporation—The Rensselaer County Capital Resource Corporation (“RCCRC”) was formed under New York State Not-for-Profit Corporation Law in 2018 for the purpose of promoting community and economic development and the creation of jobs in the County. The County is the sole member of the RCCRC which comprises of seven directors including the Chairman of the RCIDA, the Treasurer of the RCIDA and any additional members of the RCIDA so appointed as directors by the County Executive. The RCCRC has been reflected as a blended component unit of the County. The RCCRC had no financial activity for the year ended December 31, 2020 and therefore no related activity has been reflected in the County’s financial statements.

Basis of Presentation—Government-wide Financial Statements

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

As discussed earlier, the County has two discretely presented component units. While neither the Rensselaer County Industrial Development Agency nor the Hudson Valley Community College are considered to be a major component unit, they are nevertheless 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 other charges between the County and various other functions of the County. Elimination of these charges 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 and blended component unit. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental 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*—The General Fund is the primary operating fund of the County and accounts for all financial resources of the general government, except those required to be accounted for in other funds. The principal sources of revenue for the General Fund are property taxes and sales tax.
- *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.

The County reports two proprietary funds as follows:

- *Van Rensselaer Manor*—This enterprise fund is used to account for operations which provide goods or services to the general public. These ongoing activities are similar to those found in the private sector; therefore, the determination of net income is necessary for sound financial administration. The County maintains one enterprise fund to account for the Van Rensselaer Manor, which is a New York State licensed 362-bed skilled nursing and health related facility.

- *Internal Service Funds*—The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. Combined in the internal service fund, the County accounts for self-insurance programs for workers’ compensation benefits, insurance program for health, dental, and unemployment benefits, the County’s insurance program for liability coverage as well as a variety of services including data processing, purchasing, printing, automotive maintenance and several finance-oriented services.

Additionally, the County reports the following fund types:

- *Fiduciary Fund*—Fiduciary funds are used to account for the resources held for the behalf of parties outside the County. The 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.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) 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 activities column.

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

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues 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 the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered 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 revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, 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, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 60 days of year-end). 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 (within 180 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds and fiduciary funds are reported using the *economic resources measurement focus* and use 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 include cash on hand, demand deposits, time deposits and short-term, highly liquid investments which are readily convertible to known amounts of cash and have a maturity date within six months or less from the date of acquisition. State statutes and various resolutions of the County 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. Investments are stated at fair value based on quoted market prices. The County’s primary government reports no investments at December 31, 2020.

Restricted Cash and Cash Equivalents and Cash with Fiscal Agent—Restricted cash and cash with fiscal agent represents debt proceeds, unearned revenues, amounts held on behalf of HVCC, amounts to support restricted fund balance held by the County, trustee banks to be drawn down as the County and/or College incurs eligible project costs, installment purchase debt proceeds of the Van Rensselaer Manor, and deposits held on behalf of others.

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

Inventories—All inventories, which are comprised of general supplies, prescription drugs, and medical and other supplies, are valued at the lower of cost using the first-in/first out (FIFO) method or market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

Amounts held on behalf of Hudson Valley Community College (“HVCC”)—The County temporarily holds assets on behalf of the HVCC for various purposes, including for debt payments.

Capital Assets—Capital assets include property, buildings, equipment and infrastructure assets (e.g. roads, bridges, drainage systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are incurred.

The County depreciates capital assets using the straight-line method over the following estimated useful lives:

| Assets | Years |
|---------------------------|-------|
| Buildings | 40 |
| Building improvements | 20 |
| Land improvements | 20 |
| Infrastructure: | |
| Dams and drainage systems | 100 |
| Water and sewer systems | 50 |
| Traffic control systems | 40 |
| Bridges and culverts | 30 |
| Roads | 20 |
| Machinery and equipment | 3-10 |

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 Sheriff’s vehicle included as part of *expenditures—public safety*). At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Unearned Revenue—Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial purposes. At December 31, 2020, the County reported unearned revenues within the General Fund of \$1,276,320 and within the Sewer Fund of \$1,875.

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 position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2020, the County’s primary government has three items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide financial statements, as well as within individual proprietary funds. This represents the effect of the net change in the County’s proportion of the collective net pension liability, the difference during the measurement period between the County’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension system made subsequent to the measurement date. The second item represents the effects of the change in the County’s proportion of the collective net OPEB liability and the difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability, and is reported on the government-wide statements. The third item is a deferred loss on refunding bonds.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County's primary government has four items that qualify for reporting in this category. The first arises under a modified accrual basis of accounting. Accordingly, the item *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. 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 financial statements. The third item represents the effects of the change in the County's proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability and is reported on the government-wide financial statements. The final item is a deferred gain on RTASC refunding bonds.

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

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Legislature (Legislature) has by resolution authorized the Chief Fiscal Officer to assign fund balance. The Legislature 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 Expenditures/Expenses

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses—Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Van Rensselaer Manor (the "Manor") and internal service funds are charges to customers and interfund/ intergovernmental entities for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Manor records patient revenue at established rates for services rendered to all patients. Payments for services rendered to patients covered by Medicare, Medicaid and certain other prospective rate or cost based third-party payers are generally less than established rates, and contractual allowances are recorded to reflect these differences. Final determination of amounts due the Manor under these cost reimbursement programs are subject to audit or review by the respective administrative agencies, and provision has been made for estimated adjustments that may result. Differences between estimated amounts and accrued final settlements are reported in operations in the year of settlement. The Medicare cost report has been settled through 2019.

Property Taxes and Non-Property Taxes—Real property tax levies are fully accrued at the beginning of the fiscal year and are received and accounted for in the General Fund. Accruals for "due to other funds" are recorded in the General Fund for the portion of the tax revenue allocated to other funds. The current year's property taxes are levied and the prior year's unpaid school taxes are re-levied on a warrant to collect taxes by December 31 based on the fully assessed value of real property within the County. The fourteen towns are responsible for collection of the tax warrant until March 31. At that time, settlement proceedings take place whereby the County becomes the collecting agent and the towns receive full credit for their entire levy. The County becomes the enforcement agent for tax liens on all County real property except property within the cities of Troy and Rensselaer. The County has entered into agreements with these cities whereby the cities assess and collect all City and County taxes on property within each City and serve as enforcement agent for tax liens on such property. County taxes collected by the cities are remitted to the County periodically.

Uncollected property taxes assumed by the County as a result of the settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. Net property taxes receivable at December 31, 2020 are \$25,143,034. The portion of the receivable, \$7,881,577, that represents taxes re-levied for schools and villages is recognized as a liability and is included in intergovernmental payables. Another portion of the receivable, \$16,297,582, that is not considered available under the modified accrual basis of accounting, i.e. not collected within sixty days, is recorded as a deferred inflow of resources.

Tax rates are calculated using assessments prepared by individual town and city assessors as adjusted by the New York State Board of Equalization and Assessment for the purpose of comparability. The total taxable assessed value of real property included in the tax levy of 2020 is approximately \$11.31 billion. The total County levy, including all charge-backs, for 2020 was \$73,686,117. County tax rates vary by each assessing unit due to differences in equalization rates. The statutory maximum tax rate is 1.5% of the 5-year average of the equalized assessment. The 2020 levy represents approximately 41.19% of the maximum statutory levy.

Effective September 1, 1994, the County-wide sales tax was increased from seven percent to eight percent. The County received authorization to impose an additional one percent sales tax that commenced on December 1, 2009 and extended through November 30, 2011. During the fiscal year ended December 31, 2011 the County received authorization to continue a one percent extension on its local share of sales tax for the period commencing December 1, 2011 and ending on November 30, 2013. During the fiscal year ended December 31, 2013 the County received authorization to continue a one percent extension on its local share of sales tax for the period commencing December 1, 2013 and ending on November 30, 2015. During the fiscal year ended December 31, 2015, the County received authorization to continue a one percent extension on its local share of sales tax for the period commencing December 1, 2015 and ending November 30, 2017. During the fiscal year ended December 31, 2017, the County received authorization to continue a one percent extension on its local share of sales tax for the period commencing December 1, 2017 and ending November 30, 2019. The County allocates a percentage of the sales tax to the cities, towns and villages within the County. The agreements with cities relating to calculation and distribution of their proportional share of sales tax have been negotiated and approved by the New York State Office of the Comptroller through March 31, 2021.

Compensated Absences—According to various union contracts, County employees are entitled to personal leave, sick leave and vacations annually as follows:

| | |
|----------------|------------|
| Personal leave | 0-5 days |
| Sick leave | 13 days |
| Vacation | 10-25 days |

Payment of compensated absences recorded as long-term debt in the government-wide financial statements is dependent upon many factors; therefore, timing of future payment is not readily determinable. However, management believes that sufficient resources will be made available for the future payment of compensated absences when such payments become due.

Pensions—The County is mandated by New York State law to participate in the New York State Teacher’s 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 in Note 6.

Other Postemployment Benefits (“OPEB”)—In addition to providing pension benefits, the County provides health insurance benefits for retired employees as required by the union contracts. The employees become eligible for these benefits if they reach normal retirement age while working for the County. More information regarding OPEB is included in Note 7.

Intergovernmental Transfer (“IGT”)—The County is required to advance a percentage of the total Intergovernmental Transfer payments, which is determined by the Federal Matching Rate approved by the Centers for Medicare & Medicaid Services. The qualifying nursing homes are entitled to 100% of the share amount which is allocated based upon the ratio of each facility’s reported Medicaid days divided by the total reported Medicaid days for all eligible activities.

Interfund Revenues—The County allocates General Fund costs incurred in the general administration of the County to other funds based on their proportionate benefit of the total costs allocated. In 2020, the County has reported interfund revenues in the General Fund of \$2,367,260 representing an allocation of costs to various special revenue funds and the Manor. The amounts are reported as general government support expenditures in the General Fund as well as in the benefiting funds.

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, liabilities, deferred outflows/inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Reclassifications—Certain amounts were classified from HVCC’s financial statements to conform to the County’s reporting presentation. In the HVCC’s statement of net position, \$24,872,138 previously classified as long term liabilities was reclassified as due to component units. This amount has been included in the County’s statement of net position as due from component units and included in long term liabilities. This amount represents serial bonds that are funded by the College, but are issued by the County on behalf of the College.

Medicaid Services—The New York State Department of Health processes payments for Medicaid services through a third-party contractor. The County is subsequently billed for its share of expenditures as established by State laws and regulations. Chapter 58 of Laws of 2006 capped County Medicaid costs at calendar 2006 levels and an annual growth rate of 3.0 percent, based on each County’s local share of expenditures in 2005. In 2012, the state legislature amended the law (Part F) to reduce the counties increase to 2.0 percent in 2013, 1.0 percent in 2014 and 0.0 percent thereafter.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2020, the County implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Additionally, the County early implemented GASB Statements No. 92, *Omnibus 2020*; and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB Statement No. 92 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB Statement No. 97 increases consistency and comparability related to the reporting of fiduciary component units, mitigates costs associated with the reporting of certain defined contribution plans and enhances the relevance, consistency and comparability of the accounting and reporting for internal Revenue Code Section 457 deferred compensation plans. The implementation of GASB Statements No. 92, 95, and 97 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. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; and No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending December 31, 2021, No. 87, *Leases*; and No. 91, *Conduit Debt Obligations*, effective for the year ending December 31, 2022, and No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending December 31, 2023. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 87, 89, 91, 93, 94, and 96 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets

Budgets and Budgetary Accounting—The County’s annual procedures in establishing the budgetary data reflected in the basic financial statements are as follows:

- Prior to October 20th, the Budget Director, on behalf of the County Executive, submits to the County Legislature a tentative budget for the following fiscal year to commence on January 1st.
- The tentative budget includes expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers’ comments, prior to November 28th.
- The Legislature acts on the tentative budget prior to December 10th.
- The Budget Director is authorized to approve all budget transfer requests within departmental budgets except for personal service transfers and interdepartmental and interfund transfers, which must be approved by the Legislature.
- Formal annual budgetary accounts are adopted and employed for control of all governmental funds except the Capital Projects Fund. Budgetary control over individual capital projects is provided by Legislative approval or bond authorizations and provision of bond indebtedness.

2. CASH AND CASH EQUIVALENTS

County monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Total cash and cash equivalents (including restricted cash) reported by the County's primary government and Fiduciary Funds at December 31, 2020 is presented below:

| | Governmental Activities | Business-type Activities | Fiduciary Funds | Total |
|-------------------------------|----------------------------|-----------------------------|---------------------|-----------------------|
| Petty cash (uncollateralized) | \$ 8,650 | \$ 2,500 | \$ - | \$ 11,150 |
| Deposits | 85,079,399 | 48,504,140 | 4,313,879 | 137,897,418 |
| Cash held by fiscal agent | 474,693 | - | - | 474,693 |
| Total | <u>\$ 85,562,742</u> | <u>\$ 48,506,640</u> | <u>\$ 4,313,879</u> | <u>\$ 138,383,261</u> |

The County's cash and cash equivalents were comprised of the following at December 31, 2020:

| | Fair Value at December 31, 2020 |
|--------------------------------------|---------------------------------------|
| Petty cash (uncollateralized) | \$ 11,150 |
| Deposits with financial institutions | 136,291,278 |
| Money market funds | 5,321 |
| Discount note | 2,075,512 |
| Total | <u>\$ 138,383,261</u> |

Deposits with Financial Institutions—All deposits are carried at fair value, and are classified by credit risk category as follows:

| | December 31, 2020 | |
|--|-----------------------|-----------------------|
| | Bank Balance | Carrying Amount |
| FDIC insured | \$ 35,189,863 | \$ 35,481,095 |
| Uninsured: | | |
| Collateral held by pledging bank's agent in County's name | 104,872,213 | 102,416,323 |
| Total deposits | <u>\$ 140,062,076</u> | <u>\$ 137,897,418</u> |

Cash Equivalents—Cash equivalents, in the case of RTASC, include money market accounts and a discount note with a maturity date within six months of year end, and are, therefore, considered to be cash equivalents at December 31, 2020. These cash equivalents are carried at fair value as presented below:

| | Bank Balance | Carrying Amount |
|--------------------|---------------------|---------------------|
| Money market funds | \$ 5,321 | \$ 5,321 |
| Discount note | 2,075,512 | 2,075,512 |
| Total | <u>\$ 2,080,833</u> | <u>\$ 2,080,833</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. As noted above, by State Statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2020, the County’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the County’s name.

Restricted cash—Total governmental funds restricted cash totals \$11,778,465, of which \$1,235,603 represents cash held on behalf of HVCC, \$1,278,195 related to unearned revenue, \$2,946,718 represents amounts to support restricted fund balance and \$6,317,949 is related to capital projects. Custodial fund restricted cash totals \$4,313,879 which represents funds held on behalf of other entities. Finally, the business-type activities report restricted cash totaling \$973,661 which represents Van Rensselaer Manor interest income earned from interest-bearing deposits, which are considered restricted following the establishment of an equipment reserve reported as restricted net position.

Cash with Fiscal Agent—The County’s governmental activities report cash with a fiscal agent of \$474,693 for capital projects at December 31, 2020. Van Rensselaer Manor reports cash with fiscal agent of \$3,866,742 for installment purchase debt proceeds held in escrow related to upcoming capital projects. Due to the nature of these deposits, they do not require FDIC insurance coverage or collateral held by escrow agents.

Rensselaer County Industrial Development Agency

Deposits for the Agency totaled \$6,403,403 (includes restricted cash of \$13,601) and were fully collateralized at December 31, 2020.

Hudson Valley Community College

Deposits and investments for HVCC (including amounts held by trustee banks) totaled \$51,361,618 and were fully collateralized or insured at August 31, 2020.

3. RECEIVABLES

Major revenues accrued by the County at December 31, 2020 consisted of the following:

Property Taxes Receivable—Represents amounts due to the County for real property taxes and tax items of \$26,148,828. These amounts are reported net of an allowance for uncollectible taxes provision of \$1,005,794.

Other Receivables—Represent amounts due from various sources. The County’s accounts receivable at December 31, 2020 are as shown below:

| | |
|--|----------------------|
| Governmental Funds: | |
| General Fund | \$ 11,089,761 |
| Other nonmajor funds | 4,936,890 |
| Enterprise Fund, net of allowance of \$535,200 | 11,552,065 |
| Internal Service Funds | <u>142,149</u> |
| Total | <u>\$ 27,720,865</u> |

Intergovernmental Receivables—Represents amounts due from other local municipalities for chargebacks and claims for reimbursement of expenditures in administering various mental health and social service programs. Amounts are net of related advances from New York State. Amounts accrued at December 31, 2020 are shown below:

| | |
|------------------------|----------------------|
| Governmental Funds: | |
| General Fund | \$ 37,989,151 |
| Capital Projects Fund | 2,067,102 |
| Other nonmajor funds | 746,605 |
| Internal Service Funds | <u>62,983</u> |
| Total | <u>\$ 40,865,841</u> |

Rensselaer County Industrial Development Agency

The Agency reports grants and accounts receivable of \$2,355. These items are non-interest bearing and are carried at their estimated collectible amounts. Grants and accounts receivable are periodically evaluated for collectability based on a review of outstanding receivables, historical collection information and current economic conditions. The Agency estimates that all receivable balances are collectible; accordingly, no allowance for doubtful accounts has been recorded.

Hudson Valley Community College

Accounts Receivable—Accounts receivable of HVCC for the fiscal year ended August 31, 2020 was as follows:

| | |
|--|----------------------|
| Sponsor and other counties | \$ 542,195 |
| Grants and contracts | 7,875,790 |
| Students, less \$5,148,615 allowance for doubtful accounts | 1,211,471 |
| State aid and other | <u>2,486,389</u> |
| Total | <u>\$ 12,115,845</u> |

HVCC’s component units, the Faculty Student Association and the Hudson Valley Community College Foundation report accounts receivable of \$285,973 and \$48,400, respectively.

Notes Receivable—HVCC reports notes receivable of \$540,000 at December 31, 2020.

4. CAPITAL ASSETS

Governmental activities—Capital asset activity for governmental activities for the year ended December 31, 2020 was as follows:

| | Balance 1/1/2020 | Increases | Decreases | Balance 12/31/2020 |
|--|-----------------------|---------------------|------------------|-----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 762,880 | \$ - | \$ - | \$ 762,880 |
| Construction in progress | 9,660,011 | 1,576,189 | - | 11,236,200 |
| Total capital assets, not being depreciated | <u>10,422,891</u> | <u>1,576,189</u> | <u>-</u> | <u>11,999,080</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 6,412,747 | - | - | 6,412,747 |
| Buildings and improvements | 135,523,429 | 129,697 | 180,500 | 135,472,626 |
| Infrastructure | 177,122,783 | 4,984,499 | - | 182,107,282 |
| Machinery and equipment | 55,685,643 | 8,223,943 | 76,073 | 63,833,513 |
| Total capital assets, being depreciated | <u>374,744,602</u> | <u>13,338,139</u> | <u>256,573</u> | <u>387,826,168</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | 6,339,802 | 3,725 | - | 6,343,527 |
| Buildings and improvements | 66,903,447 | 4,491,011 | 137,631 | 71,256,827 |
| Infrastructure | 88,777,457 | 4,490,719 | - | 93,268,176 |
| Machinery and equipment | 28,073,272 | 3,909,993 | 48,883 | 31,934,382 |
| Total accumulated depreciation | <u>190,093,978</u> | <u>12,895,448</u> | <u>186,514</u> | <u>202,802,912</u> |
| Total capital assets, being depreciated, net | <u>184,650,624</u> | <u>442,691</u> | <u>70,059</u> | <u>185,023,256</u> |
| Governmental activities capital assets, net | <u>\$ 195,073,515</u> | <u>\$ 2,018,880</u> | <u>\$ 70,059</u> | <u>\$ 197,022,336</u> |

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

| | |
|--|----------------------|
| Governmental activities: | |
| General government support | \$ 1,774,502 |
| Public safety | 4,979,401 |
| Health | 33,694 |
| Transportation | 3,889,511 |
| Economic assistance and opportunity | 161,153 |
| Culture and recreation | 7,717 |
| Home and community services | <u>2,049,470</u> |
| Total depreciation expense—governmental activities | <u>\$ 12,895,448</u> |

Business-type activities—Capital asset activity for business-type activities (Enterprise Fund) for the year ended December 31, 2020 was as follows:

| | Balance 1/1/2020 | Increases | Decreases | Balance 12/31/2020 |
|--|----------------------|---------------------|----------------|-----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 550,000 | \$ - | \$ - | \$ 550,000 |
| Construction in progress | <u>-</u> | <u>164,254</u> | <u>-</u> | <u>164,254</u> |
| Total capital assets, not being depreciated | <u>550,000</u> | <u>164,254</u> | <u>-</u> | <u>714,254</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 20,439,030 | - | - | 20,439,030 |
| Fixed equipment | 24,675,243 | - | - | 24,675,243 |
| Major moveable equipment | <u>5,322,774</u> | <u>448,499</u> | <u>122,451</u> | <u>5,648,822</u> |
| Total capital assets, being depreciated | <u>50,437,047</u> | <u>448,499</u> | <u>122,451</u> | <u>50,763,095</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 16,619,461 | 373,657 | - | 16,993,118 |
| Fixed equipment | 11,798,044 | 714,302 | - | 12,512,346 |
| Major moveable equipment | <u>2,333,322</u> | <u>496,479</u> | <u>122,451</u> | <u>2,707,350</u> |
| Total accumulated depreciation | <u>30,750,827</u> | <u>1,584,438</u> | <u>122,451</u> | <u>32,212,814</u> |
| Total capital assets, being depreciated, net | <u>19,686,220</u> | <u>(1,135,939)</u> | <u>-</u> | <u>18,550,281</u> |
| Business-type activities capital assets, net | <u>\$ 20,236,220</u> | <u>\$ (971,685)</u> | <u>\$ -</u> | <u>\$ 19,264,535</u> |

Rensselaer County Industrial Development Agency

Capital assets for the Agency for the fiscal year ended December 31, 2020 was as follows:

| | |
|--------------------------------|---------------------|
| | Balance 12/31/20 |
| Machinery and equipment | \$ 149,718 |
| Less: accumulated depreciation | <u>(141,088)</u> |
| Total capital assets, net | <u>\$ 8,630</u> |

Hudson Valley Community College

Capital asset activity for HVCC for the fiscal year ended August 31, 2020 was as follows:

| | Balance 8/31/2020 |
|--|-----------------------|
| Land, land improvements and infrastructure | \$ 31,726,630 |
| Buildings and building improvements | 226,214,905 |
| Machinery and equipment | 38,141,834 |
| Construction in progress | 390,632 |
| Total capital assets | 296,474,001 |
| Less: accumulated depreciation | (155,899,796) |
| Total Hudson Valley Community College | <u>\$ 140,574,205</u> |

Additionally, net capital assets of \$8,394,685 were reported for HVCC Component Unit, the Faculty Student Association.

5. ACCRUED LIABILITIES

Accrued liabilities reported by the County’s governmental funds at December 31, 2020 were as follows:

| | General Fund | Other Nonmajor Funds | Total Governmental Funds |
|------------------------------|---------------------|----------------------------|--------------------------------|
| Salary and employee benefits | \$ 1,654,838 | \$ 76,142 | \$ 1,730,980 |
| Payroll tax deferral | 3,068,816 | - | 3,068,816 |
| Intergovernmental transfer | 2,104,476 | - | 2,104,476 |
| Social services accruals | 2,273,851 | - | 2,273,851 |
| Other | 206,767 | - | 206,767 |
| Total | <u>\$ 9,308,748</u> | <u>\$ 76,142</u> | <u>\$ 9,384,890</u> |

6. PENSION OBLIGATIONS

Plan Descriptions and Benefits Provided

Employees’ Retirement System—The County participates 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 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 or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2020, the County reported the following liabilities for its proportionate share of the net pension liabilities for ERS. The net pension liabilities were measured as of March 31, 2020. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2019, with update procedures used to roll forward the total net pension liabilities to the measurement date. The County's proportion of the net pension liabilities were based on projections of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the County.

| | ERS | |
|---|----------------------------|-----------------------------|
| | Governmental Activities | Business-type Activities |
| | March 31, 2020 | |
| Measurement date | | |
| Net pension liability | \$ 62,689,977 | \$ 21,159,839 |
| County's portion of the Plan's total net pension liability | 0.2343438% | 0.0790984% |

For the year ended December 31, 2020, the County recognized pension expenses of \$12,427,722 and \$3,290,424 for ERS for governmental activities and business-type activities, respectively. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | ERS | | | |
|---|-----------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | Deferred Outflows of Resources | | Deferred Inflows of Resources | |
| | Governmental Activities | Business-type Activities | Governmental Activities | Business-type Activities |
| Differences between expected and actual experiences | \$ 3,689,559 | \$ 1,245,342 | \$ - | \$ - |
| Changes of assumptions | 1,262,279 | 426,059 | 1,089,957 | 367,895 |
| Net difference between projected and actual earnings on pension plan investments | 32,137,930 | 10,847,562 | - | - |
| Changes in proportion and differences between the County's contributions and proportionate share of contributions | 238,343 | 80,448 | 2,587,923 | 873,505 |
| County contributions subsequent to the measurement date | 6,654,938 | 2,116,385 | - | - |
| Total | <u>\$ 43,983,049</u> | <u>\$ 14,715,796</u> | <u>\$ 3,677,880</u> | <u>\$ 1,241,400</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, 2021. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending December 31,</u> | <u>ERS</u> | |
|---------------------------------|--------------------------------|---------------------------------|
| | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
| 2021 | \$ 5,091,156 | \$ 1,718,425 |
| 2022 | 8,351,478 | 2,818,887 |
| 2023 | 11,152,612 | 3,764,357 |
| 2024 | 9,054,985 | 3,056,342 |

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

| | <u>ERS</u> |
|----------------------------|----------------------------------|
| Measurement date | March 31, 2020 |
| Actuarial valuation date | April 1, 2019 |
| Interest rate | 6.80% |
| Salary scale | 4.20% |
| Decrement tables | April 1, 2010- March 31, 2015 |
| Inflation rate | 2.5% |
| Cost-of-living adjustments | 1.3% |

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2014. The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

| Measurement date | ERS | |
|----------------------------|-------------------|--|
| | Target Allocation | Long-Term Expected Real Rate of Return |
| | March 31, 2020 | |
| Asset class: | | |
| Domestic equities | 36.0 % | 4.1 % |
| International equities | 14.0 | 6.2 |
| Private equity | 10.0 | 6.8 |
| Real estate | 10.0 | 4.9 |
| Absolute return strategies | 2.0 | 3.3 |
| Opportunistic portfolio | 3.0 | 4.7 |
| Real assets | 3.0 | 9.0 |
| Bonds and mortgages | 17.0 | 0.8 |
| Cash | 1.0 | 0.0 |
| Inflation-indexed bonds | 4.0 | 0.5 |
| Total | 100.0 % | |

Discount Rate—The discount rate used to calculate the total pension liabilities was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption—The chart below presents the County’s proportionate share of the net pension liabilities calculated using the discount rate of 6.8%, 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 (5.8%) or one percentage-point higher (7.8%) than the current assumption.

| | 1% Decrease (5.8%) | Current Assumption (6.8%) | 1% Increase (7.8%) |
|--|--------------------------|---------------------------------|--------------------------|
| Governmental Activities: | | | |
| Employer's proportionate share of the net pension liability—ERS | \$ 108,151,839 | \$ 62,689,977 | \$ 14,462,667 |
| Business-type Activities: | | | |
| Employer's proportionate share of the net pension liability—ERS | \$ 45,736,248 | \$ 21,159,839 | \$ 4,881,605 |

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) | |
|--|------------------------|--------------------|
| | ERS | |
| Valuation date | April 1, 2019 | |
| Employers' total pension liability | \$ | 194,596,261 |
| Plan fiduciary net position | | <u>168,115,682</u> |
| Employers' net pension liability | \$ | <u>26,480,579</u> |
| System fiduciary net position as a percentage of total pension liability | | 86.4% |

Rensselaer County Industrial Development Agency

The Agency participates in the ERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions—At December 31, 2020, the Agency reported a net pension liability of \$177,054 for its proportionate share of the net pension liability. At the March 31, 2020 measurement date, the Agency's proportion was 0.0006686%.

For the year ended December 31, 2020, the Agency recognized pension expense of \$73,292. At December 31, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | ERS | |
|---|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experiences | \$ 10,420 | \$ - |
| Changes of assumptions | 3,565 | 3,078 |
| Net difference between projected and actual earnings on pension plan investments | 90,766 | - |
| Changes in proportion and differences between the Agency's contributions and proportionate share of contributions | 20,659 | 795 |
| Agency contributions subsequent to the measurement date | <u>40,138</u> | <u>-</u> |
| Total | <u>\$ 165,548</u> | <u>\$ 3,873</u> |

The Agency’s contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending December 31, 2021. Other amounts reported as net deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending December 31,</u> | <u>ERS</u> |
|---------------------------------|------------|
| 2021 | \$ 25,141 |
| 2022 | 30,002 |
| 2023 | 36,800 |
| 2024 | 29,594 |

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption—The chart below represents the Agency’s proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Agency’s proportionate share of the net pension liability would be if they were calculated using a discount rate that is one percentage-point lower (5.8%) or one percentage point higher (7.8%) than the current assumption.

| | <u>1% Decrease (5.8%)</u> | <u>Current Assumption (6.8%)</u> | <u>1% Increase (7.8%)</u> |
|--|-----------------------------------|--|-----------------------------------|
| Employer's proportionate share of the net pension liability—ERS | \$ 324,944 | \$ 177,054 | \$ 40,847 |

The actuarial assumptions, asset allocations and pension plan fiduciary net position are the same as those disclosed for the System within the County’s portion of the footnote.

Hudson Valley Community College

HVCC participates in the ERS and the Teachers’ Retirement System (“TRS”).

Plan Description and Benefits Provided

Employees’ Retirement System—The plan description is the same as disclosed within the County’s footnote.

Teachers’ Retirement System—HVCC 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 NYSSTR Comprehensive Annual Financial Report which can be found on TRS’ website at 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 3.0% to 3.5% 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 Liabilities, Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions—At August 31, 2020, HVCC reported the following liabilities for its proportionate share of the net pension liability for each of the Systems. The net pension liabilities were measured as of March 31, 2020 for ERS and June 30, 2020 for TRS. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2019 and June 30, 2019 for ERS and TRS, respectively.. HVCC's proportion of the net pension liabilities were based on a projection of HVCC'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 HVCC.

| | TRS | ERS |
|--|---------------|----------------|
| Measurement date | June 30, 2020 | March 31, 2020 |
| Net pension liability | \$ 1,733,414 | \$ 18,630,602 |
| HVCC's portion of the Plan's total net pension liability | 0.062731% | 0.070356% |

For the year ended August 31, 2020, HVCC recognized pension expense of approximately \$2,409,000 for the TRS and pension expense of approximately \$5,968,000 for ERS. At August 31, 2020, HVCC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | | Deferred Inflows of Resources | |
|---|-----------------------------------|----------------------|----------------------------------|---------------------|
| | TRS | ERS | TRS | ERS |
| Differences between expected and actual experiences | \$ 1,518,818 | \$ 1,096,486 | \$ 88,834 | \$ - |
| Changes of assumptions | 2,192,365 | 375,132 | 781,464 | 323,920 |
| Net difference between projected and actual earnings on pension plan investments | 1,132,071 | 9,550,952 | - | - |
| Changes in proportion and differences between HVCC's contributions and proportionate share of contributions | 378,244 | 70,833 | 140,709 | 769,095 |
| Total | <u>\$ 5,221,498</u> | <u>\$ 11,093,403</u> | <u>\$ 1,011,007</u> | <u>\$ 1,093,015</u> |

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

| Year Ending August 31, | TRS | ERS |
|------------------------|------------|--------------|
| 2021 | \$ 751,205 | \$ 1,513,022 |
| 2022 | 1,439,067 | 2,481,945 |
| 2023 | 1,183,750 | 3,314,404 |
| 2024 | 738,112 | 2,691,017 |
| 2025 | 40,436 | - |
| Thereafter | 57,921 | - |

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

| | TRS | ERS |
|--------------------------|--------------------------------|----------------------------------|
| Measurement date | June 30, 2020 | March 31, 2020 |
| Actuarial valuation date | June 30, 2019 | April 1, 2019 |
| Interest rate | 7.10% | 6.80% |
| Salary scale | 1.90%-4.72% | 4.20% |
| Decrement tables | July 1, 2009- June 30, 2014 | April 1, 2010- March 31, 2015 |
| Inflation rate | 2.20% | 2.50% |

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2018, applied on a generational basis. The actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

| Measurement date | Target Allocation | | Long-Term Expected Real Rate of Return | |
|------------------------------------|-------------------|---------|---|----------------|
| | TRS | ERS | TRS | ERS |
| | | | June 30, 2020 | March 31, 2020 |
| Asset class: | | | | |
| Domestic equities | 33.0 % | 36.0 % | 7.1 % | 4.1 % |
| International equities | 16.0 | 14.0 | 7.7 | 6.2 |
| Global equities | 4.0 | 0.0 | 7.4 | 0.0 |
| Private equity | 8.0 | 10.0 | 10.4 | 6.8 |
| Real estate | 11.0 | 10.0 | 6.8 | 5.0 |
| Absolute return strategies | 0.0 | 2.0 | 0.0 | 3.3 |
| Domestic fixed income securities | 16.0 | 0.0 | 1.8 | 0.0 |
| Global fixed income securities | 2.0 | 0.0 | 1.0 | 0.0 |
| High-yield fixed income securities | 1.0 | 0.0 | 0.0 | 0.0 |
| Opportunistic portfolio | 0.0 | 3.0 | 0.0 | 4.7 |
| Private debt | 1.0 | 0.0 | 5.2 | 0.0 |
| Real assets | 0.0 | 3.0 | 3.9 | 6.0 |
| Bonds and mortgages | 7.0 | 17.0 | 3.6 | 0.8 |
| Short-term | 1.0 | 1.0 | 0.7 | 0.0 |
| Inflation-indexed bonds | 0.0 | 4.0 | 0.0 | 0.5 |
| Total | 100.0 % | 100.0 % | | |

Discount Rate—The discount rate used to calculate the total pension liabilities were 7.1% for TRS and 6.8% for ERS. The projection of cash flows used to determine the discount rate assumes that the 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 Systems' 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 liabilities.

Sensitivity of the Proportionate Share of the Net Pension Liabilities to the Discount Rate Assumption—The chart below presents the HVCC's proportionate share of the net pension liabilities calculated using the discount rate of 7.1% for TRS and 6.8% for ERS, as well as what the HVCC's proportionate share of the net pension liabilities would be if they were calculated using discount rates that are one percentage-point lower (6.1% for TRS and 5.8% for ERS) or one percentage-point higher (8.1% for TRS and 7.8% for ERS) than the current assumptions.

| | 1% Decrease (6.1%) | Current Assumption (7.1%) | 1% Increase (8.1%) |
|--|--------------------------|---------------------------------|--------------------------|
| TRS | | | |
| Employer's proportionate share of the net pension liability | \$ 10,949,380 | \$ 1,733,414 | \$ 6,001,116 |
| | 1% Decrease (5.8%) | Current Assumption (6.8%) | 1% Increase (7.8%) |
| ERS | | | |
| Employer's proportionate share of the net pension liability | \$ 34,192,415 | \$ 18,630,602 | \$ 4,298,107 |

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

| | (Dollar in Thousands) | |
|---|-----------------------|----------------------|
| | TRS | ERS |
| Valuation date | June 30, 2019 | April 1, 2019 |
| Employers' total pension liability | \$ 123,242,776 | \$ 194,596,261 |
| Plan fiduciary net position | <u>120,479,505</u> | <u>168,115,682</u> |
| Employers' net pension liability | <u>\$ 2,763,271</u> | <u>\$ 26,480,579</u> |
| System fiduciary net position as a percentage of total pension liability | 97.8% | 86.4% |

TIAA-CREF—HVCC also participates in the SUNY Optional Retirement Program (“ORP”) TIAA-CREF. TIAA-CREF provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. TIAA/CREF is contributory for employees who joined after July 27, 1976, who contribute 3 percent of their salary. Employer contributions range from 8 percent to 15 percent depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to TIAA/CREF. The payroll for 2020 for HVCC employees covered by TIAA/CREF was \$17,955,870. Employer contributions and employee contributions for 2020 were \$2,168,392 and \$173,350, respectively.

7. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

Plan Description—The County pays for a portion of eligible retirees’ health insurance, depending on the type of health plan provided. Eligibility for postemployment benefits requires a minimum age of 55 with at least ten (10) years of service. In addition, the employee must qualify for retirement as a member of the New York State retirement system and immediately begin receiving a New York State pension upon leaving the County. The estimated cost of such benefits totaled \$1,671,614 and \$427,720 for governmental activities and business-type activities, respectively.

Employees Covered by Benefit Terms—At December 31, 2020, the following employees were covered by the benefit terms:

| | Governmental Activities | Business-type Activities |
|-------------------|----------------------------|-----------------------------|
| Active employees | 993 | 353 |
| Retired employees | <u>359</u> | <u>98</u> |
| Total | <u>1,352</u> | <u>451</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 (“UAAL”) under GASB Statement No. 45.

Total OPEB Liability

The County’s total OPEB liability for governmental activities and business-type activities of \$53,112,107 and \$16,340,948, respectively, was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2020.

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 employer and plan members. The projection of benefits does not incorporate the potential effect of a change in the pattern of cost sharing between the employer and plan members in the future. 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, 2020 actuarial valuation, the Entry Age Normal actuarial cost method, over a level percent of pay was used. The single discount rate changed from 3.26% effective December 31, 2019 to 2.12% effective December 31, 2020. Payroll growth rates are based on the assumptions used in the NYS ERS actuarial valuation as of April 1, 2019. Rates include 2.50% general inflation plus merit/productivity increases. In order to estimate the change in the cost of healthcare, the actuary’s initial healthcare trend rate used is 7.5% while the ultimate healthcare cost trend rate is 4.5%. An inflation rate of 2.5% per year was assumed.

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

| | Total OPEB Liability | |
|--|-------------------------|--------------------------|
| | Governmental Activities | Business-type Activities |
| Balances at December 31, 2019 | \$ 53,918,628 | \$ 16,500,775 |
| Changes for the year: | | |
| Service cost | 2,964,684 | 901,662 |
| Interest | 1,827,367 | 560,404 |
| Changes in assumptions | 7,083,654 | 2,378,170 |
| Differences between expected and actual experience | (11,010,612) | (3,572,343) |
| Benefit payments | (1,671,614) | (427,720) |
| Net changes | (806,521) | (159,827) |
| Balances at December 31, 2020 | \$ 53,112,107 | \$ 16,340,948 |

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 net OPEB liability. The following table presents the effect of a 1% change in the discount rate assumption would have on the net OPEB liability:

| | 1% Decrease (1.12%) | Current Discount Rate (2.12%) | 1% Increase (3.12%) |
|---------------------------|---------------------|-------------------------------|---------------------|
| Governmental activities: | | | |
| Total OPEB liability | \$ 60,746,554 | \$ 53,112,107 | \$ 46,820,295 |
| Business-type activities: | | | |
| Total OPEB liability | 18,942,685 | 16,340,948 | 14,226,688 |

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the net OPEB liability of a 1% change in the initial (7.5%) and 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: | | | |
| Total OPEB liability | \$ 44,633,025 | \$ 53,112,107 | \$ 64,038,248 |
| Business-type activities: | | | |
| Total OPEB liability | 13,504,060 | 16,340,948 | 20,083,923 |

Funding Policy—Authorization for the County to pay a portion of retiree health insurance premiums was enacted by resolution of the County Legislature or through union contracts, which are ratified by the County Legislature. Upon retirement, the then dollar equivalent of a retiree’s accumulated sick leave shall be credited to such retiree, and such retiree shall be reimbursed for the premium cost of the health insurance program that is available to the retiree group, should the retiree be eligible and elect to enroll in such coverage after retirement. For the year ended December 31, 2020, the County’s governmental activities and business-type activities recognized OPEB expense of \$4,628,940 and \$1,407,032. The County’s contributions plan are based on negotiated contracts with its bargaining units, as discussed in Note 16. Any amendments to the employer’s contributions are subject to the bargaining units.

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 the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The County did not report any deferred outflows of resources related to OPEB at December 31, 2020. The table below presents the County’s deferred outflows of resources and deferred inflows of resources at December 31, 2020.

| | Deferred Outflows of Resources | | Deferred Inflows of Resources | |
|--|-----------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | Governmental Activities | Business-type Activities | Governmental Activities | Business-type Activities |
| Differences between expected and actual experience | \$ 257,090 | \$ - | \$ 11,125,856 | \$ 3,613,139 |
| Changes in assumptions | 12,512,993 | 4,246,188 | 2,413,148 | 845,125 |
| Total | <u>\$ 12,770,083</u> | <u>\$ 4,246,188</u> | <u>\$ 13,539,004</u> | <u>\$ 4,458,264</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 Activities |
|-----------------------------|----------------------------|-----------------------------|
| 2021 | \$ (163,111) | \$ (55,034) |
| 2022 | (163,111) | (55,034) |
| 2023 | (163,111) | (55,034) |
| 2024 | (163,111) | (55,034) |
| 2025 | (163,111) | (55,034) |
| Thereafter | 46,634 | 63,094 |

Hudson Valley Community College

Plan Description—HVCC provides certain health care benefits for retired employees and their covered dependents. Certain classes of HVCC’s employees may become eligible for those benefits if they reach normal retirement while working for HVCC. HVCC administers its retiree health insurance plan (the “Plan”) as a single-employer defined benefit other postemployment benefit (“OPEB”) plan. The Plan provides for continuation of medical insurance benefits for certain qualifying retirees and their covered dependents and can be amended by action of HVCC subject to applicable collective bargaining and employment agreements. The Plan does not currently issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. The estimated cost of such benefits totaled \$272,520 for HVCC.

Employees Covered by Benefit Terms—At September 1, 2019, the actuarial valuation date, the following employees were covered by the benefit terms:

| | |
|-------------------|------------|
| Active employees | 522 |
| Retired employees | <u>292</u> |
| Total | <u>814</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 (“UAAL”) under GASB Statement No. 45.

Total OPEB Liability

HVCC’s total OPEB liability of \$20,251,241 was measured as of September 1, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions—Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs (if any) between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 1, 2019 actuarial valuation, the single discount rate changed from 3.25% effective September 1, 2018 to 2.97% effective September 1, 2019. The discount rate was based on the Bond Buyer General Obligation 20-year municipal bond index. Mortality rates were based on the Society of Actuaries’ RP-2014 mortality tables with adjustments for mortality improvements based on MP-2014 scales. In order to estimate the change in the cost of healthcare, the actuary’s initial healthcare trend rate used is 7.5% while the ultimate healthcare cost trend rate is 5.0%.

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

| | <u>Total OPEB Liability</u> |
|--|---------------------------------|
| Balance at August 31, 2019 | \$ 17,640,284 |
| Changes for the year: | |
| Service cost | 1,228,641 |
| Interest | 604,613 |
| Differences between expected and actual experience | 23,463 |
| Changes of assumptions or other inputs | 1,026,760 |
| Benefit payments | <u>(272,520)</u> |
| Net changes | <u>2,610,957</u> |
| Balance at August 31, 2020 | <u>\$ 20,251,241</u> |

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

| | 1% Decrease <u>(1.97%)</u> | Current Assumption <u>(2.97%)</u> | 1% Increase <u>(3.97%)</u> |
|----------------------|----------------------------------|---|----------------------------------|
| Total OPEB liability | \$ 23,665,324 | \$ 20,251,241 | \$ 17,614,316 |

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the OPEB liability of a 1% change in the initial (7.5%)/ultimate (5.0%) healthcare cost trend rates.

| | 1% Decrease <u>(6.5%/4.0%)</u> | Current Assumption <u>(7.5%/5.0%)</u> | 1% Increase <u>(8.5%/6.0%)</u> |
|----------------------|--------------------------------------|---|--------------------------------------|
| Total OPEB liability | \$ 18,716,710 | \$ 20,251,241 | \$ 21,291,241 |

Funding Policy—The obligations of the plan members and HVCC are established by action of HVCC pursuant to applicable collective bargaining and employment agreements. The required contribution rates of HVCC and the members varies depending on the applicable collective bargaining or employment agreement covering the retiree, the retiree’s hire date and number of years of service to HVCC. HVCC currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis, with the possibility of pre-funding additional benefits if so determined by HVCC. The costs of administering this plan are paid by HVCC.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—For the year ended August 31, 2020, HVCC recognized OPEB expense of approximately \$1,880,000. At August 31, 2020, HVCC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experiences | \$ 1,011,697 | \$ 437,587 |
| Changes of assumptions and other inputs | 293,043 | 211,771 |
| Expected benefit payments subsequent to the measurement date | <u>310,376</u> | <u>-</u> |
| Total | <u>\$ 1,615,116</u> | <u>\$ 649,358</u> |

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

| <u>Year ending August 31,</u> | |
|-------------------------------|-----------|
| 2021 | \$ 46,934 |
| 2022 | 46,934 |
| 2023 | 46,934 |
| 2024 | 46,934 |
| 2025 | 46,934 |
| Thereafter | 420,712 |

8. RISK MANAGEMENT

The County is exposed to various risks of loss related to damage and destruction of assets, vehicle liability, injuries to employees, health insurance, workers' compensation and unemployment insurance. The County purchases commercial insurance to cover such potential risks. The County purchases insurance for: general liability, property, boiler and machinery, building ordinance or law, crime, earthquake, flood, and miscellaneous liability. The general liability insurance is limited to \$1 million per occurrence and an aggregate \$2 million limit. All other policies have limits ranging from \$100,000 to \$377,624,538.

The County also holds a professional liability policy on behalf of the Van Rensselaer Manor, which is limited to \$1 million per incident and an aggregate limit of \$3 million. The aggregate claim amount for general liability in the current year remains at \$2,000,000. There have not been any settlements which have exceeded commercial insurance coverage during the last three fiscal years.

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 some risk of loss relating to unemployment and workers' compensation. The County has established internal service funds to account for losses, claims and judgments relating to these exposures. These internal service funds are used to account for and finance the County, the Van Rensselaer Manor and in the case of the workers' compensation, its plan members' uninsured risk of loss. The County insures itself ("self-insures") for all unemployment claims. The County purchases insurance for claims in excess of coverage provided by the internal service funds and for all other risks or loss. Settled claims have not exceeded the annual self-insurance funding in any of the past three fiscal years.

All funds of the County and the Van Rensselaer Manor participate in the self-insurance programs and make payments to the internal service funds based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish reserves for unforeseen losses. Claims and judgments are recognized consistent with the requirements of GASB which requires that claims and judgments be recognized when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Internal service fund claim liabilities reported for unemployment, dental, and vision at December 31, 2020 were \$154,007.

| <u>Year Ended December 31,</u> | <u>Liability Beginning of Year</u> | <u>Claims and Adjustments</u> | <u>Claim Payments</u> | <u>Liability End of Year</u> |
|--|--|---------------------------------------|---------------------------|--------------------------------------|
| 2020 | \$ 34,593 | \$ 23,088,758 | \$ 22,969,344 | \$ 154,007 |
| 2019 | 109,265 | 22,214,409 | 22,289,081 | 34,593 |

Workers' compensation liability, reported in the Internal Service Fund, for the County and 35 other plan members at December 31, 2020 was \$8,050,361. Other plan members participate in the program and make payments on the same basis as County funds and departments. The liability for workers' compensation is also established based on the requirements of GASB.

| <u>Year Ended December 31,</u> | <u>Liability Beginning of Year</u> | <u>Claims and Adjustments</u> | <u>Claim Payments</u> | <u>Liability End of Year</u> |
|--|--|---------------------------------------|---------------------------|--------------------------------------|
| 2020 | \$ 7,619,762 | \$ 2,472,902 | \$ 2,042,303 | \$ 8,050,361 |
| 2019 | 7,749,025 | 1,478,236 | 1,607,499 | 7,619,762 |

The County's governmental activities, excluding the internal service fund, and business-type activities do not report liabilities for Workers' Compensation at December 31, 2020. The net assets of the plan exceeded the liabilities by \$1,559,250 and \$1,485,853, respectively, resulting in the reduction of the workers' compensation liabilities in both governmental activities, excluding the internal service fund, and business-type activities to \$0.

9. LEASE OBLIGATIONS

Operating Leases—The County leases certain property and equipment. Leased property having elements of ownership is recorded in the government-wide financial statements. The related obligation, in amounts equal to the present value of minimum lease payments payable during the remaining term of the leases, is also recorded in the government-wide financial statements. Other leased property, not having elements of ownership, are classified as operating leases. Both capital and operating lease payments are recorded as expenditures when payable in the fund financial statements. Total expenditures on operating leases for the fiscal year ended December 31, 2020 were approximately \$2,015,527.

The County had future minimum payments under operating leases with a remaining term in excess of one year for its governmental activities as presented below:

| <u>December 31,</u> | <u>Operating Leases</u> |
|-------------------------|-----------------------------|
| 2021 | \$ 1,937,679 |
| 2022 | 1,525,682 |
| 2023 | 862,273 |
| 2024 | 117,791 |
| 2025 | 79,593 |
| 2026 and beyond | <u>9,344</u> |
| Future minimum payments | <u>\$ 4,532,362</u> |

Installment Purchase Debt—During the year ended December 31, 2010, the County entered into Energy Performance Contracts for design and construction of more energy efficient systems within the sewer district sites and the County building. Principal and interest payments are made quarterly. The Installment Purchase Debt has interest rates ranging from approximately 3.0-3.2% and matures in August 2026.

During the year ended December 31, 2012, the County entered into additional Energy Performance Contracts for design and construction of more energy efficient systems with the sewer district sites. Principal and interest payments are made quarterly. The Installment Purchase Debt has interest rates ranging from approximately 2.46-2.53% and matures in October 2032.

During the year ended December 31, 2013, the County entered into additional Energy Performance Contracts for design and construction of more energy efficient systems with the sewer district sites and County Building. Principal and interest payments are made quarterly. The Installment Purchase Debt has an interest rate approximately 2.60% and matured in December 2018.

During the year ended December 31, 2014, the County entered into an additional Energy Performance Contract for design and construction of more energy efficient systems with the County Building. Principal and interest payments are made quarterly. The Installment Purchase Debt has an interest rate of 2.96% and matures in October 2030.

During the year ended December 31, 2015, the County entered into an additional Energy Performance Contract for design and construction of more energy efficient systems with the County Building. Principal and interest payments are made quarterly. The Installment Purchase Debt has an interest rate of 2.39% and matures in October 2032.

During the year ended December 31, 2017, the County entered into an additional Energy Performance Contract for design and construction of more energy efficient systems with the County Building. Principal and interest payments are made quarterly. The Installment Purchase Debt has an interest rate of 2.76% and matures in November 2034.

On August 7, 2002, Van Rensselaer Manor entered into an Energy Performance Contract for the installation and maintenance of various machinery and equipment, in an effort to reduce energy costs. The Installment Purchase Debt carries an interest rate of 2.31% and is payable semi-annually, with the final payment due on September 30, 2038.

The table below summarizes requirements of the Installment Purchase Debt:

| Year ended December 31, | Governmental Activities | | | Business-type | Total |
|--|-------------------------|---------------------|---------------------|----------------------|----------------------|
| | Sewer District | County Building | Highway Machinery | Van Rensselaer Manor | |
| 2021 | \$ 4,494,730 | \$ 802,401 | \$ 124,462 | \$ 50,000 | \$ 5,471,593 |
| 2022 | 4,495,919 | 812,862 | 126,079 | 100,000 | 5,534,860 |
| 2023 | 4,497,143 | 815,597 | 126,384 | 240,000 | 5,679,124 |
| 2024 | 4,498,405 | 822,455 | 127,265 | 250,000 | 5,698,125 |
| 2025 | 4,499,703 | 832,582 | 129,480 | 260,000 | 5,721,765 |
| 2026-2030 | 14,276,802 | 4,258,512 | 673,910 | 1,482,370 | 20,691,594 |
| 2031-2035 | 3,310,976 | 2,531,201 | 248,085 | 1,553,950 | 7,644,212 |
| 2036 and beyond | - | - | - | 932,364 | 932,364 |
| Total minimum lease payments | 40,073,678 | 10,875,610 | 1,555,665 | 4,868,684 | 57,373,637 |
| Less: Amount representing imputed interest costs | (4,735,590) | (1,703,077) | (233,165) | (1,001,942) | (7,673,774) |
| Present value of minimum lease payment | <u>\$ 35,338,088</u> | <u>\$ 9,172,533</u> | <u>\$ 1,322,500</u> | <u>\$ 3,866,742</u> | <u>\$ 49,699,863</u> |

The assets acquired through the capital lease are as follows:

| | Governmental Activities |
|--------------------------------|-------------------------|
| Assets: | |
| Infrastructure | \$ 47,467,758 |
| Less: Accumulated depreciation | (9,456,665) |
| Total | <u>\$ 38,011,093</u> |

As of December 31, 2020, no work has been performed related to the Van Rensselaer Manor project and installment purchase debt proceeds were held in escrow and reported as cash with fiscal agent.

Rensselaer County Industrial Development Agency (the “Agency”)

The Agency entered into a non-cancellable operating lease for office space that expires in December 2024, with the option to renew to up to one additional terms of five year. Rent expense related to this lease was approximately \$142,000 for the year ended December 31, 2020. Future minimum lease payments are as follows:

| Year Ended December 31, | |
|-------------------------|-------------------|
| 2021 | \$ 141,600 |
| 2022 | 141,600 |
| 2023 | 141,600 |
| 2024 | 141,600 |
| Total | <u>\$ 566,400</u> |

The Agency has entered into non-cancellable subleases for portions of the office space noted above. Total future minimum lease payments have not been reduced by the following amount of sublease rentals to be received under non-cancellable subleases:

| <u>Year Ended December 31,</u> | |
|--------------------------------|------------------|
| 2021 | \$ 43,737 |
| 2022 | <u>2,235</u> |
| Total | <u>\$ 45,972</u> |

10. SHORT-TERM DEBT

Liabilities for bond anticipation notes (“BANs”) are generally accounted for in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the life of permanent financing, provided that annual reductions of principal are made. The following is a summary of the County’s short-term debt as of, and for the year ended, December 31, 2020:

| <u>Description</u> | <u>Interest Rate</u> | <u>Balance 1/1/2020</u> | <u>Issues</u> | <u>Redemptions</u> | <u>Balance 12/31/2020</u> |
|---------------------------------|----------------------|-------------------------|---------------|---------------------|---------------------------|
| Capital Projects Fund: | | | | | |
| Clean Water Facility Note 2018A | 0.00% - 0.50% | <u>\$ 5,504,500</u> | <u>\$ -</u> | <u>\$ 5,504,500</u> | <u>\$ -</u> |

11. LONG-TERM LIABILITIES

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

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

The County’s outstanding long-term liabilities include bonds payable, installment purchase debt, compensated absences, retirement obligations, other postemployment benefits (“OPEB”) obligations, workers’ compensation and net pension liability.

A summary of changes in the County’s long-term liabilities at December 31, 2020 is shown on the following page.

| | Balance 1/1/2020 | Additions | Reductions | Balance 12/31/2020 | Due Within One Year |
|-----------------------------------|-----------------------|----------------------|----------------------|-----------------------|------------------------|
| Governmental activities: | | | | | |
| Serial bonds | \$ 40,198,266 | \$ 11,898,561 | \$ 7,465,903 | \$ 44,630,924 | \$ 4,653,270 |
| Serial bonds - HVCC | 29,888,735 | 15,427,500 | 20,444,097 | 24,872,138 | 1,641,759 |
| Unamortized premiums | 1,631,535 | 3,735,179 | 276,805 | 5,089,909 | 405,860 |
| RTASC bonds and accreted interest | 33,743,935 | 292,901 | 665,000 | 33,371,836 | 2,440,000 |
| RTASC unamortized premium | 1,303,616 | - | 29,346 | 1,274,270 | 107,679 |
| Installment purchase debt | 49,963,320 | - | 4,130,199 | 45,833,121 | 4,250,006 |
| Compensated absences | 14,715,377 | 1,266,296 | - | 15,981,673 | 799,084 |
| Net OPEB obligation | 53,918,628 | 11,875,705 | 12,682,226 | 53,112,107 | - |
| Workers' compensation | 7,619,762 | 2,472,902 | 2,042,303 | 8,050,361 | - |
| Net pension liability* | 16,121,309 | 46,568,668 | - | 62,689,977 | - |
| Total governmental activities | <u>\$ 249,104,483</u> | <u>\$ 93,537,712</u> | <u>\$ 47,735,879</u> | <u>\$ 294,906,316</u> | <u>\$ 14,297,658</u> |
| Business type activities: | | | | | |
| Bonds payable | \$ 13,585,000 | \$ - | \$ 2,230,000 | \$ 11,355,000 | \$ 2,280,000 |
| Installment purchase debt | - | 3,866,742 | - | 3,866,742 | - |
| Net OPEB obligation | 16,500,775 | 3,840,236 | 4,000,063 | 16,340,948 | - |
| Net pension liability* | 6,817,422 | 14,342,417 | - | 21,159,839 | - |
| Total business-type activities | <u>\$ 36,903,197</u> | <u>\$ 22,049,395</u> | <u>\$ 6,230,063</u> | <u>\$ 52,722,529</u> | <u>\$ 2,280,000</u> |

*Additions to the net pension liability are shown net of reductions.

Discretely Presented Component Units

| | Balance 1/1/2020 | Increases | Decreases | Balance 12/31/2020 | Due Within One Year |
|-----------------------|---------------------|-------------------|-------------|-----------------------|---------------------------|
| IDA: | | | | | |
| Net pension liability | \$ 42,851 | \$ 134,203 | \$ - | 177,054 | \$ - |
| Total IDA | <u>\$ 42,851</u> | <u>\$ 134,203</u> | <u>\$ -</u> | <u>\$ 177,054</u> | <u>\$ -</u> |

| | Balance 9/1/2019 | Increases | Decreases | Balance 8/31/2020 | Due Within One Year |
|---------------------------------|----------------------|----------------------|---------------------|----------------------|---------------------------|
| HVCC: | | | | | |
| Termination benefits | \$ 18,178,097 | \$ - | \$ 889,036 | 17,289,061 | \$ - |
| Payroll protection program loan | - | 243,100 | - | 243,100 | - |
| Net OPEB obligation | 17,640,284 | 2,883,477 | 272,520 | 20,251,241 | - |
| Association financing agreement | 6,217,803 | - | 417,922 | 5,799,881 | 439,108 |
| Other long-term liabilities | 3,361,927 | 813,601 | - | 4,175,528 | - |
| Net pension liability | 5,024,673 | 15,339,343 | - | 20,364,016 | - |
| Total HVCC | <u>\$ 50,422,784</u> | <u>\$ 19,279,521</u> | <u>\$ 1,579,478</u> | <u>\$ 68,122,827</u> | <u>\$ 439,108</u> |

Serial bonds—The County issues bonds to provide funds for the acquisition and construction of major capital facilities. Bonds have been issued for both governmental and business-type activities and the Hudson Valley Community College discretely presented component unit.

On April 27, 2020, through the Environmental Facilities Corporation (“EFC”), the County refinanced short-term debt to a long-term financing in the amount of \$5,176,061 to support sewer pump expenditures. The first principal payment is due June 26, 2021, and the bonds mature in 2050.

On August 26, 2020, \$18,150,000 in 2020 Public Improvement Refunding Bonds were issued. Of this amount, \$15,427,500 was issued on behalf of the College. These bonds refunded the previously outstanding 2012 refunding bonds. The 2020 refunding bonds were issued at a premium of \$3,735,179 and included issuance costs of \$127,272. The interest on the refunding bonds ranges from 3.0 percent to 5.0 percent. The County deposited \$21,753,096 with an escrow agent and, as a result, the portions of the original bonds are considered refunded and the liability of these bonds, \$21,675,000, has been removed from the financial statements.

On September 30, 2020, the County issued \$4,000,000 in 2020 Public Improvement Bonds. The bonds bear interest of 1.0 percent to 2.0 percent. The first principal payment is due September 15, 2021 and the bonds mature in 2040.

At December 31, 2020, the County reports amounts due from component units of \$24,872,138, which represents funds owed from HVCC for the payment on outstanding serial bonds issued on behalf of HVCC.

A summary of additions and payments of serial bonds for the year ended December 31, 2020 is shown below:

| Description | Original Issue | Interest Rate (%) | Year of Maturity | Balance 1/1/2020 | Additions | Reductions | Balance 12/31/2020 | Due Within One Year |
|---|----------------|-------------------|------------------|----------------------|----------------------|---------------------|----------------------|---------------------|
| Governmental activities serial bonds issued by the County: | | | | | | | | |
| General: | | | | | | | | |
| Public Safety Building | \$19,245,000 | 6.7 | 2021 | \$ 1,497,100 | \$ - | \$ 750,100 | \$ 747,000 | \$ 747,000 |
| Facilities Master Plan | 930,287 | 3.0-5.0 | 2028 | 568,390 | - | 82,883 | 485,507 | 87,170 |
| Jail Expansion | 3,100,932 | 3.0-5.0 | 2025 | 1,894,618 | - | 276,274 | 1,618,344 | 290,563 |
| Jail Expansion | 4,078,947 | 3.0-3.25 | 2025 | 3,343,000 | - | 3,343,000 | - | - |
| Public Improvement Refunding | 12,898,755 | 2.0-5.0 | 2038 | 11,031,760 | - | 988,900 | 10,042,860 | 1,048,605 |
| 2017 Various Projects | 12,573,333 | 2.07 | 2028 | 10,675,415 | - | 975,969 | 9,699,446 | 997,055 |
| 2020 Public Improvement Bond | 4,000,000 | 1.0-2.0 | 2040 | - | 4,000,000 | - | 4,000,000 | 170,000 |
| 2020 Public Improvement Refunding | 2,722,500 | 3.0-5.0 | 2038 | - | 2,722,500 | - | 2,722,500 | 99,000 |
| Highway: | | | | | | | | |
| 2005 Improvements | 1,240,377 | 3.0-5.0 | 2025 | 757,849 | - | 110,510 | 647,339 | 116,226 |
| 2005 Machinery | 1,550,468 | 3.0-5.0 | 2025 | 947,309 | - | 138,136 | 809,173 | 145,282 |
| 2017 Highway Improvements | 5,194,000 | 2.07 | 2029 | 4,409,977 | - | 403,170 | 4,006,807 | 411,880 |
| 2017 Machinery | 928,000 | 2.07 | 2029 | 787,920 | - | 72,033 | 715,887 | 73,590 |
| Sewer: | | | | | | | | |
| EFC | 2,829,338 | 0.15-3.55 | 2034 | 2,095,000 | - | 125,000 | 1,970,000 | 125,000 |
| Public Improvements | 406,245 | 2.0-5.0 | 2028 | 343,240 | - | 31,100 | 312,140 | 31,395 |
| 2017 Grit Collection | 2,175,000 | 2.07 | 2029 | 1,846,688 | - | 168,828 | 1,677,860 | 172,475 |
| 2020 EFC Sewer Pump | 5,176,061 | 0.0 | 2050 | - | 5,176,061 | - | 5,176,061 | 138,029 |
| Total serial bonds | | | | <u>40,198,266</u> | <u>11,898,561</u> | <u>7,465,903</u> | <u>44,630,924</u> | <u>4,653,270</u> |
| Unamortized premium | | | | <u>1,631,535</u> | <u>3,735,179</u> | <u>276,805</u> | <u>5,089,909</u> | <u>405,860</u> |
| Total governmental activities bonded debt — County | | | | <u>\$ 41,829,801</u> | <u>\$ 15,633,740</u> | <u>\$ 7,742,708</u> | <u>\$ 49,720,833</u> | <u>\$ 5,059,130</u> |

| Description | Original Issue | Interest Rate | Year of Maturity | Balance 1/1/2020 | Additions | Reductions | Balance 12/31/2020 | Due Within One Year |
|---|----------------|---------------|------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Governmental activities serial bonds issued on behalf of the Discretely Presented Component Unit—HVCC: | | | | | | | | |
| HPER Center | 5,500,000 | 6.70 | 2020 | \$ 209,900 | \$ - | \$ 209,900 | \$ - | \$ - |
| Admin/Campus/Various | 10,287,936 | 3.0-5.0 | 2026 | 6,606,835 | - | 902,197 | 5,704,638 | 950,759 |
| HVCC Project | 23,578,862 | 3.0-3.25 | 2038 | 19,202,000 | - | 19,202,000 | - | - |
| HVCC Facilities Upgrade | 3,870,000 | 2.50-2.75 | 2042 | 3,870,000 | - | 130,000 | 3,740,000 | 130,000 |
| 2020 Public Improvement Refunding | 15,427,500 | 3.0-5.0 | 2038 | - | 15,427,500 | - | 15,427,500 | 561,000 |
| Total governmental activities bonded debt — HVCC | | | | <u>\$ 29,888,735</u> | <u>\$ 15,427,500</u> | <u>\$ 20,444,097</u> | <u>\$ 24,872,138</u> | <u>\$ 1,641,759</u> |

Business-type activities—Van Rensselaer Manor:

| | | | | | | | | |
|--------------------------------|------------|---------|-------|----------------------|-------------|---------------------|----------------------|---------------------|
| Enterprise Fund: | | | | | | | | |
| 2014 Serial Bonds | 24,000,000 | 2.0-3.1 | 2,031 | \$ 13,585,000 | \$ - | \$ 2,230,000 | \$ 11,355,000 | \$ 2,280,000 |
| Total business-type activities | | | | <u>\$ 13,585,000</u> | <u>\$ -</u> | <u>\$ 2,230,000</u> | <u>\$ 11,355,000</u> | <u>\$ 2,280,000</u> |

The annual repayment of principal and interest on bonded debt are as follows:

| | Governmental Activities | | | | | |
|-----------------|-------------------------|---------------------|--|---------------------|--|---------------------|
| | Serial Bond | | Issued on behalf of the Discretely Presented Component Unit - HVCC | | Business-Type Activities Van Rensselaer Manor | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2021 | \$ 4,653,270 | \$ 1,135,015 | \$ 1,641,759 | \$ 949,023 | \$ 2,280,000 | \$ 301,063 |
| 2022 | 4,036,829 | 988,589 | 1,703,580 | 888,618 | 2,335,000 | 255,463 |
| 2023 | 4,186,134 | 855,113 | 1,786,654 | 805,481 | 2,390,000 | 202,925 |
| 2024 | 4,345,442 | 715,483 | 1,874,726 | 718,191 | 2,465,000 | 131,225 |
| 2025 | 4,487,114 | 577,020 | 1,950,419 | 638,137 | 245,000 | 57,275 |
| 2026-2030 | 14,936,937 | 1,395,737 | 5,126,500 | 2,452,094 | 1,345,000 | 171,175 |
| 2031-2035 | 3,380,182 | 407,292 | 5,902,750 | 1,393,558 | 295,000 | 9,219 |
| 2036-2040 | 2,641,677 | 106,015 | 4,460,750 | 347,385 | - | - |
| 2041-2045 | 951,922 | - | 425,000 | 17,600 | - | - |
| 2046 and beyond | 1,011,417 | - | - | - | - | - |
| Total | <u>\$ 44,630,924</u> | <u>\$ 6,180,264</u> | <u>\$ 24,872,138</u> | <u>\$ 8,210,087</u> | <u>\$ 11,355,000</u> | <u>\$ 1,128,345</u> |

Debt service expenditures are recorded in the fund that benefited from the capital project financed by the debt.

The County is guarantor of, and makes debt service payments on bonds issued on behalf of HVCC. Regular debt service related to the bonds issued for the College are funded by the College and are reported in the General Fund as intergovernmental charges. Regular payments funded in the current year amounted to \$1,986,302 in principal and \$966,743 in interest.

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 bonds has a contractual right to sue the County of the amount due thereon. The County does not have any lines of credit.

Rensselaer Tobacco Asset Securitization Corporation (“RTASC”)—Changes in RTASC’s long-term debt for the year ended December 31, 2020 are as follows:

| | Balance 1/1/2020 | Additions | Reductions | Balance 12/31/2020 | Due Within One Year |
|------------------------------|----------------------|-------------------|-------------------|-----------------------|---------------------------|
| Tobacco Settlement Bonds: | | | | | |
| Series 2016 | \$ 29,540,000 | \$ - | \$ 665,000 | \$ 28,875,000 | \$ 2,440,000 |
| Plus: Bond premium | <u>1,303,616</u> | <u>-</u> | <u>29,346</u> | <u>1,274,270</u> | <u>107,679</u> |
| Net tobacco settlement bonds | <u>30,843,616</u> | <u>-</u> | <u>694,346</u> | <u>30,149,270</u> | <u>2,547,679</u> |
| Subordinate Turbo CABs | <u>4,203,935</u> | <u>292,901</u> | <u>-</u> | <u>4,496,836</u> | <u>-</u> |
| Total RTASC | <u>\$ 35,047,551</u> | <u>\$ 292,901</u> | <u>\$ 694,346</u> | <u>\$ 34,646,106</u> | <u>\$ 2,547,679</u> |

Series 2001A—In 2001, the RTASC issued \$34,555,000 of Tobacco Settlement Asset Backed Bonds, Series 2001A pursuant to an indenture dated as of December 1, 2001. The net proceeds of the Series 2001A Bonds were used to purchase from the County all of the County’s right, title and interest, under the MSA and the Decree, including the Tobacco Settlement Revenues (“TSR”). On September 22, 2016, RTASC issued \$30,525,000 of Tobacco Settlement Asset Backed Refunding Bonds, Series 2016. The Series 2016 bonds and additional consideration received as a result of the refunding transaction were used to redeem or exchange all of RTASC’s Tobacco Settlement Asset Backed Bonds Series 2001A outstanding in the aggregate principal amount of \$22,225,000, to acquire by negotiated purchase the initial principal amount of outstanding NYCTT Subordinate Bonds component S4B attributable to RTASC, to cancel the related NYCTT Subordinate Bonds component S2, and redeem NYCTT Subordinate Bonds component S1 bonds. In addition, as a result of the refunding RTASC made a payment of \$1,000,000 to provide Rensselaer County with funds for capital purposes.

In the event sufficient funds are not available to meet Planned Payment Maturities, Rated Maturity dates will be used.

On November 15, 2005, RTASC participated in New York Counties Tobacco Trust V (“NYCTT”), along with 23 other New York County Tobacco Corporations, and issued Tobacco Settlement Pass-Through Bonds—Subordinate Turbo CABs in various series for the purpose of securitizing additional future tobacco settlement revenues. The net proceeds of the 2005 series, after closing costs, amounted to \$12,225,328, and were used to purchase tobacco settlement rights from the County. The issuance has four components and payments on the Subordinate Turbo CABs which are subordinate to the Series 2001 Bonds. As a result of the Tobacco Settlement Asset Backed Refunding Bonds, Series 2016 transaction described above, only the Series 2005 S3 Subordinate Turbo CABs remain.

RTASC debt service requirements based upon planned principal payments for Tobacco Settlement Bonds, Series 2016 are shown below:

| | Principal | Interest | Total |
|-----------|----------------------|----------------------|----------------------|
| 2021 | \$ 2,440,000 | \$ 1,492,019 | \$ 3,932,019 |
| 2022 | 1,250,000 | 1,388,238 | 2,638,238 |
| 2023 | 1,325,000 | 1,315,816 | 2,640,816 |
| 2024 | 1,395,000 | 1,238,906 | 2,633,906 |
| 2025 | 1,490,000 | 1,156,425 | 2,646,425 |
| 2026-2030 | 9,005,000 | 4,339,794 | 13,344,794 |
| 2031-2035 | 11,970,000 | 1,553,250 | 13,523,250 |
| | <u>\$ 28,875,000</u> | <u>\$ 12,484,448</u> | <u>\$ 41,359,448</u> |

Subordinate Turbo CABs—Interest on the Subordinate Turbo CABs is compounded semiannually on June 1 and December 1, but is not payable until bond maturity. Interest accretes until both principal and accreted interest are paid. Future interest accretion has been recorded as bond discount and amortized as the current interest accretes. The accrued interest on the Subordinate Turbo CABs is reflected within the Subordinate Turbo CABs payable liability.

Redemption of the Subordinate Turbo CABs as outlined in the New York Counties Tobacco Trust VI Tobacco Settlement Pass-Through Bonds, Series 2016 official statement totals \$13,736,443 and is scheduled to be paid from 2035 to 2040, while early payment is allowed. During the year ended December 31, 2020, RTASC did not make any redemption payments. Outstanding Subordinate Turbo CABs consist of one installment, Series 2005 S3.

Installment Purchase Debt—As explained in Note 9, the County has entered into Energy Performance Contracts for design and construction of more energy efficient systems within the sewer district sites and the County building. At December 31, 2020, the County’s governmental activities reports installment purchase debt outstanding of \$45,833,121, while the Van Rensselaer Manor reports installment purchase debt outstanding of \$3,866,742.

Compensated Absences—As explained in Note 1, the County records the value of governmental fund type compensated absences in the governmental activities. The payment of both compensated absences and judgments and claims is dependent on many factors and, therefore, cannot be reasonably estimated as to future timing of payment. The annual budgets of the operating funds provide for such as amounts become payable.

Net OPEB Obligation—As discussed in Note 7, the County’s net OPEB obligation at December 31, 2020 is \$53,112,107, and \$16,340,948 for governmental activities and business type activities, respectively.

Workers’ Compensation—As discussed in Note 8, the County reports the workers’ compensation liability within the Internal Service fund and in governmental activities. The total of this liability at December 31, 2020 is \$8,050,361.

Net Pension Liability—The County reports a liability for its proportionate share of the net pension liability for the Employee Retirement System. The net pension liability is estimated to be \$62,689,977 and \$21,159,839 at December 31, 2020 for governmental activities and business-type activities, respectively. Refer to Note 6 for additional information related to the County’s net pension liability.

Rensselaer County Industrial Development Agency (the “Agency”)

Net Pension Liability—The Agency reports a liability for its proportionate share of the net pension liability for the Employees’ Retirement System. The net pension liability is estimated to be \$177,054 at December 31, 2020.

Hudson Valley Community College (“HVCC”)

Termination Benefits—HVCC recognizes a liability for vested sick leave and other compensated absences with similar characteristics. HVCC also recognizes a liability for additional salary related payments as employees earn benefits. Termination benefits/compensated absences for current employees approximated \$15,881,721 at August 31, 2020. HVCC’s component units reported termination benefits of \$1,407,340.

Paycheck Protection Program Loan—At August 31, 2020, HVCC reports a long-term liability related to a paycheck protection program loan totaling \$243,100.

Net OPEB Obligation—As discussed in Note 7, HVCC provides certain health care benefits for retired employees and their covered dependents. Certain classes of HVCC employees may become eligible for those benefits if they reach normal retirement age while working for the HVCC. HVCC’s net OPEB obligation at August 31, 2020 is \$20,251,241.

Association Financing Agreement—HVCC’s component units reported financing agreement liabilities of \$5,799,881.

Other Long-Term Liabilities—HVCC accrues expenses for termination benefits (retirees), retirement, health insurance, and payroll, vacation and other. HVCC’s other long-term liabilities balance at August 31, 2020 is \$4,175,528.

Net Pension Liability—HVCC reports a liabilities for its proportionate share of the net pension liabilities for the Teachers’ Retirement System as well as the Employees’ Retirement System. At August 31, 2020, the net pension liabilities are estimated to be \$1,733,414 and \$18,630,602 for its TRS share and ERS share, respectively.

12. NET POSITION AND FUND BALANCE

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

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

Governmental activities:

| | | |
|--|-----------------|----------------------|
| Capital assets, net of accumulated depreciation | | \$ 197,022,336 |
| Related debt: | | |
| Serial bonds issued | \$ (44,630,924) | |
| Deferred charge on refunding bonds | 730,755 | |
| Unamortized premium on serial bonds | (5,089,909) | |
| Installment purchase debt | (45,833,121) | |
| RTASC Tobacco Settlement Bonds and CABs initial principal | (33,371,836) | |
| Related RTASC unamortized premium | (1,274,270) | |
| RTASC deferred gain on refunding | (7,742,397) | |
| Unspent proceeds reported within the Capital Projects Fund | 6,792,642 | (130,419,060) |
| Net investment in capital assets—governmental activities | | <u>\$ 66,603,276</u> |

Business-type activities:

| | |
|---|---------------------|
| Capital assets, net of accumulated depreciation | 19,264,535 |
| Debt issued for capital assets | <u>(11,355,000)</u> |
| Net investment in capital assets—business-type activities | <u>\$ 7,909,535</u> |

- **Restricted Net Position**—This category represents 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.

Rensselaer County Industrial Development Agency

The Agency reports restricted net position of \$13,601. This amount represents resources restricted for the South Troy Industrial Park Project.

Hudson Valley Community College

HVCC reports restricted net position of \$8,376,841. Of this amount, \$7,095,930 represents resources restricted for scholarships and fellowships, while \$1,218,990 represents resources restricted for capital projects and debt service.

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

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the County at December 31, 2020 includes:

- **Inventories**—Represents the portion of fund balance composed of inventory of \$300,680 that is nonspendable because inventory is not an available spendable resource.
- **Prepaid Items**—Represents amounts prepaid to vendors and employees of \$3,710,162, that are applicable to future accounting periods.
- **Rehabilitation Loans Receivable**—Represents amounts offset for loans receivable, which are legally or contractually required to be maintained intact. At December 31, 2020 the Community Development Fund reported loans receivable amounts of \$869,800.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grantors, contributors, or laws and regulations of other governments) through constitutional provisions or enabling legislation. As of December 31, 2020, the County had the following restricted funds, as presented below:

| | General Fund | Capital Projects Fund | Other Nonmajor Funds | Total |
|-------------------------------|-------------------|-----------------------------|----------------------------|----------------------|
| Tax stabilization | \$ 745,899 | \$ - | \$ - | \$ 745,899 |
| Handicapped parking | 61,892 | - | - | 61,892 |
| Debt service | - | - | 2,080,833 | 2,080,833 |
| Sheriff-Asset forfeiture | 58,094 | - | - | 58,094 |
| Capital projects | - | 8,572,562 | - | 8,572,562 |
| Total restricted fund balance | <u>\$ 865,885</u> | <u>\$ 8,572,562</u> | <u>\$ 2,080,833</u> | <u>\$ 11,519,280</u> |

- **Restricted for Tax Stabilization**—Represents amounts restricted for future use to stabilize real property tax levies.
- **Restricted for Handicapped Parking**—Represents revenues restricted to pay for the handicapped parking program, which is required by State Law
- **Restricted for Debt Service**—Represents resources that have been legally restricted for principal and interest payments that will be made in future periods.

- **Restricted for Sheriff—Asset Forfeiture**—Represents asset forfeiture revenue restricted to pay for equipment or other uses that will aid in drug enforcement activities, pursuant to state and federal laws.
- **Restricted for Capital Projects**—Represents amounts restricted to fund future capital projects within the County.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the County’s highest level of decision-making authority, or by its designated body or official. As of December 31, 2020, the County Legislature had not committed any fund balance to a specific purpose.

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

As of December 31, 2020, the following balances were considered to be assigned:

| | Total Nonmajor Funds | | | | | | Total |
|--------------------------------|----------------------|--------------------|----------------------------|---------------------|---------------------|------------------|----------------------|
| | General Fund | Special Grant Fund | Community Development Fund | Highway Fund | Sewer Fund | RTASC | |
| Encumbrances | \$ 357,768 | \$ - | \$ - | \$ 5,488 | \$ 24,154 | \$ - | \$ 387,410 |
| OMIG recoupment | 300,000 | - | - | - | - | - | 300,000 |
| Future medicaid recoupments | 500,000 | - | - | - | - | - | 500,000 |
| Retirement contribution | 6,300,000 | - | - | - | - | - | 6,300,000 |
| Subsequent year's expenditures | 5,000,000 | - | 65,131 | - | 1,041,433 | - | 6,106,564 |
| Legislative Clerk | 57,223 | - | - | - | - | - | 57,223 |
| Budget stabilization | 12,500,000 | - | - | - | - | - | 12,500,000 |
| Specific use | - | 115,674 | 987,790 | 3,333,200 | 3,519,268 | 33,725 | 7,989,657 |
| Total assigned fund balance | <u>\$ 25,014,991</u> | <u>\$ 115,674</u> | <u>\$ 1,052,921</u> | <u>\$ 3,338,688</u> | <u>\$ 4,584,855</u> | <u>\$ 33,725</u> | <u>\$ 34,140,854</u> |

- **Assigned to Encumbrances**—Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of monies are recorded, is employed as part of the County’s budgetary control mechanism for all funds. Unencumbered appropriations lapse at fiscal year-end.
- **Assigned to Future OMIG Recoupment**—Represents the portion of fund balance assigned for future OMIG recoupments.
- **Assigned to Future Medicaid Recoupments**—Represents the portion of fund balance assigned for future Medicaid recoupments.
- **Assigned to Retirement Contribution**—Represents the portion of fund balance assigned for the future payment of retirement contributions.
- **Assigned to Subsequent Year’s Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2020 fiscal year.
- **Assigned to Legislative Clerk**—Represents available fund balance assigned for future use by the Legislative Clerk.

- **Assigned to Budget Stabilization**—Represents fund balance assigned for future use as a result of projected decreases in aid from the State for the next three years.
- **Assigned to Specific Use**—Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignment’s purpose relates to each fund’s operations and represents amounts within funds that are not restricted or committed.

It is the County’s policy 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.

13. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short term in nature and exist because of temporary advances or payments made on behalf of other funds. All interfund balances are expected to be collected/paid within the subsequent year. Interfund transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification. The composition of interfund balances as of December 31, 2020 is shown below.

| Fund | Interfund | |
|-----------------------------|---------------------|---------------------|
| | Receivable | Payable |
| Governmental funds: | | |
| General Fund | \$ 4,393,312 | \$ 713,068 |
| Capital Projects Fund | 1,210,000 | 93,494 |
| Nonmajor governmental funds | 12,766 | 1,690,838 |
| Proprietary funds: | | |
| Enterprise Fund | - | 2,812,760 |
| Internal Service Fund | 959,486 | 1,265,404 |
| Total | <u>\$ 6,575,564</u> | <u>\$ 6,575,564</u> |

Interfund transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification. The County made the following transfers during the year ended December 31, 2020:

| Transfers out: | Transfers in: | | | Total |
|-----------------------|------------------|-----------------------|----------------------|---------------------|
| | General Fund | Capital Projects Fund | Other Nonmajor Funds | |
| General Fund | \$ - | \$ 300,000 | \$ 2,880,000 | \$ 3,180,000 |
| Capital Projects Fund | 91,863 | - | 347 | 92,210 |
| Other nonmajor funds | - | 1,353,000 | - | 1,353,000 |
| Total | <u>\$ 91,863</u> | <u>\$ 1,653,000</u> | <u>\$ 2,880,347</u> | <u>\$ 4,625,210</u> |

14. SEGMENT INFORMATION FOR ENTERPRISE FUND

Segment information for the Manor as of, and for the year ended, December 31, 2020 follows:

| | Van Rensselaer Manor |
|--|-------------------------|
| Operating revenues | \$ 46,535,618 |
| Operating expenses: | |
| Services provided | 50,026,444 |
| Depreciation and amortization | 1,584,438 |
| Operating income | (5,075,264) |
| Non-operating revenue (expense), net | (32,784) |
| Change in net position | <u>\$ (5,108,048)</u> |
| Current assets | \$ 60,883,790 |
| Current liabilities | 9,962,575 |
| Net working capital | <u>\$ 70,846,365</u> |
| Total assets and deferred outflows | \$ 102,977,051 |
| Total liabilities and deferred inflows | (66,104,768) |
| Net position | <u>\$ 36,872,283</u> |
| Capital asset additions | <u>\$ 612,753</u> |
| Long-term liabilities—excluding current portions | <u>\$ 50,442,529</u> |

15. LABOR CONTRACTS

Four bargaining units represent the unionized County employees. The United Public Service Employees Union, the Civil Service Employees Association and Council 82 contracts are settled through December 31, 2022 while the Police Benevolent Association contract is settled through December, 31, 2023.

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 budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid 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 to be significant for amounts that are encumbered in excess of \$100,000. At December 31, 2020, the County reported the following significant encumbrance:

| | <u>Amount</u> | <u>Description</u> |
|-----------------------|---------------|---------------------|
| Capital Projects Fund | \$ 292,692 | Fire training tower |

17. TAX ABATEMENTS

The County is subject to tax abatements granted by the Rensselaer County Industrial Development Agency the (“Agency”). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the RCIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the County, the abatements have resulted in reductions of property taxes, which the County administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by RCIDA, the County collected \$2,852,827 during 2020 in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$5,311,674 in property taxes.

18. CONTINGENCIES

Litigation—The County is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the County. 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.

Grants—In the normal course of operations, the County receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. 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.

Hudson Valley Community College (“HVCC”) Rate Adjustment—HVCC is authorized by New York State Education Law to charge and collect from each county within the State for each nonresident student an allocable portion of the operating costs of HVCC. HVCC calculate this charge on a yearly basis and bills the respective counties. This rate is adjusted by the State on a yearly basis.

19. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 27, 2021, 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 RENNELLAER, NEW YORK
Schedule of the Local Government's Proportionate Share of the
Net Pension Liability (Asset)—Teachers' Retirement System
Last Eight Fiscal Years*

| | Year Ended August 31, | | | | | | | |
|--|-----------------------|----------------|----------------|---------------|---------------|----------------|----------------|---------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Hudson Valley Community College ("HVCC") | | | | | | | | |
| Measurement date | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 | June 30, 2013 | June 30, 2012 |
| HVCC's proportion of the net pension liability/(asset) | 0.0627310% | 0.0599030% | 0.0628370% | 0.0663080% | 0.0672550% | 0.0684170% | 0.0705820% | 0.0728650% |
| HVCC's proportionate share of the net pension liability/(asset) | \$ 1,733,414 | \$ (1,556,297) | \$ (1,136,266) | \$ (504,004) | \$ 720,333 | \$ (7,106,348) | \$ (7,862,345) | \$ (479,637) |
| HVCC's covered payroll | \$ 11,221,505 | \$ 10,631,558 | \$ 9,591,463 | \$ 10,491,959 | \$ 10,454,460 | \$ 10,395,233 | \$ 10,897,491 | \$ 10,815,882 |
| HVCC's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll | 15.4% | -14.6% | -11.8% | -4.8% | 6.9% | -68.4% | -72.1% | -4.4% |
| Plan fiduciary net position as a percentage of the total pension liability/(asset) | 97.8% | 102.2% | 101.5% | 100.7% | 99.0% | 110.5% | 111.5% | 100.7% |

* Information prior to the year ended August 31, 2013 is not available.

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

| | Year Ended August 31, | | | | | | | |
|--|-----------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Hudson Valley Community College ("HVCC") | | | | | | | | |
| Contractually required contributions | \$ 972,503 | \$ 1,061,345 | \$ 945,712 | \$ 1,203,803 | \$ 1,365,305 | \$ 1,761,050 | \$ 1,717,382 | \$ 1,316,536 |
| Contributions in relation to the contractually required contribution | <u>(972,503)</u> | <u>(1,061,345)</u> | <u>(945,712)</u> | <u>(1,203,803)</u> | <u>(1,365,305)</u> | <u>(1,761,050)</u> | <u>(1,717,382)</u> | <u>(1,316,536)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| HVCC's covered payroll | \$ 11,221,505 | \$ 10,631,558 | \$ 9,591,463 | \$ 10,491,959 | \$ 10,454,460 | \$ 10,395,233 | \$ 10,897,491 | \$ 10,815,882 |
| Contributions as a percentage of covered payroll | 8.7% | 10.0% | 9.9% | 11.5% | 13.1% | 16.9% | 15.8% | 12.2% |

* Information prior to the year ended August 31, 2013 is not available.

COUNTY OF RENNELLAER, NEW YORK
Schedule of the Local Governments' Proportionate Share of the
Net Pension Liability—Employees' Retirement System
Last Seven Fiscal Years*

| | Year Ended December 31, | | | | | | |
|--|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Measurement date | March 31, 2020 | March 31, 2019 | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
| Plan fiduciary net position as a percentage of the total pension liability | 86.4% | 96.3% | 98.2% | 94.7% | 90.7% | 97.9% | 97.2% |
| Primary Government: | | | | | | | |
| Rensselaer County ("County")—Governmental Activities: | | | | | | | |
| County's proportion of the net pension liability | 0.2343438% | 0.2275316% | 0.2343915% | 0.2482384% | 0.2478850% | 0.2485007% | 0.2485007% |
| County's proportionate share of the net pension liability | \$ 62,689,977 | \$ 16,121,309 | \$ 7,564,855 | \$ 23,325,058 | \$ 39,786,238 | \$ 8,394,401 | \$ 11,228,648 |
| County's covered payroll | \$ 61,539,269 | \$ 61,050,130 | \$ 57,703,567 | \$ 60,251,514 | \$ 58,369,518 | \$ 59,071,651 | \$ 58,211,639 |
| County's proportionate share of the net pension liability as a percentage of its covered payroll | 101.9% | 26.4% | 13.1% | 38.7% | 68.2% | 14.2% | 19.3% |
| Van Rensselaer Manor ("VRM")—Business-type Activities: | | | | | | | |
| VRM's proportion of the net pension liability | 0.0790984% | 0.0962192% | 0.0769122% | 0.0684246% | 0.0766568% | 0.0798511% | 0.0798511% |
| VRM's proportionate share of the net pension liability | \$ 21,159,839 | \$ 6,817,422 | \$ 2,482,300 | \$ 6,429,328 | \$ 12,303,626 | \$ 2,697,566 | \$ 3,608,361 |
| VRM's covered payroll | \$ 20,572,649 | \$ 20,153,829 | \$ 18,247,759 | \$ 13,020,424 | \$ 14,132,790 | \$ 15,132,583 | \$ 14,699,005 |
| VRM's proportionate share of the net pension liability as a percentage of its covered payroll | 102.9% | 33.8% | 13.6% | 49.4% | 87.1% | 17.8% | 24.5% |

(continued)

COUNTY OF RENNELLAER, NEW YORK
Schedule of the Local Governments' Proportionate Share of the
Net Pension Liability—Employees' Retirement System
Last Seven Fiscal Years*

(concluded)

| | Year Ended December 31, | | | | | | |
|--|-------------------------|---------------|---------------|---------------|---------------|---------------|------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Discretely Presented Component Units: | | | | | | | |
| Rensselaer County Industrial Development Agency ("Agency"): | | | | | | | |
| Agency's proportion of the net pension liability | 0.0006686% | 0.0006048% | 0.0006203% | 0.00063333% | 0.0006267% | 0.0005167% | 0.0005167% |
| Agency's proportionate share of the net pension liability | \$ 177,054 | \$ 42,851 | \$ 20,019 | \$ 59,511 | \$ 100,588 | \$ 17,457 | n/a |
| Agency's covered payroll | \$ 285,318 | \$ 348,686 | \$ 314,472 | \$ 284,398 | \$ 266,198 | \$ 253,521 | n/a |
| Agency's proportionate share of the net pension liability as a percentage of its covered payroll | 62.1% | 12.3% | 6.4% | 20.9% | 37.8% | 6.9% | n/a |
| Hudson Valley Community College ("HVCC"): | | | | | | | |
| HVCC's proportion of the net pension liability | 0.070356% | 0.070917% | 0.071456% | 0.068436% | 0.071318% | 0.067539% | 0.067539% |
| HVCC's proportionate share of the net pension liability | \$ 18,630,602 | \$ 5,024,673 | \$ 2,306,215 | \$ 6,430,374 | \$ 11,446,691 | \$ 2,282,192 | n/a |
| HVCC's covered payroll | \$ 19,285,836 | \$ 17,905,867 | \$ 19,062,540 | \$ 16,751,763 | \$ 16,139,145 | \$ 15,438,034 | n/a |
| HVCC's proportionate share of the net pension liability as a percentage of its covered payroll | 96.6% | 28.1% | 12.1% | 38.4% | 70.9% | 14.8% | n/a |

* Information prior to the year ended December 31, 2014 (August 31, 2014 as to HVCC) is not available.

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

| | Year Ended December 31, | | | | | | |
|--|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Primary Government: | | | | | | | |
| County of Rensselaer ("County")—Governmental Activities: | | | | | | | |
| Contractually required contributions | \$ 8,711,681 | \$ 8,359,548 | \$ 8,658,804 | \$ 8,370,495 | \$ 8,485,275 | \$ 9,277,770 | \$ 10,794,337 |
| Contributions in relation to the contractually required contribution | <u>(8,711,681)</u> | <u>(8,359,548)</u> | <u>(8,658,804)</u> | <u>(8,370,495)</u> | <u>(8,485,275)</u> | <u>(9,277,770)</u> | <u>(10,794,337)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's covered payroll | \$ 61,535,635 | \$ 61,212,013 | \$ 57,631,458 | \$ 62,693,511 | \$ 58,369,518 | \$ 59,071,651 | \$ 58,211,639 |
| Contributions as a percentage of covered payroll | 14.2% | 13.7% | 15.0% | 13.4% | 14.5% | 15.7% | 18.5% |
| Van Rensselaer Manor ("VRM")—Business-type Activities: | | | | | | | |
| Contractually required contributions | \$ 2,924,735 | \$ 3,101,976 | \$ 2,657,772 | \$ 2,540,533 | \$ 2,679,395 | \$ 3,276,192 | \$ 3,447,088 |
| Contributions in relation to the contractually required contribution | <u>(2,924,735)</u> | <u>(3,101,976)</u> | <u>(2,657,772)</u> | <u>(2,540,533)</u> | <u>(2,679,395)</u> | <u>(3,276,192)</u> | <u>(3,447,088)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| VRM's covered payroll | \$ 20,512,464 | \$ 20,153,828 | \$ 18,464,790 | \$ 13,549,018 | \$ 14,036,447 | \$ 14,966,986 | \$ 14,706,069 |
| Contributions as a percentage of covered payroll | 14.3% | 15.4% | 14.4% | 18.8% | 19.1% | 21.9% | 23.4% |

(continued)

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

(concluded)

| | Year Ended December 31, | | | | | | |
|--|-------------------------|------|------|------|------|------|------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |

Discretely Presented Component Units:

Rensselaer County Industrial Development Agency ("Agency"):

| | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|-----|
| Contractually required contributions | \$ 37,913 | \$ 28,657 | \$ 27,528 | \$ 42,620 | \$ 49,762 | \$ 33,472 | n/a |
| Contributions in relation to the contractually required contribution | (37,913) | (28,657) | (27,528) | (42,620) | (49,762) | (33,472) | n/a |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | n/a |
| Agency's covered payroll | \$ 285,318 | \$ 348,686 | \$ 314,472 | \$ 284,398 | \$ 266,198 | \$ 253,521 | n/a |
| Contributions as a percentage of covered payroll | 13.3% | 8.2% | 8.8% | 15.0% | 18.7% | 13.2% | n/a |

Year Ended August 31,

| | Year Ended August 31, | | | | | | |
|--|-----------------------|------|------|------|------|------|------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |

Hudson Valley Community College ("HVCC")

| | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contributions | \$ 2,599,471 | \$ 2,444,203 | \$ 2,568,734 | \$ 2,443,161 | \$ 2,406,654 | \$ 2,899,220 | \$ 3,035,703 |
| Contributions in relation to the contractually required contribution | (2,599,471) | (2,444,203) | (2,568,734) | (2,443,161) | (2,406,654) | (2,899,220) | (3,035,703) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| HVCC's covered payroll | \$ 19,285,836 | \$ 17,905,867 | \$ 19,062,540 | \$ 16,751,763 | \$ 16,139,145 | \$ 15,438,034 | \$ 15,034,090 |
| Contributions as a percentage of covered payroll | 13.5% | 13.7% | 13.5% | 14.6% | 14.9% | 18.8% | 20.2% |

* Information prior to the year ended December 31, 2014 (August 31, 2014 as to HVCC) is not available.

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

| | Year Ended December 31, | | |
|---|-------------------------|----------------------|----------------------|
| | 2020 | 2019 | 2018 |
| Rensselaer County - Governmental Activities: | | | |
| Total OPEB liability | | | |
| Service cost | \$ 2,964,684 | \$ 2,235,591 | \$ 3,322,905 |
| Interest | 1,827,367 | 1,839,499 | 2,313,336 |
| Changes of benefit terms | - | - | (20,062,880) |
| Changes in assumptions | 7,083,654 | 7,770,514 | (3,447,353) |
| Differences between expected and actual experience | (11,010,612) | 321,362 | (1,912,350) |
| Benefit payments | <u>(1,671,614)</u> | <u>(1,523,465)</u> | <u>(1,713,054)</u> |
| Net changes in total OPEB liability | <u>(806,521)</u> | <u>10,643,501</u> | <u>(21,499,396)</u> |
| Total OPEB liability—beginning | <u>53,918,628</u> | <u>43,275,127</u> | <u>64,774,523</u> |
| Total OPEB liability—ending | <u>\$ 53,112,107</u> | <u>\$ 53,918,628</u> | <u>\$ 43,275,127</u> |
| Plan fiduciary net position | | | |
| Contributions—employer | \$ 1,671,614 | \$ 1,523,465 | \$ 1,713,054 |
| Benefit payments | <u>(1,671,614)</u> | <u>(1,523,465)</u> | <u>(1,713,054)</u> |
| Net change in plan fiduciary net position | - | - | - |
| Plan fiduciary net position—beginning | - | - | - |
| Plan fiduciary net position—ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's total OPEB liability—ending | <u>\$ 53,112,107</u> | <u>\$ 53,918,628</u> | <u>\$ 43,275,127</u> |
| Plan's fiduciary net position as a percentage of the total OPEB liability | 0.0% | 0.0% | 0.0% |
| Covered-employee payroll | \$ 61,011,151 | \$ 60,760,613 | \$ 59,839,275 |
| County's total OPEB liability as a percentage of covered-employee payroll | 87.1% | 88.7% | 72.3% |
| Rensselaer County - Business-type Activities: | | | |
| Total OPEB liability | | | |
| Service cost | \$ 901,662 | \$ 672,885 | \$ 1,077,782 |
| Interest | 560,404 | 559,204 | 707,882 |
| Changes of benefit terms | - | - | (6,331,920) |
| Changes of assumptions | 2,378,170 | 2,606,095 | (1,162,045) |
| Differences between expected and actual experience | (3,572,343) | (95,844) | (494,044) |
| Benefit payments | <u>(427,720)</u> | <u>(345,709)</u> | <u>(384,165)</u> |
| Net changes in total OPEB liability | <u>(159,827)</u> | <u>3,396,631</u> | <u>(6,586,510)</u> |
| Total OPEB liability—beginning | <u>16,500,775</u> | <u>13,104,144</u> | <u>19,690,654</u> |
| Total OPEB liability—ending | <u>\$ 16,340,948</u> | <u>\$ 16,500,775</u> | <u>\$ 13,104,144</u> |
| Plan fiduciary net position | | | |
| Contributions—employer | \$ 384,165 | \$ 384,165 | \$ 384,165 |
| Benefit payments | <u>(384,165)</u> | <u>(384,165)</u> | <u>(384,165)</u> |
| Net change in plan fiduciary net position | - | - | - |
| Plan fiduciary net position—beginning | - | - | - |
| Plan fiduciary net position—ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's total OPEB liability—ending | <u>\$ 16,340,948</u> | <u>\$ 16,500,775</u> | <u>\$ 13,104,144</u> |
| Plan's fiduciary net position as a percentage of the total OPEB liability | 0.0% | 0.0% | 0.0% |
| Covered-employee payroll | \$ 20,233,539 | \$ 20,120,139 | \$ 19,619,888 |
| County's total OPEB liability as a percentage of covered-employee payroll | 80.8% | 82.0% | 66.8% |

(continued)

* Information prior to the year ended December 31, 2018 (August 31, 2018 as to HVCC) is not available.

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

(concluded)

| | Year Ended August 31, | | |
|---|------------------------------|----------------------|----------------------|
| | 2020 | 2019 | 2018 |
| Hudson Valley Community College ("HVCC") | | | |
| Total OPEB liability | | | |
| Service cost | \$ 1,228,641 | \$ 1,163,050 | \$ 1,097,461 |
| Interest | 604,613 | 702,630 | 620,918 |
| Changes of benefit terms | - | (5,726,315) | - |
| Changes in assumptions | 1,026,760 | 589,906 | (1,876,023) |
| Differences between expected and actual experience | 23,463 | 1,762,416 | (1,237,696) |
| Benefit payments | <u>(272,520)</u> | <u>(234,666)</u> | <u>(288,675)</u> |
| Net changes in total OPEB liability | <u>2,610,957</u> | <u>(1,742,979)</u> | <u>(1,684,015)</u> |
| Total OPEB liability—beginning | <u>17,640,284</u> | <u>19,383,263</u> | <u>21,067,278</u> |
| Total OPEB liability—ending | <u>\$ 20,251,241</u> | <u>\$ 17,640,284</u> | <u>\$ 19,383,263</u> |
| Plan fiduciary net position | | | |
| Contributions—employer | \$ 272,520 | \$ 234,666 | \$ 288,675 |
| Benefit payments | <u>(272,520)</u> | <u>(234,666)</u> | <u>(288,675)</u> |
| Net change in plan fiduciary net position | - | - | - |
| Plan fiduciary net position—beginning | - | - | - |
| Plan fiduciary net position—ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| HVCC's total OPEB liability—ending | <u>\$ 20,251,241</u> | <u>\$ 17,640,284</u> | <u>\$ 19,383,263</u> |
| Plan's fiduciary net position as a percentage of the total OPEB liability | 0.0% | 0.0% | 0.0% |
| Covered-employee payroll | n/a | n/a | n/a |
| HVCC's total OPEB liability as a percentage of covered-employee payroll | n/a | n/a | n/a |

* Information prior to the year ended December 31, 2018 (August 31, 2018 as to HVCC) is not available.

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

COUNTY OF RENSSELAER, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended December 31, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Real property taxes | \$ 56,969,609 | \$ 56,969,609 | \$ 57,292,976 | \$ 323,367 |
| Real property tax items | 6,072,118 | 6,072,118 | 6,230,366 | 158,248 |
| Non-property tax items | 93,993,641 | 94,597,959 | 98,902,254 | 4,304,295 |
| Departmental income | 15,262,853 | 15,671,450 | 13,437,933 | (2,233,517) |
| Intergovernmental charges | 16,307,651 | 16,349,097 | 15,598,880 | (750,217) |
| Use of money and property | 1,206,673 | 1,206,673 | 520,388 | (686,285) |
| Fines and forfeitures | 306,623 | 306,623 | 179,654 | (126,969) |
| Sale of property and compensation for loss | 2,000 | 44,188 | 119,127 | 74,939 |
| Miscellaneous | 121,050 | 173,705 | 469,145 | 295,440 |
| Interfund revenues | 2,359,047 | 2,359,047 | 2,367,260 | 8,213 |
| State aid | 37,452,865 | 43,076,057 | 37,961,472 | (5,114,585) |
| Federal aid | 20,073,576 | 22,660,704 | 18,672,155 | (3,988,549) |
| Total revenues | <u>250,127,706</u> | <u>259,487,230</u> | <u>251,751,610</u> | <u>(7,735,620)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government support | 56,578,113 | 58,848,501 | 55,212,381 | 3,636,120 |
| Education | 20,850,540 | 20,850,540 | 19,200,507 | 1,650,033 |
| Public safety | 41,679,359 | 42,817,152 | 38,389,995 | 4,427,157 |
| Health | 22,288,021 | 24,852,510 | 23,903,878 | 948,632 |
| Transportation | 609,361 | 731,179 | 582,125 | 149,054 |
| Economic assistance and opportunity | 97,765,588 | 100,279,997 | 84,220,097 | 16,059,900 |
| Culture and recreation | 682,376 | 718,376 | 441,175 | 277,201 |
| Home and community services | 919,057 | 945,854 | 772,284 | 173,570 |
| Debt service: | | | | |
| Principal | 5,838,730 | 5,838,730 | 5,736,083 | 102,647 |
| Interest | 2,241,119 | 2,241,119 | 2,178,928 | 62,191 |
| Total expenditures | <u>249,452,264</u> | <u>258,123,958</u> | <u>230,637,453</u> | <u>27,486,505</u> |
| Excess of revenues over expenditures | 675,442 | 1,363,272 | 21,114,157 | 19,750,885 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 91,863 | 91,863 |
| Transfers out | <u>(1,230,000)</u> | <u>(3,480,000)</u> | <u>(3,180,000)</u> | <u>300,000</u> |
| Total other financing sources | <u>(1,230,000)</u> | <u>(3,480,000)</u> | <u>(3,088,137)</u> | <u>391,863</u> |
| Net change in fund balances* | (554,558) | (2,116,728) | 18,026,020 | 20,142,748 |
| Fund balances—beginning | 61,297,951 | 61,297,951 | 61,297,951 | - |
| Fund balances—ending | <u>\$ 60,743,393</u> | <u>\$ 59,181,223</u> | <u>\$ 79,323,971</u> | <u>\$ 20,142,748</u> |

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

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

COUNTY OF RENSSELAER, NEW YORK
Note to the Required Supplementary Information
Year Ended December 31, 2020

1. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the discount rate and the medical healthcare cost trend rate. The discount rate is based on the yield for 20-year tax-exempt general obligation municipal bonds as of the measurement date, which decreased from 3.26% effective December 31, 2019 to 2.12% effective December 31, 2020. The medical healthcare cost trend rates were updated to reflect current medical provisions and premiums and expected future experience.

Hudson Valley Community College (“HVCC”)—The discount rate is based on the Bond Buyer General Obligation 20-Year Municipal Bond Index. The most significant factor impacting the HVCC’s OPEB liability includes a decrease in the discount rate from 3.25% to 2.97%. The medical healthcare cost trend rates remained the same for 2019 at an initial rate of 7.5% and an ultimate rate of 5.0%

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except the Capital Projects Fund and the Rensselaer Tobacco Asset Securitization Corporation, which adopts its own budget. The Capital Projects Fund is appropriated on a project length basis; appropriations are approved through a County Legislature resolution at the project’s inception and lapse upon termination of the project.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations require the approval of the County Legislature. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the functional classification.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances.

Actual results of operations presented in accordance with GAAP and the County’s accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements. The General Fund original budget for the year ended December 31, 2020 includes encumbrances from the prior year of \$554,558.

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SUPPLEMENTARY INFORMATION

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COUNTY OF RENSSELAER, NEW YORK
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

| | Special Revenue | | | | | Debt Service | Total Nonmajor Funds |
|--------------------------------------|--------------------------|----------------------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------------------|
| | Special Grant | Community Development | Highway | Sewer | RTASC | | |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 152,135 | \$ 1,079,187 | \$ 4,539,931 | \$ 1,526,410 | \$ 33,725 | \$ - | \$ 7,331,388 |
| Restricted cash and cash equivalents | - | - | - | 1,875 | 2,080,833 | - | 2,082,708 |
| Other receivables | 111,972 | 869,800 | 67,624 | 3,887,494 | - | - | 4,936,890 |
| Intergovernmental receivables | 425 | - | 746,180 | - | - | - | 746,605 |
| Due from other funds | 1,660 | - | 10,759 | 347 | - | - | 12,766 |
| Inventories | - | - | 300,680 | - | - | - | 300,680 |
| Prepaid items | 17,485 | - | 84,996 | 55,109 | - | - | 157,590 |
| Total assets | <u>\$ 283,677</u> | <u>\$ 1,948,987</u> | <u>\$ 5,750,170</u> | <u>\$ 5,471,235</u> | <u>\$ 2,114,558</u> | <u>\$ -</u> | <u>\$ 15,568,627</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 68,805 | \$ 25,543 | \$ 591,335 | \$ 578,895 | \$ - | \$ - | \$ 1,264,578 |
| Accrued liabilities | 5,982 | - | 30,811 | 39,349 | - | - | 76,142 |
| Due to other funds | 75,731 | 295 | 1,403,660 | 211,152 | - | - | 1,690,838 |
| Intergovernmental payables | - | 428 | - | - | - | - | 428 |
| Unearned revenues | - | - | - | 1,875 | - | - | 1,875 |
| Total liabilities | <u>150,518</u> | <u>26,266</u> | <u>2,025,806</u> | <u>831,271</u> | <u>-</u> | <u>-</u> | <u>3,033,861</u> |
| FUND BALANCES | | | | | | | |
| Nonspendable | 17,485 | 869,800 | 385,676 | 55,109 | - | - | 1,328,070 |
| Restricted | - | - | - | - | 2,080,833 | - | 2,080,833 |
| Assigned | 115,674 | 1,052,921 | 3,338,688 | 4,584,855 | 33,725 | - | 9,125,863 |
| Total fund balances | <u>133,159</u> | <u>1,922,721</u> | <u>3,724,364</u> | <u>4,639,964</u> | <u>2,114,558</u> | <u>-</u> | <u>12,534,766</u> |
| Total liabilities and fund balances | <u>\$ 283,677</u> | <u>\$ 1,948,987</u> | <u>\$ 5,750,170</u> | <u>\$ 5,471,235</u> | <u>\$ 2,114,558</u> | <u>\$ -</u> | <u>\$ 15,568,627</u> |

COUNTY OF RENSSELAER, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

| | Special Revenue | | | | | Debt Service | Total Nonmajor Funds |
|---|-------------------|-----------------------|---------------------|---------------------|---------------------|------------------|----------------------|
| | Special Grant | Community Development | Highway | Sewer | RTASC | | |
| REVENUES | | | | | | | |
| Real property taxes | \$ - | \$ - | \$ 6,906,296 | \$ - | \$ - | \$ - | \$ 6,906,296 |
| Non-property tax items | - | - | 955,469 | - | - | - | 955,469 |
| Departmental income | - | - | - | 10,855,317 | - | - | 10,855,317 |
| Use of money and property | - | 10,714 | 2,238,411 | 290 | 16,404 | - | 2,265,819 |
| Licenses and permits | - | - | 5,430 | - | - | - | 5,430 |
| Sale of property and compensation for loss | - | - | 37,093 | 1,977 | - | - | 39,070 |
| Miscellaneous | - | 2,412 | 49 | 855 | - | - | 3,316 |
| State aid | - | - | 3,198,128 | - | - | - | 3,198,128 |
| Federal aid | 1,267,703 | 55,000 | - | - | - | - | 1,322,703 |
| Tobacco settlement revenue | - | - | - | - | 2,240,698 | - | 2,240,698 |
| Total revenues | <u>1,267,703</u> | <u>68,126</u> | <u>13,340,876</u> | <u>10,858,439</u> | <u>2,257,102</u> | <u>-</u> | <u>27,792,246</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government support | 55,132 | - | 458,073 | 355,157 | 48,692 | - | 917,054 |
| Public safety | - | - | 283,956 | - | - | - | 283,956 |
| Transportation | - | - | 12,024,029 | - | - | - | 12,024,029 |
| Economic assistance and opportunity | 1,210,911 | 374,156 | - | - | - | - | 1,585,067 |
| Home and community services | - | - | - | 4,034,891 | - | - | 4,034,891 |
| Employee benefits | - | - | 1,456,382 | 847,501 | - | - | 2,303,883 |
| Debt service: | | | | | | | |
| Principal | - | - | 811,353 | 3,820,968 | 665,000 | - | 5,297,321 |
| Interest and other fiscal charges | - | - | 215,812 | 1,081,570 | 1,579,347 | 132,083 | 3,008,812 |
| Total expenditures | <u>1,266,043</u> | <u>374,156</u> | <u>15,249,605</u> | <u>10,140,087</u> | <u>2,293,039</u> | <u>132,083</u> | <u>29,455,013</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,660</u> | <u>(306,030)</u> | <u>(1,908,729)</u> | <u>718,352</u> | <u>(35,937)</u> | <u>(132,083)</u> | <u>(1,662,767)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | - | - | 2,880,000 | 347 | - | - | 2,880,347 |
| Transfers out | - | - | (1,210,000) | (143,000) | - | - | (1,353,000) |
| Refunding bonds issued | - | - | - | - | - | 18,150,000 | 18,150,000 |
| Premium on refunding bonds issued | - | - | - | - | - | 3,735,179 | 3,735,179 |
| Payment to refunded bond escrow agent | - | - | - | - | - | (21,753,096) | (21,753,096) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>1,670,000</u> | <u>(142,653)</u> | <u>-</u> | <u>132,083</u> | <u>1,659,430</u> |
| Net change in fund balances | 1,660 | (306,030) | (238,729) | 575,699 | (35,937) | - | (3,337) |
| Fund balances—beginning | 131,499 | 2,228,751 | 3,963,093 | 4,064,265 | 2,150,495 | - | 12,538,103 |
| Fund balances—ending | <u>\$ 133,159</u> | <u>\$ 1,922,721</u> | <u>\$ 3,724,364</u> | <u>\$ 4,639,964</u> | <u>\$ 2,114,558</u> | <u>\$ -</u> | <u>\$ 12,534,766</u> |

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FEDERAL AWARDS INFORMATION

COUNTY OF RENNELAER, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a) | Federal CFDA Number (1b) | Pass-Through Entity Identifying Number (1c) | Passed- Through to Subrecipients | Total Federal Expenditures (1d) |
|--|--------------------------------|---|--|---------------------------------------|
| U.S. Department of Agriculture: | | | | |
| Passed through New York State: | | | | |
| <i>Child Nutrition Cluster</i> | | | | |
| Summer Food Service Program for Children | 10.559 | N/A | \$ - | \$ 91,046 |
| <i>Total Child Nutrition Cluster</i> | | | - | 91,046 |
| Passed through NYS Office of Temporary and Disability Assistance: | | | | |
| <i>SNAP Cluster</i> | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | N/A | - | 3,438,006 |
| <i>Total SNAP Cluster</i> | | | - | 3,438,006 |
| Total U.S. Department of Agriculture | | | - | 3,529,052 |
| U.S. Department of Housing and Urban Development: | | | | |
| Passed through New York State Office of Homes and Community Renewal: | | | | |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | 14.228 | 975HO349-19 | - | 55,000 |
| Total U.S. Department of Housing and Urban Development | | | - | 55,000 |
| U.S. Department of Justice: | | | | |
| Direct Program: | | | | |
| Coronavirus Emergency Supplemental Funding Program | 16.034 | N/A | - | 17,253 |
| Passed through NYS Department of Justice: | | | | |
| Law Enforcement Assistance—Narcotics and Dangerous Drugs Training | 16.004 | N/A | - | 11,140 |
| Passed through Unity House: | | | | |
| Encourage Arrest Policies and Enforcement of Orders | 16.590 | N/A | - | 15,072 |
| Passed through City of Troy: | | | | |
| Encourage Arrest Policies and Enforcement of Orders | 16.590 | N/A | - | (1,227) |
| Total U.S. Department of Justice | | | - | 42,238 |
| U.S. Department of Labor: | | | | |
| Passed through NYS Department of Labor: | | | | |
| Trade Adjustment Assistance | 17.245 | N/A | - | 8,855 |
| <i>WIA/WIOA Cluster</i> | | | | |
| WIA/WIOA Adult Program | 17.258 | N/A | - | 448,770 |
| WIA/WIOA Youth Activities | 17.259 | N/A | - | 315,928 |
| WIA/WIOA Dislocated Worker Formula Grants | 17.278 | N/A | - | 236,290 |
| <i>Total WIA/WIOA Cluster</i> | | | - | 1,000,988 |
| Total U.S. Department of Labor | | | - | 1,009,843 |

(continued)

COUNTY OF RENNELAER, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a) | Federal CFDA Number (1b) | Pass-Through Entity Identifying Number (1c) | Passed- Through to Subrecipients | Total Federal Expenditures (1d) |
|--|--------------------------------|---|--|---------------------------------------|
| U.S. Department of Transportation: | | | | |
| Passed through NYS Department of Transportation: | | | | |
| <i>Highway Planning and Construction Cluster</i> | | | | |
| Highway Planning and Construction | 20.205 | N/A | - | 1,307,349 |
| <i>Total Highway Planning and Construction Cluster</i> | | | - | 1,307,349 |
| Formula Grants for Rural Areas | 20.509 | N/A | - | 65,000 |
| Formula Grants for Rural Areas | 20.509 | C004093 | - | 69,653 |
| <i>Total Formula Grants for Rural Areas</i> | | | - | 1,442,002 |
| Passed through NYS Division of Criminal Justice Services: | | | | |
| <i>Highway Safety Cluster</i> | | | | |
| National Priority Safety Programs | 20.616 | N/A | - | 5,319 |
| <i>Total Highway Safety Cluster</i> | | | - | 5,319 |
| Total U.S. Department of Transportation | | | - | 1,447,321 |
| U.S. Department of Education: | | | | |
| Passed through NYS Department of Health: | | | | |
| Special Education Grants for Infants and Families | 84.181 | NYLHB0697-18 | - | 105,734 |
| Special Education Grants for Infants and Families | 84.181 | C-021815 | - | 75,090 |
| Total U.S. Department of Education | | | - | 180,824 |
| U.S. Election Assistance Commission: | | | | |
| Passed through New York State: | | | | |
| Help America Vote Act Requirements Payments | 90.401 | N/A | - | 186,745 |
| Total U.S. Election Assistance Commission: | | | - | 186,745 |
| U.S. Department of Health and Human Services: | | | | |
| Direct Program: | | | | |
| Guardianship Assistance | 93.090 | N/A | - | 929 |
| Provider Relief Fund | 93.498 | N/A | - | 2,972,083 |
| Passed through National Association of County and City Health Officials: | | | | |
| Medical Reserve Corps Small Grant Program | 93.008 | N/A | - | 66,826 |
| Passed through Health Research Inc.: | | | | |
| Public Health Emergency Preparedness | 93.069 | HRI 1595-09 | - | 152,705 |
| Overdose Data to Action | 93.136 | HRI 6146-01 | - | 30,792 |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | HRI 6328-01 | - | 155,947 |
| Passed through the Research Foundation for Mental Hygiene Inc.: | | | | |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | N/A | - | 179,117 |
| <i>477 Cluster</i> | | | | |
| Passed through the NYS Department of Labor: | | | | |
| Temporary Assistance for Needy Families (TANF) | 93.558 | N/A | - | 256,199 |
| Passed through NYS Office of Temporary and Disability Assistance: | | | | |
| Temporary Assistance for Needy Families (TANF) | 93.558 | N/A | - | 10,843,204 |
| <i>Total 477 Cluster</i> | | | - | 11,099,403 |
| Child Support Enforcement | 93.563 | N/A | - | (14,745) |
| Low-Income Home Energy Assistance Program | 93.568 | N/A | - | 4,769,879 |
| Passed through NYS Office of Children and Family Services: | | | | |
| <i>CCDF Cluster</i> | | | | |
| Child Care and Development Block Grant | 93.575 | N/A | - | 1,964,986 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | N/A | - | 409,166 |
| <i>Total CCDF Cluster</i> | | | - | 2,374,152 |

(continued)

COUNTY OF RENSSELAER, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a) | Federal CFDA Number (1b) | Pass-Through Entity Identifying Number (1c) | Passed- Through to Subrecipients | Total Federal Expenditures (1d) |
|---|---|--|---|--|
| Foster Care—Title IV-E | 93.658 | N/A | - | 2,863,836 |
| Adoption Assistance—Title IV-E | 93.659 | N/A | - | 1,357,018 |
| Social Services Block Grant | 93.667 | N/A | - | 4,379,669 |
| Chafee Foster Care Independence Program | 93.674 | N/A | - | 19,099 |
| Passed through NYS Office of Mental Health: | | | | |
| Medical Assistance Program | 93.778 | N/A | - | 254,248 |
| Passed through NYS Office of Social Services: | | | | |
| Medical Assistance Program | 93.778 | N/A | - | 1,651,466 |
| <i>Total Medical Assistance Program</i> | | | - | 1,905,714 |
| State Indoor Radon Grants Program | 66.032 | N/A | - | 2,686 |
| Community Mental Health Services Block Grant | 93.958 | N/A | - | 210,929 |
| Passed through NYS Department of Health: | | | | |
| Immunization Grants | 93.268 | C023265 | - | 73,217 |
| Children's Health Insurance Program | 93.767 | N/A | - | 76,586 |
| Preventive Health and Health Services Block Grant | 93.991 | C030512 | - | 248,805 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | C026530 | - | 59,715 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | C024636 | - | 26,738 |
| <i>Total Maternal and Child Health Services Block Grant to the States</i> | | | - | 86,453 |
| Passed through NYS Office of Alcoholism and Substance Abuse Services: | | | | |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | N/A | 1,084,474 | 1,084,474 |
| Passed through NYS Office for the Aging: | | | | |
| <i>Aging Cluster</i> | | | | |
| Special Programs for the Aging—Title III, Part B - Grants for Supportive Service and Senior Centers | 93.044 | N/A | - | 478,136 |
| Special Programs for the Aging—Title III, Part C - Nutrition Services | 93.045 | N/A | - | 1,167,188 |
| Nutrition Services Incentive Program | 93.053 | N/A | - | 135,893 |
| <i>Total Aging Cluster</i> | | | - | 1,781,217 |
| Special Programs for the Aging—Title III, Part D - Disease Prevention and Health Promotion Services | 93.043 | N/A | - | 19,042 |
| National Family Caregiver Support—Title III, Part E Centers for Medicare and Medicaid Services (CMS) | 93.052 | N/A | - | 110,703 |
| Research, Demonstrations and Evaluations | 93.779 | N/A | - | 18,257 |
| Total U.S. Department of Health and Human Services | | | <u>1,084,474</u> | <u>36,024,793</u> |

(continued)

COUNTY OF RENSSELAER, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

(concluded)

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a) | Federal CFDA Number (1b) | Pass-Through Entity Identifying Number (1c) | Passed- Through to Subrecipients | Total Federal Expenditures (1d) |
|---|---|--|---|--|
| U.S. Department of Homeland Security: | | | | |
| Passed through NYS Division of Homeland Security and Emergency Services: | | | | |
| Disaster Grants - Public Assistance | 97.036 | N/A | - | 458,120 |
| Hazard Mitigation Grant | 97.039 | C000798 | - | 300,000 |
| Homeland Security Grant Program | 97.067 | C835405 | - | 127,382 |
| Homeland Security Grant Program | 97.067 | C835495 | - | 126,436 |
| Homeland Security Grant Program | 97.067 | C972800 | - | 41,946 |
| Homeland Security Grant Program | 97.067 | C972804 | - | 69,706 |
| Homeland Security Grant Program | 97.067 | C972870 | - | 1,381 |
| Homeland Security Grant Program | 97.067 | C972880 | - | 37,757 |
| Homeland Security Grant Program | 97.067 | C972890 | - | 174,749 |
| Homeland Security Grant Program | 97.067 | N/A | - | 29,345 |
| <i>Total Homeland Security Grant Program</i> | | | - | 608,702 |
| Total U.S. Department of Homeland Security | | | - | 1,366,822 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS (1e) | | | \$ 1,084,474 | \$ 43,842,638 |

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

COUNTY OF RENSSELAER, NEW YORK
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of County of Rensselaer, New York (the "County") under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County. The following notes were identified on the schedule of expenditures of federal awards:

- (a) Includes all federal award programs of the County of Rensselaer, New York. The federal expenditures, if any, of the Rensselaer County Industrial Development Agency (the "Agency") and the Hudson Valley Community College (the "College") have not been included.
- (b) Source: Catalog of Federal Domestic Assistance
- (c) Pass-through entity identifying numbers are presented where available.
- (d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- (e) A reconciliation to the financial statements is available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. AMOUNTS PROVIDED TO SUBRECIPIENTS

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

4. MATCHING COSTS

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

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Certified Public Accountants

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

Honorable County Executive and County Legislature
County of Rensselaer, New York:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Rensselaer, New York (the "County") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 27, 2021. Our report includes a reference to other auditors who audited the financial statements of the Rensselaer County Industrial Development Agency and Hudson Valley Community College, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Drescher & Malecki LLP

May 27, 2021

Certified Public Accountants

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

Honorable County Executive and County Legislature
County of Rensselaer, New York:

Report on Compliance for Each Major Federal Program

We have audited the County of Rensselaer, New York's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Rensselaer County Industrial Development Agency and the Hudson Valley Community College, which received \$-0- and \$27,271,785 in federal awards, respectively, which are not included in the County's schedule of expenditures of federal awards during the year ended December 31, 2020. Our compliance audit, described below, did not include the operations of the Rensselaer County Industrial Development Agency and the Hudson Valley Community College because other auditors were engaged to perform such audits in accordance with the Uniform Guidance, as applicable.

Management's Responsibility

The County's management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

Drescher & Malecki LLP

May 27, 2021

COUNTY OF RENSSELAER, NEW YORK
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

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

Internal control over financial reporting:

| | | | |
|---|-----------|---|--|
| Material weakness(es) identified? | _____ Yes | _____ <input checked="" type="checkbox"/> No | |
| Significant deficiency(ies) identified? | _____ Yes | _____ <input checked="" type="checkbox"/> None reported | |
| Noncompliance material to the financial statements noted? | _____ Yes | _____ <input checked="" type="checkbox"/> No | |

Federal Awards:

Internal control over major federal programs:

| | | | |
|---|-----------|---|--|
| Material weakness(es) identified? | _____ Yes | _____ <input checked="" type="checkbox"/> No | |
| Significant deficiency(ies) identified? | _____ Yes | _____ <input checked="" type="checkbox"/> None reported | |

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

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

Identification of major federal programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|--|
| 10.561 | State Administrative Matching Grants for the Supplemental Nutrition Assistance Program |
| 93.498 | Provider Relief Fund |
| 93.568 | Low-Income Home Energy Assistance Program |
| 93.778 | Medical Assistance Program |

Dollar threshold used to distinguish between Type A and Type B programs? \$ 1,362,971

Auditee qualified as low-risk auditee? _____ Yes _____ No

Section II. FINANCIAL STATEMENT FINDINGS

No findings noted.

Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

COUNTY OF RENSSELAER, NEW YORK
Summary Schedule of Prior Audit Findings and Corrective Action Plan
Year Ended December 31, 2020
(Follow-up of December 31, 2019 findings)

No findings were reported.

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