

**COUNTY OF RENSSELAER,  
NEW YORK**

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



**COUNTY OF RENSSELAER, NEW YORK**  
**Table of Contents**  
**Year Ended December 31, 2024**

---

	<u>Page</u>
Independent Auditors' Report .....	1
Management's Discussion and Analysis .....	4
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities .....	16
Fund Financial Statements:	
Balance Sheet—Governmental Funds .....	17
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position .....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds to the Government-wide Statement of Activities .....	20
Statement of Net Position—Proprietary Funds .....	21
Statement of Revenues, Expenses, and Changes in Net Position—Proprietary Funds .....	22
Statement of Cash Flows—Proprietary Funds .....	23
Statement of Fiduciary Net Position—Fiduciary Fund .....	25
Statement of Changes in Fiduciary Net Position—Fiduciary Fund .....	26
Notes to the Financial Statements .....	27

(continued)



**COUNTY OF RENSSELAER, NEW YORK**  
**Table of Contents**  
**Year Ended December 31, 2024**

---

(concluded)

Page

**Required Supplementary Information:**

Schedule of the Local Government’s Proportionate Share of the Net Pension Liability/(Asset)—Teachers’ Retirement System .....	74
Schedule of the Local Government’s Contributions—Teachers’ Retirement System .....	75
Schedule of the Local Government’s Proportionate Share of the Net Pension Liability—Employees’ Retirement System .....	76
Schedule of the Local Government’s Contributions—Employees’ Retirement System .....	78
Schedule of Changes in the County’s Total OPEB Liability and Related Ratios .....	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—General Fund .....	82
Notes to the Required Supplementary Information .....	83

**Supplementary Information:**

Combining Balance Sheet—Nonmajor Governmental Funds.....	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds.....	85
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 <i>Government Auditing Standards</i> .....	86



## DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111  
Elma, New York 14059  
Telephone: 716.565.2299  
Fax: 716.389.5178



### INDEPENDENT AUDITORS' REPORT

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

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

##### *Opinions*

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

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

We did not audit the financial statements of the Rensselaer County Industrial Development Agency (the "Agency") and the Hudson Valley Community College (the "HVCC"), which are shown as discretely presented component units. We did not audit the Rensselaer County Capital Resource Corporation (the "RCCRC"), which represents 0.09 percent and 0.00 percent of the assets and revenues, respectively, of the aggregate remaining nonmajor governmental fund information. 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 Agency, HVCC, and RCCRC, is based solely on the reports of the other auditors.

##### *Basis for Opinions*

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

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

As discussed in Note 2 to the financial statements, the financial statements have been restated for the implementation of GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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

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

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

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

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Drescher & Malecki LLP*

July 18, 2025



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

---

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, 2024. 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. For comparative purposes, certain data from the prior year has been reclassified to conform with the current year presentation.

**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 \$231,638,470 (net position). This consists of \$129,422,778 net investment in capital assets, \$52,697,935 restricted for specific purposes and unrestricted net position of \$49,517,757.
- The County's total primary government net position increased by \$25,004,218 during the year ended December 31, 2024. Governmental activities increased the County's net position by \$20,257,678, and net position of the business-type activity increased \$4,746,540.
- At the close of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$176,241,615, a decrease of \$4,499,453 from the prior year's combined ending fund balance of \$180,741,068.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$87,469,065, or 26.3 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the County's discretion and constitutes approximately 75.5 percent of the General Fund's total fund balance of \$115,812,127 at December 31, 2024.
- The County's primary government total bonded indebtedness, excluding RTASC bonds, decreased by \$6,091,168. During the year, the County issued serial bonds of \$2,500,000 and made scheduled principal payments of \$8,591,168.

**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 15-16 of this report.

**Fund financial statements**—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, 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 eight individual governmental funds, including the activities of its blended component units, the Rensselaer Tobacco Asset Securitization Corporation ("RTASC") and the Rensselaer County Capital Resource Corporation ("RCCRC"). 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 major funds. Data from the other six 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 17-20 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 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 21-24 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 25-26 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 27-71 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.

## 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 \$237,647,558 at the close of the most recent fiscal year, as compared to \$206,634,252, as restated, at the close of the fiscal year ended December 31, 2023.

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

	Governmental Activities		Business-type Activity		Total Primary Government	
	December 31,		December 31,		December 31,	
	2024	2023 (as restated)	2024	2023 (as restated)	2024	2023 (as restated)
<b>Assets:</b>						
Current assets	\$ 294,177,707	\$ 309,540,703	\$ 53,779,535	\$ 49,173,322	\$ 347,957,242	\$ 358,714,025
Noncurrent assets	275,516,305	249,817,044	21,276,688	20,820,903	296,792,993	270,637,947
Total assets	<u>569,694,012</u>	<u>559,357,747</u>	<u>75,056,223</u>	<u>69,994,225</u>	<u>644,750,235</u>	<u>629,351,972</u>
Deferred outflows of resources	<u>49,877,093</u>	<u>54,330,294</u>	<u>13,084,333</u>	<u>15,243,322</u>	<u>62,961,426</u>	<u>69,573,616</u>
<b>Liabilities:</b>						
Current liabilities	65,251,530	76,801,823	4,692,869	4,792,794	69,944,399	81,594,617
Noncurrent liabilities	312,699,874	325,367,068	32,653,475	35,537,095	345,353,349	360,904,163
Total liabilities	<u>377,951,404</u>	<u>402,168,891</u>	<u>37,346,344</u>	<u>40,329,889</u>	<u>415,297,748</u>	<u>442,498,780</u>
Deferred inflows of resources	<u>47,229,765</u>	<u>33,649,308</u>	<u>13,545,678</u>	<u>10,768,230</u>	<u>60,775,443</u>	<u>44,417,538</u>
<b>Net position:</b>						
Net investment in capital assets	116,046,390	100,371,159	13,376,388	11,822,473	129,422,778	112,193,632
Restricted	49,230,149	40,129,224	3,467,786	1,786,710	52,697,935	41,915,934
Unrestricted	<u>29,113,397</u>	<u>33,631,875</u>	<u>20,404,360</u>	<u>18,892,811</u>	<u>49,517,757</u>	<u>52,524,686</u>
Total net position	<u>\$ 194,389,936</u>	<u>\$ 174,132,258</u>	<u>\$ 37,248,534</u>	<u>\$ 32,501,994</u>	<u>\$ 231,638,470</u>	<u>\$ 206,634,252</u>

The largest portion of the County's primary government net position, \$129,422,778, reflects its net investment in capital assets (e.g. land, land improvements, buildings and improvements, infrastructure and machinery and equipment) net of accumulated depreciation, 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, \$52,697,935 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, \$49,517,757, is considered to be unrestricted net position.

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

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

	Governmental Activities		Business-type activity		Total Primary Government	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues	\$ 128,224,660	\$ 111,568,415	\$ 48,044,057	\$ 43,034,241	\$ 176,268,717	\$ 154,602,656
General revenues	212,838,325	211,203,657	-	-	212,838,325	211,203,657
Total revenues	<u>341,062,985</u>	<u>322,772,072</u>	<u>48,044,057</u>	<u>43,034,241</u>	<u>389,107,042</u>	<u>365,806,313</u>
Total expenses	<u>320,697,657</u>	<u>314,070,367</u>	<u>43,405,167</u>	<u>44,495,596</u>	<u>364,102,824</u>	<u>358,565,963</u>
Transfers	<u>(107,650)</u>	<u>(762,080)</u>	<u>107,650</u>	<u>762,080</u>	<u>-</u>	<u>-</u>
Change in net position	20,257,678	7,939,625	4,746,540	(699,275)	25,004,218	7,240,350
Net position—beginning	174,132,258	168,061,425	32,501,994	34,009,996	206,634,252	202,071,421
Restatement	<u>-</u>	<u>(1,868,792)</u>	<u>-</u>	<u>(808,727)</u>	<u>-</u>	<u>(2,677,519)</u>
Net position—ending	<u>\$ 194,389,936</u>	<u>\$ 174,132,258</u>	<u>\$ 37,248,534</u>	<u>\$ 32,501,994</u>	<u>\$ 231,638,470</u>	<u>\$ 206,634,252</u>

**Governmental activities**—Governmental activities increased the County’s net position by \$20,257,678. Total revenues increased 5.7 percent, primarily as a result of an increase in operating grants and contributions. Total expenses increased 2.1 percent, largely as a result of an increase in the allocable employee benefits related to the OPEB obligation and related inflows and outflows of resources.

A summary of revenues for governmental activities for the years ended December 31, 2024 and December 31, 2023 is presented below.

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

	Year Ended December 31,		Increase/(Decrease)	
	2024	2023	Dollars	Percent (%)
Charges for services	\$ 40,096,409	\$ 37,639,906	\$ 2,456,503	6.5
Operating grants and contributions	82,196,528	69,268,856	12,927,672	18.7
Capital grants	5,931,723	4,659,653	1,272,070	27.3
Property taxes and tax items	68,613,667	67,747,573	866,094	1.3
Non-property taxes	129,583,979	129,144,719	439,260	0.3
Use of money and property	11,361,152	9,650,713	1,710,439	17.7
Tobacco settlement revenue	1,932,502	2,298,416	(365,914)	(15.9)
Other	<u>1,347,025</u>	<u>2,362,236</u>	<u>(1,015,211)</u>	<u>(43.0)</u>
Total revenues	<u>\$ 341,062,985</u>	<u>\$ 322,772,072</u>	<u>\$ 18,290,913</u>	<u>5.7</u>

For the year ended December 31, 2024, the most significant source of revenues for governmental activities are non-property taxes, which account for \$129,583,979, or 38.0 percent of total revenues. The other significant sources of revenue include operating and capital grants which account for \$88,128,251, or 25.8 percent of total revenues and property taxes and tax items which account for \$68,613,667, or 20.1 percent of total revenues. Similarly, for the year ended December 31, 2023, the most significant source of revenues for governmental activities are non-property taxes, which account for \$129,144,719, or 40.0 percent of total revenues. The other significant sources of revenue include operating and capital grants which account for \$73,928,509, or 22.9 percent of total revenues and property taxes and tax items which account for \$67,747,573, or 21.0 percent of total revenues.

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

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

	Year Ended December 31,		Increase/(Decrease)	
	2024	2023	Dollars	Percent (%)
General government support	\$ 84,779,897	\$ 72,310,617	\$ 12,469,280	17.2
Education	28,073,414	24,468,893	3,604,521	14.7
Public safety	47,387,344	53,914,098	(6,526,754)	(12.1)
Health	26,392,570	25,951,552	441,018	1.7
Transportation	16,922,321	19,661,543	(2,739,222)	(13.9)
Economic assistance and opportunity	104,521,563	103,911,041	610,522	0.6
Culture and recreation	738,351	631,049	107,302	17.0
Home and community services	5,182,093	6,955,672	(1,773,579)	(25.5)
Interest and fiscal charges	6,700,104	6,265,902	434,202	6.9
Total program expenses	<u>\$ 320,697,657</u>	<u>\$ 314,070,367</u>	<u>\$ 6,627,290</u>	2.1

For the year ended December 31, 2024, the County’s most significant expense category for governmental activities is economic assistance and opportunity (primarily comprised of social service costs) of \$104,521,563, or 32.6 percent of program expenses. The other significant expenses include general government support of \$84,779,897, or 26.4 percent of total expenses, and public safety expenses of \$47,387,344, or 14.8 percent of total expenses. Similarly, for the year ended December 31, 2023, the County’s most significant expense category for governmental activities is economic assistance and opportunity (primarily composed of social service costs) of \$103,911,041, or 33.1 percent of program expenses. The other significant expenses include general government support of \$72,310,617, or 23.0 percent of total expenses, and public safety expenses of \$53,914,098, or 17.2 percent of total expenses

**Business-type activity**—For the County’s business-type activity (Van Rensselaer Manor Nursing Home), the results for the current fiscal year were positive in that overall net position increased to an ending balance of \$37,248,534. The total increase in net position for business-type activities was \$4,746,540. The increase is primarily related to increases in operating revenues and intergovernmental transfer revenues.

The Manor’s total expenses for the year ended December 31, 2024 decreased 2.4 percent from the previous year. The decrease is mainly due to the decrease in personnel services and allocable fringe benefits as staffing distribution continues to change from year to year.

The Manor’s most significant expense items for the year ended December 31, 2024 are nursing and medical care, which accounts for \$17,790,752, or 41.0 percent of total expenses, and fringe benefits which account for \$9,062,544, or 20.9 percent of total expenses. Similarly, for the year ended December 31, 2023, the most significant items are nursing and medical care, which accounts for \$17,779,683, or 40.0 percent of total expenses, and fringe benefits which account for \$10,385,098, or 23.3 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, 2024, the County’s governmental funds reported combined ending fund balances of \$176,241,615, a decrease of \$4,499,453 from the prior year. Approximately 49.6 percent of this amount, \$87,469,065, 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, \$4,137,726, (2) restricted for particular purposes, \$48,331,268, or (3) assigned for particular purposes, \$36,303,556.

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 \$87,469,065, while total fund balance decreased to \$115,812,127. 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 26.3 percent of the total General Fund expenditures and transfers out, while total fund balance represents approximately 34.8 percent of that same amount. Fund balance in the General Fund decreased \$14,918,998 during the year, primarily due to a decrease in state aid and an increase in transfers out to the Capital Projects Fund.

The fund balance in the Capital Projects Fund increased \$8,780,832 from the prior year, resulting in an ending restricted fund balance of \$43,667,939. The Capital Projects Fund issued a serial bond for \$2,500,000 and issued installment purchase debt of \$4,147,402. Additionally, transfers in to the Capital Projects Fund during the year ending December 31, 2024 totaled \$25,772,897 to support future capital projects.

## 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, 2024 is presented in Table 5 below:

**Table 5—Summary of General Fund Results of Operations**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 279,100,630	\$ 307,244,976	\$ 317,552,540	\$ 10,307,564
Expenditures and other financing uses	291,089,724	359,210,142	332,471,538	26,738,604
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (11,989,094)	\$ (51,965,166)	\$ (14,918,998)	\$ 37,046,168

**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. Additionally, significant transfers and amendments to the budgeted appropriations include \$41,500,000 for transfers, to support additional transfers to capital projects, \$13,934,478 for general government support, to support increases in personnel services and employee benefits, and \$3,535,527 for education, primarily to support additional personal services and equipment purchases.

**Final budget compared to actual results**—The General Fund had a favorable variance from final budgetary appropriations of \$26,738,604. The primary positive variances were realized in public safety, health and economic assistance and opportunity. These positive variances were primarily a result of lower than anticipated program costs, personnel services and contractual services. Additionally, the General Fund had a favorable variance from final revenues of \$10,307,564 due to larger than expected sales tax collections which was partially offset by a reduction in state aid.

**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, 2024 amounts to \$296,792,993 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, infrastructure, machinery and equipment, and right-to-use lease and subscription assets.

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

Capital assets of the primary government net of depreciation/amortization for the governmental activities and business-type activity at the years ended December 31, 2024 and December 31, 2023 are presented in Table 6 below:

**Table 6—Summary of Capital Assets (Net of Depreciation/Amortization)**

	Governmental activities		Business-type activities		Total	
	December 31,		December 31,		December 31,	
	2024	2023	2024	2023	2024	2023
Land	\$ 762,880	\$ 762,880	\$ 550,000	\$ 550,000	\$ 1,312,880	\$ 1,312,880
Construction in progress	85,791,753	82,522,977	1,666,389	-	87,458,142	82,522,977
Land improvements	54,320	58,045	-	-	54,320	58,045
Buildings and building improvements	64,565,918	59,053,253	1,975,683	2,293,186	66,541,601	61,346,439
Infrastructure	109,010,333	95,836,567	-	-	109,010,333	95,836,567
Machinery and equipment	12,237,957	10,529,859	17,084,616	17,977,717	29,322,573	28,507,576
Right-to-use leased assets	3,093,144	900,291	-	-	3,093,144	900,291
Right-to-use subscription assets	-	153,172	-	-	-	153,172
Total	<u>\$ 275,516,305</u>	<u>\$ 249,817,044</u>	<u>\$ 21,276,688</u>	<u>\$ 20,820,903</u>	<u>\$ 296,792,993</u>	<u>\$ 270,637,947</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 5 of this report.

**Long-term liabilities**—The County currently has approximately \$89.9 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, 2024 is \$31,296,863. 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 \$1,885,000 as of December 31, 2024.

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

A summary of the County’s long-term liabilities at December 31, 2024 and December 31, 2023 is presented in Table 7 on the following page.

**Table 7—Summary of Long-Term Liabilities**

	Governmental Activities		Business-type Activity		Total Primary Government	
	December 31,		December 31,		December 31,	
	2024	2023 (as restated)	2024	2023 (as restated)	2024	2023 (as restated)
Serial bonds	\$ 38,950,951	\$ 43,204,270	\$ -	\$ -	\$ 38,950,951	\$ 43,204,270
Serial bonds - HVCC	17,782,258	19,620,107	-	-	17,782,258	19,620,107
Unamortized premiums	3,609,381	4,116,120	-	-	3,609,381	4,116,120
RTASC bonds, and accreted interest	31,296,863	31,643,692	-	-	31,296,863	31,643,692
RTASC unamortized premium	1,121,357	1,153,573	-	-	1,121,357	1,153,573
Installment purchase debt	92,873,817	95,499,917	6,015,300	4,648,430	98,889,117	100,148,347
Compensated absences	19,794,406	19,816,574	2,610,775	2,305,955	22,405,181	22,122,529
OPEB obligation	56,345,606	53,043,325	12,409,052	11,544,552	68,754,658	64,587,877
Workers' compensation	11,956,360	8,593,115	-	-	11,956,360	8,593,115
Bond payable - Manor	-	-	1,885,000	4,350,000	1,885,000	4,350,000
Lease liability	2,669,526	961,478	-	-	2,669,526	961,478
Subscription liability	-	150,908	-	-	-	150,908
Net pension liability	36,299,349	51,301,573	9,733,348	14,994,113	46,032,697	66,295,686
<b>Total</b>	<b>\$ 312,699,874</b>	<b>\$ 329,104,652</b>	<b>\$ 32,653,475</b>	<b>\$ 37,843,050</b>	<b>\$ 345,353,349</b>	<b>\$ 366,947,702</b>

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
2024	\$ 35,005,590
2023	31,291,403
2022	29,353,853

Other areas of concern are:

- The 2024 NYS amendment to the real property tax law, in relation to tax lien foreclosures will have a significant negative impact on county cash flows from proceeds of annual in-rem property auctions as well as add administrative expenses to the county’s enforcing officer to comply with the newly enacted regulations
- Effect of the current national inflationary period and its impact on the supply and pricing of materials required by the county to carry out government services. This would include a surge in asphalt prices, shortages of IT hardware, overall utility costs and basic housing and grocery goods consumed by the county’s social service recipients.
- 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.

- 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 and recruit and retain health service positions 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.
- State reductions of funding for the County's enhanced Federal Medicaid Assistance program.
- The current inflationary period causing an increase in interest rates for debt service as well as possibly slowing economic development in the County.

Despite these factors, the County was able to develop a General Fund budget for 2025 which included a 9.2% tax rate reduction from the 2023 tax rate. The County has formulated a budget that has 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 fifteen fiscal years. The County continues to strengthen its fund balance and cash holdings, which netted over \$8 million in General Fund interest earnings for 2024.

The County's economic development efforts have been successful in attracting new technology and pharmaceutical research jobs. Two of the county's largest employers, Amazon and Regeneron, are slated for additional expansion in the near future. 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. The County has obligated 100% of its \$30.8 million ARA allotment to a County infrastructure project that will help to continue the expansion of economic development throughout the County as well as improve water and sewer services to county residents. 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 of New York State for December 2024 was 4.3 percent, while the average rate of unemployment for the county was 3.4 percent (source: NYSDOL).

### **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 Finance Department, 99 Troy Road, 4<sup>th</sup> Floor, East Greenbush, New York, 12061.

**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

# BASIC FINANCIAL STATEMENTS



**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activity	Total	Industrial Development Agency	Hudson Valley Community College (August 31, 2024)
<b>ASSETS</b>					
Cash and cash equivalents	\$ 62,343,028	\$ 39,581,679	\$ 101,924,707	\$ 5,062,689	\$ 70,620,801
Restricted cash and cash equivalents	34,512,800	3,467,786	37,980,586	13,020	-
Cash with fiscal agent	5,251,905	-	5,251,905	-	-
Investments	87,746,741	-	87,746,741	-	11,809,874
Property taxes receivable (net of allowance)	24,969,079	-	24,969,079	-	-
Other receivables (net of allowance)	22,492,803	3,468,606	25,961,409	-	16,413,925
Intergovernmental receivables	35,840,248	6,363,890	42,204,138	-	-
Lease receivable	-	-	-	204,843	126,851
Inventories	439,328	267,219	706,547	-	427,695
Prepaid items	2,799,517	630,355	3,429,872	-	1,153,583
Other assets	-	-	-	36,181	3,359,525
Assets held by trustee	-	-	-	-	986,367
Due from component units	17,782,258	-	17,782,258	-	-
Net pension asset	-	-	-	-	1,660,099
Capital assets not being depreciated/amortized	86,554,633	2,216,389	88,771,022	-	-
Capital assets, net of accumulated depreciation/amortization	188,961,672	19,060,299	208,021,971	4,144,971	165,811,336
Total assets	569,694,012	75,056,223	644,750,235	9,461,704	272,370,056
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows—relating to pensions	35,467,943	9,416,118	44,884,061	175,205	10,328,848
Deferred outflows—relating to OPEB	14,008,657	3,668,215	17,676,872	-	3,380,844
Deferred charge on refunding	400,493	-	400,493	-	-
Total deferred outflows of resources	49,877,093	13,084,333	62,961,426	175,205	13,709,692
<b>LIABILITIES</b>					
Accounts payable	16,427,512	1,173,758	17,601,270	184,911	5,091,631
Accrued liabilities	15,478,641	2,211,072	17,689,713	-	10,039,533
Internal balances	(1,308,039)	1,308,039	-	-	-
Intergovernmental payables	17,781,863	-	17,781,863	-	-
Security deposits	-	-	-	16,562	-
Due to primary government	-	-	-	-	17,782,258
Unearned revenues	15,790,476	-	15,790,476	1,442,250	17,608,142
Amounts held on behalf of HVCC	1,081,077	-	1,081,077	-	-
Noncurrent liabilities:					
Due within one year	25,173,309	1,930,297	27,103,606	36,938	4,907,648
Due within more than one year	287,526,565	30,723,178	318,249,743	3,209,350	49,292,554
Total liabilities	377,951,404	37,346,344	415,297,748	4,890,011	104,721,766
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows—relating to pensions	22,804,398	6,114,797	28,919,195	67,066	8,164,046
Deferred inflows—relating to OPEB	17,612,057	7,430,881	25,042,938	-	9,478,721
Deferred inflows—relating to leases	-	-	-	198,341	120,102
Deferred gain on refunding	6,813,310	-	6,813,310	-	-
Total deferred inflows of resources	47,229,765	13,545,678	60,775,443	265,407	17,762,869
<b>NET POSITION</b>					
Net investment in capital assets	116,046,390	13,376,388	129,422,778	4,144,971	129,075,187
Restricted for:					
Tax stabilization	1,461,853	-	1,461,853	-	-
Handicapped parking	141,267	-	141,267	-	-
Debt service	2,168,910	-	2,168,910	-	-
Youth	76,074	-	76,074	-	-
Opioid	570,375	-	570,375	-	-
Sheriff	244,850	-	244,850	-	-
Scholarships and fellowships	-	-	-	-	13,243,274
Capital projects	43,667,939	3,467,786	47,135,725	-	528,870
South Troy Industrial Park Project	-	-	-	13,020	-
Loans	898,881	-	898,881	-	-
Unrestricted	29,113,397	20,404,360	49,517,757	323,500	20,747,782
Total net position	\$ 194,389,936	\$ 37,248,534	\$ 231,638,470	\$ 4,481,491	\$ 163,595,113

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

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

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activity	Total	Industrial Development Agency	Hudson Valley Community College (August 31, 2024)	
<b>Primary government:</b>										
Governmental activities:										
General government support	\$ 84,779,897	\$ 15,698,493	\$ 15,529,850	\$ -	\$ (53,551,554)	\$ -	\$ (53,551,554)	\$ -	\$ -	
Education	28,073,414	1,415,752	9,754,996	-	(16,902,666)	-	(16,902,666)	-	-	
Public safety	47,387,344	3,633,317	3,299,852	-	(40,454,175)	-	(40,454,175)	-	-	
Health	26,392,570	5,918,024	7,154,405	-	(13,320,141)	-	(13,320,141)	-	-	
Transportation	16,922,321	930	92,247	5,931,723	(10,897,421)	-	(10,897,421)	-	-	
Economic assistance and opportunity	104,521,563	2,890,856	45,883,763	-	(55,746,944)	-	(55,746,944)	-	-	
Culture and recreation	738,351	-	448,604	-	(289,747)	-	(289,747)	-	-	
Home and community services	5,182,093	10,539,037	32,811	-	5,389,755	-	5,389,755	-	-	
Interest and fiscal charges	6,700,104	-	-	-	(6,700,104)	-	(6,700,104)	-	-	
Total governmental activities	<u>320,697,657</u>	<u>40,096,409</u>	<u>82,196,528</u>	<u>5,931,723</u>	<u>(192,472,997)</u>	<u>-</u>	<u>(192,472,997)</u>	<u>-</u>	<u>-</u>	
Business-type activity:										
Van Rensselaer Manor	43,405,167	29,105,958	18,756,337	181,762	-	4,638,890	4,638,890	-	-	
Total primary government	<u>\$ 364,102,824</u>	<u>\$ 69,202,367</u>	<u>\$ 100,952,865</u>	<u>\$ 6,113,485</u>	<u>(192,472,997)</u>	<u>4,638,890</u>	<u>(187,834,107)</u>	<u>-</u>	<u>-</u>	
<b>Component units:</b>										
Industrial Development Agency	\$ 2,463,541	\$ 2,211,847	\$ -	\$ -				(251,694)	-	
Hudson Valley Community College	128,929,917	72,311,470	44,995,650	17,308,945				-	5,686,148	
Total component units	<u>\$ 131,393,458</u>	<u>\$ 74,523,317</u>	<u>\$ 44,995,650</u>	<u>\$ 17,308,945</u>				<u>(251,694)</u>	<u>5,686,148</u>	
General revenues:										
Real property taxes and tax items					68,613,667	-	68,613,667	-	-	
Non-property taxes					129,583,979	-	129,583,979	-	-	
Use of money and property					11,361,152	-	11,361,152	99,749	-	
Fines and forfeitures					322,985	-	322,985	-	-	
Sale of property and compensation for loss					402,186	-	402,186	-	-	
Miscellaneous					621,854	-	621,854	-	8,533,710	
Tobacco settlement revenue					1,932,502	-	1,932,502	-	-	
Transfers					(107,650)	107,650	-	-	-	
Total general revenues and transfers					<u>212,730,675</u>	<u>107,650</u>	<u>210,905,823</u>	<u>99,749</u>	<u>8,533,710</u>	
Change in net position					20,257,678	4,746,540	25,004,218	(151,945)	14,219,858	
Net position—beginning, as previously stated					176,001,050	33,310,721	209,311,771	4,633,436	149,375,255	
Restatement for GASB implementation					(1,868,792)	(808,727)	(2,677,519)	-	-	
Net position—beginning, as restated (see Note 2)					<u>174,132,258</u>	<u>32,501,994</u>	<u>206,634,252</u>	<u>4,633,436</u>	<u>149,375,255</u>	
Net position—ending					<u>\$ 194,389,936</u>	<u>\$ 37,248,534</u>	<u>\$ 231,638,470</u>	<u>\$ 4,481,491</u>	<u>\$ 163,595,113</u>	

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

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

	<u>General</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 36,172,245	\$ -	\$ 8,471,345	\$ 44,643,590
Restricted cash and cash equivalents	18,806,753	13,532,995	2,168,910	34,508,658
Cash with fiscal agent	-	5,251,905	-	5,251,905
Investments	87,746,741	-	-	87,746,741
Property taxes receivable (net of allowance)	24,969,079	-	-	24,969,079
Other receivables	16,375,185	-	6,014,126	22,389,311
Intergovernmental receivables	32,248,026	827,752	601,655	33,677,433
Due from other funds	4,765,428	26,011,894	1,014,791	31,792,113
Inventories	-	-	439,328	439,328
Prepaid items	2,594,809	-	204,708	2,799,517
Total assets	<u>\$ 223,678,266</u>	<u>\$ 45,624,546</u>	<u>\$ 18,914,863</u>	<u>\$ 288,217,675</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 14,640,883	\$ 845,410	\$ 908,693	\$ 16,394,986
Accrued liabilities	14,276,192	-	344,270	14,620,462
Due to other funds	29,554,170	556,120	870,045	30,980,335
Intergovernmental payables	17,751,557	-	30,306	17,781,863
Unearned revenues	15,786,334	-	-	15,786,334
Amounts held on behalf of HVCC	526,000	555,077	-	1,081,077
Total liabilities	<u>92,535,136</u>	<u>1,956,607</u>	<u>2,153,314</u>	<u>96,645,057</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue—property taxes	15,331,003	-	-	15,331,003
Total deferred inflows of resources	<u>15,331,003</u>	<u>-</u>	<u>-</u>	<u>15,331,003</u>
<b>FUND BALANCES</b>				
Nonspendable	2,594,809	-	1,542,917	4,137,726
Restricted	2,494,419	43,667,939	2,168,910	48,331,268
Assigned	23,253,834	-	13,049,722	36,303,556
Unassigned	87,469,065	-	-	87,469,065
Total fund balances	<u>115,812,127</u>	<u>43,667,939</u>	<u>16,761,549</u>	<u>176,241,615</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 223,678,266</u>	<u>\$ 45,624,546</u>	<u>\$ 18,914,863</u>	<u>\$ 288,217,675</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, 2024**

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

Total fund balances—governmental funds (page 17)	\$ 176,241,615	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$523,339,881 and the accumulated depreciation/amortization is \$247,823,576.		275,516,305
A long-term receivable from Hudson Valley Community College is not reported as a fund receivable, but rather is recognized when the resources become available. The asset is reported in the statement of net position.		17,782,258
A long-term asset owed to RTASC from New York State is not available to pay for current period expenditures and, therefore, is not reported in the funds.		2,162,815
Uncollected property taxes are not available to pay for current period expenditures and therefore, are reported as deferred inflows of resources in the fund statements.		15,331,003
Deferred charges and gains associated with refunding of bonds are not reported in the governmental funds. The charge is reported as a deferred outflow of resources, while the gain is reported as a deferred inflow of resources on the statement of net position, and the net amounts are recognized as a component of interest expense over the life of the related debt.		
Deferred charge on refunding—County	\$ 400,493	
Deferred gain on refunding—RTASC	(6,813,310)	(6,412,817)
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 fund statements.		
Deferred outflows related to employer contributions	\$ 6,720,287	
Deferred outflows related to experience, changes of assumptions, investment earnings, and changes in proportion	28,747,656	
Deferred inflows related to pension plans	(22,804,398)	
Deferred outflows related to OPEB	14,008,657	
Deferred inflows related to OPEB	(17,612,057)	9,060,145
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 government activities in the statement of net position.		6,097,528
Net accrued interest expense for serial bonds is not reported in the fund statements. Accrued interest for general obligation bonds is \$531,567 and accrued interest on RTASC bonds is \$113,835 at year end.		(645,402)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Serial bonds	\$ (38,950,951)	
Serial bonds - HVCC	(17,782,258)	
Unamortized premiums	(3,609,381)	
RTASC Tobacco Settlement Bonds and accreted interest	(31,296,863)	
Unamortized premium on RTASC Tobacco Settlement Bonds	(1,121,357)	
Installment purchase debt	(92,873,817)	
Lease liability	(2,669,526)	
OPEB obligation	(56,345,606)	
Compensated absences	(19,794,406)	
Net pension liability	(36,299,349)	(300,743,514)
Total net position of governmental activities		<u>\$ 194,389,936</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—Governmental Funds**  
**Year Ended December 31, 2024**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Real property taxes	\$ 53,263,474	\$ -	\$ 6,906,296	\$ 60,169,770
Real property tax items	7,614,829	-	-	7,614,829
Non-property tax items	128,594,554	-	989,425	129,583,979
Departmental income	13,742,857	-	11,023,210	24,766,067
Intergovernmental charges	17,167,261	-	-	17,167,261
Use of money and property	8,379,892	67,818	2,913,442	11,361,152
Licenses and permits	-	-	930	930
Fines and forfeitures	322,985	-	-	322,985
Sale of property and compensation for loss	376,017	-	26,169	402,186
Miscellaneous	576,035	1,400	44,419	621,854
Interfund revenues	2,574,702	-	-	2,574,702
State aid	49,324,843	7,306	5,908,006	55,240,155
Federal aid	30,695,310	37,409	2,155,377	32,888,096
Tobacco settlement revenue	-	-	2,025,578	2,025,578
Total revenues	<u>312,632,759</u>	<u>113,933</u>	<u>31,992,852</u>	<u>344,739,544</u>
<b>EXPENDITURES</b>				
Current:				
General government support	82,287,070	-	1,269,392	83,556,462
Education	28,073,414	-	-	28,073,414
Public safety	43,950,370	-	385,932	44,336,302
Health	25,164,547	-	-	25,164,547
Transportation	610,885	-	15,838,701	16,449,586
Economic assistance and opportunity	103,101,461	-	2,145,207	105,246,668
Culture and recreation	712,088	-	-	712,088
Home and community services	966,564	-	3,870,487	4,837,051
Employee benefits	-	-	2,673,550	2,673,550
Debt service:				
Principal	12,862,549	-	6,039,592	18,902,141
Interest	4,839,740	-	2,153,581	6,993,321
Capital outlay	-	23,198,230	-	23,198,230
Total expenditures	<u>302,568,688</u>	<u>23,198,230</u>	<u>34,376,442</u>	<u>360,143,360</u>
Excess (deficiency) of revenues over expenditures	<u>10,064,071</u>	<u>(23,084,297)</u>	<u>(2,383,590)</u>	<u>(15,403,816)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	555,170	25,772,897	4,034,197	30,362,264
Transfers out	(29,902,850)	(555,170)	(11,894)	(30,469,914)
Serial bonds issued	-	2,500,000	-	2,500,000
Installment purchase debt issued	-	4,147,402	-	4,147,402
Leases issued	4,364,611	-	-	4,364,611
Total other financing sources (uses)	<u>(24,983,069)</u>	<u>31,865,129</u>	<u>4,022,303</u>	<u>10,904,363</u>
Net change in fund balances	(14,918,998)	8,780,832	1,638,713	(4,499,453)
Fund balances—beginning	<u>130,731,125</u>	<u>34,887,107</u>	<u>15,122,836</u>	<u>180,741,068</u>
Fund balances—ending	<u>\$ 115,812,127</u>	<u>\$ 43,667,939</u>	<u>\$ 16,761,549</u>	<u>\$ 176,241,615</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—Governmental Funds to the Government-wide Statement of Activities**  
**Year Ended December 31, 2024**

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

Net change in fund balances—total governmental funds (page 19) \$ (4,499,453)

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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense and capital disposals in the current period.

Capital asset additions	\$ 40,897,193	
Depreciation expense	<u>(15,197,932)</u>	25,699,261

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	\$ (93,076)	
Change in property tax revenue	829,068	
HVCC principal reimbursement	<u>(1,837,849)</u>	(1,101,857)

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 fund statements. (124,611)

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

Direct pension contributions	\$ 9,844,705	
Cost of benefits earned net of employee contributions	<u>(4,781,763)</u>	(5,062,942)

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	\$ (2,132,484)	
Differences between expected and actual experience	<u>4,092,865</u>	1,960,381

Internal service funds are used by management to charge the costs of management information systems and other internal services including health insurance and workers' compensation. The net expense of certain activities of internal service funds is reported within the governmental activities. (1,657,745)

Governmental funds report retained percentages expenditures on construction contracts when the retained percentage is paid. However, in the statement of activities, retained percentages on construction contracts is reported as an expense as it accrues. 16,801

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. 66,306

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	\$ (2,500,000)	
Repayment of serial bonds - County	6,753,319	
Repayment of serial bonds - HVCC	1,837,849	
Amortization of premiums	506,739	
Accreted interest on RTASC Subordinate Turbo CABs	(383,171)	
Repayment of RTASC Tobacco Settlement Bonds	730,000	
Amortization of RTASC Tobacco Settlement Bonds premium	32,216	
Change in RTASC deferred gain on refunding	195,738	
Installment purchase debt issued	(4,147,402)	
Payment of installment purchase debt	6,773,502	
Leases issued	(4,364,611)	
Repayment of subscription based IT arrangements	150,908	
Repayment of leases	2,656,563	
Change in compensated absences	22,168	
Change in OPEB obligation	<u>(3,302,281)</u>	<u>4,961,537</u>

Change in net position of governmental activities \$ 20,257,678

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, 2024**

	<b>Business-type Activity</b>	<b>Governmental Activities</b>
	<b>Van Rensselaer Manor</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 39,581,679	\$ 17,699,438
Restricted cash and cash equivalents	3,467,786	4,142
Other receivables (net of allowances)	3,468,606	103,492
Intergovernmental receivables	6,363,890	-
Due from other funds	-	4,224,920
Inventories	267,219	-
Prepaid items	630,355	-
Total current assets	53,779,535	22,031,992
Noncurrent assets:		
Capital assets not being depreciated	2,216,389	-
Capital assets, net of accumulated depreciation	19,060,299	-
Total noncurrent assets	21,276,688	-
Total assets	75,056,223	22,031,992
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows—relating to pensions	9,416,118	-
Deferred outflows—relating to OPEB	3,668,215	-
Total deferred outflows of resources	13,084,333	-
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	1,173,758	32,526
Accrued liabilities	2,211,072	212,777
Due to other funds	1,308,039	3,728,659
Unearned revenues	-	4,142
Long-term debt—current	1,930,297	597,818
Total current liabilities	6,623,166	4,575,922
Noncurrent liabilities:		
Accrued workers' compensation liability	-	11,358,542
Accrued other postemployment benefits obligation	11,788,599	-
Accrued compensated absences liability	1,851,339	-
Long-term debt—excluding current portion	7,349,892	-
Net pension liability	9,733,348	-
Total noncurrent liabilities	30,723,178	11,358,542
Total liabilities	37,346,344	15,934,464
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows—relating to pensions	6,114,797	-
Deferred inflows—relating to OPEB	7,430,881	-
Total deferred inflows of resources	13,545,678	-
<b>NET POSITION</b>		
Net investment in capital assets	13,376,388	-
Restricted for capital projects	3,467,786	-
Unrestricted	20,404,360	6,097,528
Total net position	\$ 37,248,534	\$ 6,097,528

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, 2024**

	<b>Business-type Activity</b>	<b>Governmental Activities</b>
	<b>Van Rensselaer Manor</b>	<b>Internal Service Funds</b>
Operating revenues:		
Net patient service revenue	\$ 29,105,958	\$ -
Charges for services—interfund	-	26,929,952
Charges for services—intergovernmental	-	1,030,817
Other operating revenues	1,950,028	-
Total operating revenues	<u>31,055,986</u>	<u>27,960,769</u>
Operating expenses:		
Nursing and medical services	17,790,752	-
Dietary	3,754,228	-
Household and plant operation	4,514,439	-
Administrative and general services	5,290,013	-
Fringe benefits	9,062,544	4,856,182
Depreciation	1,743,924	-
Contractual expenses	196,430	25,363,214
Bad debt expense	1,048,283	-
Total operating expenses	<u>43,400,613</u>	<u>30,219,396</u>
Operating (loss)	<u>(12,344,627)</u>	<u>(2,258,627)</u>
Nonoperating revenues (expenses):		
Intergovernmental transfer revenue	16,806,309	-
Contribution from County	107,650	-
Federal grants	181,762	-
Other nonoperating expenses	(4,554)	-
Interest earnings	-	600,882
Total nonoperating revenues (expenses)	<u>17,091,167</u>	<u>600,882</u>
Change in net position	4,746,540	(1,657,745)
Total net position—beginning, as restated	<u>32,501,994</u>	<u>7,755,273</u>
Total net position—ending	<u>\$ 37,248,534</u>	<u>\$ 6,097,528</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, 2024**

	<b>Business-type Activity</b>	<b>Governmental Activities</b>
	<b>Van Rensselaer Manor</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from patient care or services provided	\$ 30,951,092	\$ 27,919,825
Payments to suppliers for goods and services	(12,001,818)	(25,403,259)
Payments to employees for services	(27,067,696)	(1,311,474)
Payments for interest	(184,300)	-
Other operating revenue	1,950,028	-
Net cash (used for) provided by operating activities	(6,352,694)	1,205,092
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Contributions from other funds	107,650	588,697
Payments from (to) other funds	(39,829)	(390,224)
Receipts for intergovernmental transfer	15,350,753	-
Receipt of federal emergency relief funds	181,762	-
Other nonoperating expenses	(4,554)	-
Interest earned on bank accounts	-	600,882
Net cash provided by non-capital financing activities	15,595,782	799,355
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital purchases	(2,199,709)	-
Installment purchase debt proceeds	1,617,885	-
Principal payments on long-term debt	(2,716,015)	-
Net cash (used for) capital and related financing activities	(3,297,839)	-
Net increase in cash and cash equivalents	5,945,249	2,004,447
Cash and cash equivalents (including restricted cash and cash equivalents)—beginning	37,104,216	15,699,133
Cash and cash equivalents (including restricted cash and cash equivalents)—ending	\$ 43,049,465	\$ 17,703,580

(continued)

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

(concluded)

	<b>Business-type Activity</b>	<b>Governmental Activities</b>
	<b>Van Rensselaer Manor</b>	<b>Internal Service Funds</b>
<b>Reconciliation of operating (loss) to net cash (used for) provided by operating activities:</b>		
Operating (loss)	\$ (12,344,627)	\$ (2,258,627)
Adjustments to reconcile operating (loss) to net cash (used for) provided by operating activities:		
Depreciation expense	1,743,924	-
Decrease (increase) in accounts receivable	2,893,417	(40,944)
(Increase) in inventory	(42,074)	-
(Increase) in prepaid expenses	(56,751)	-
Decrease in deferred outflows of resources	2,158,989	-
Increase (decrease) in accounts payable	324,526	(40,045)
Increase in accrued liabilities	588,719	3,544,708
Increase in other postemployment benefits obligation	864,500	-
(Decrease) in net pension liability	(5,260,765)	-
Increase in deferred inflows of resources	2,777,448	-
Total adjustments	5,991,933	3,463,719
Net cash (used for) provided by operating activities	\$ (6,352,694)	\$ 1,205,092

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, 2024**

---

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Restricted cash and cash equivalents	\$ 3,780,569
Total assets	<u>3,780,569</u>
<b>LIABILITIES</b>	
Accounts payable	<u>1,843,396</u>
Total liabilities	<u>1,843,396</u>
<b>NET POSITION</b>	
Restricted for other organizations	226,898
Restricted for other	<u>1,710,275</u>
Total restricted net position	<u>\$ 1,937,173</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, 2024**

---

	<b>Custodial Fund</b>
<b>ADDITIONS</b>	
Funds received on behalf of others	\$ 4,423,123
Total additions	4,423,123
<b>DEDUCTIONS</b>	
Funds distributed on behalf of others	4,156,137
Total deductions	4,156,137
Change in fiduciary net position	266,986
Net position—beginning	1,670,187
Net position—ending	\$ 1,937,173

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

**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

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

---

**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, 2024 fiscal year end. The annual financial report can be obtained by writing the Chief Fiscal Officer, Hudson Valley Community College, 80 Vandenburg 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.

### ***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 the business-type activities incorporate data from the government’s enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary fund, even though the fiduciary fund is 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. The County has elected to record investments at their original cost.

***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 expenses/expenditures 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), subscription assets and right-to-use lease assets 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. Subscription assets and right-to-use lease assets are initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs and are amortized on a straight line basis over their useful lives. 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/amortizes capital assets using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20
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
Subscription assets	2-5
Right-to-use lease assets	3-6

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 statement purposes. At December 31, 2024, the County reported unearned revenues within the General Fund of \$15,786,334. Of this amount, \$11,836,528 represents unspent American Rescue Plan Act funds. The County has committed the unspent ARPA federal funds through contractual agreements and is expected to be liquidated by the year ending December 31, 2026.

**Deferred Outflows/Inflows of Resources—**In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2024, 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 OPEB liability and the difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability, and is reported on the government-wide statements. The third item is a deferred charge 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 assets 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 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 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 Director of Finance 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 Expenses/Expenditures***

***Program Revenues***—Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (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 2024.

***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, 2024 are \$24,969,079. The portion of the receivable, \$8,186,507, 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, \$15,331,003, 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 2024 is approximately \$15.1 billion. The total County levy, including all charge-backs, for 2024 was \$72,319,905. 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 2024 levy represents approximately 31.4% 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 February 28, 2027.

**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. Refer to Note 2 for more information regarding the County’s restatement of compensated absences as a result of the implementation of GASB Statement No. 101, *Compensated Absences*.

**Pension Plans**—The County is mandated by New York State law to participate in the New York State Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension (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 7.

**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 8.

**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 2024, the County has reported interfund revenues in the General Fund of \$2,574,702 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, \$17,782,258 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, 2024, the County implemented the remainder of GASB Statement No. 99, *Omnibus 2022*. The County also implemented GASB Statements No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*. GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and improves the consistency of authoritative literature related to GASB Statements No. 94 and 96. GASB Statement No. 100 improves financial reporting requirements for accounting changes and error corrections. GASB Statement No. 101 improves financial reporting by addressing issues related to the recognition and measurement for compensated absences. The impacts of the implementation of GASB Statement No. 101 are discussed in Note 2. The implementation of GASB Statements No. 99 and 100 did not have a material impact on the County’s financial position or results from operations.

**Future Impacts of Accounting Pronouncements**—The County has not completed the process of evaluating the impact that will result from adopting the remainder of GASB Statements No. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025, and No. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 102, 103 and 104 will have on its financial position and results of operations when such statements are adopted.

**Stewardship, Compliance and Accountability**

**Legal Compliance—Budgets**—The County’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. RESTATEMENT OF NET POSITION**

During the year ended December 31, 2024, the County implemented GASB Statement No. 101, *Compensated Absences*. As a result of this implementation the County restated its compensated absences liability as of December 31, 2023. The effect of the restatement to the County’s governmental activities and business-type activity is summarized as follows:

	Governmental Activities	Business-Type Activity
Net position–December 31, 2023, as previously stated	\$ 176,001,050	\$ 33,310,721
GASB Statement No. 101 implementation	(1,868,792)	(808,727)
Net position–December 31, 2023, as restated	\$ 174,132,258	\$ 32,501,994

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The County’s investment policies are governed by New York State statutes. In addition, the County has its own written investment policy. County monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Chief Fiscal Officer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities. 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, 2024 is presented below:

	Governmental Activities	Business-type Activity	Fiduciary Funds	Total
Petty cash (uncollateralized)	\$ 8,650	\$ 2,500	\$ -	\$ 11,150
Deposits	96,847,178	43,046,965	3,780,569	143,674,712
Cash held by fiscal agent	5,251,905	-	-	5,251,905
Total	<u>\$ 102,107,733</u>	<u>\$ 43,049,465</u>	<u>\$ 3,780,569</u>	<u>\$ 148,937,767</u>

The County’s cash and cash equivalents were comprised of the following at December 31, 2024:

	Fair Value at December 31, 2023
Petty cash (uncollateralized)	\$ 11,150
Deposits with financial institutions	141,505,802
Discount note	2,168,910
Cash with fiscal agent (uncollateralized)	5,251,905
Total	<u>\$ 148,937,767</u>

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

	December 31, 2024	
	Bank Balance	Carrying Amount
FDIC insured	\$ 31,324,268	\$ 31,323,972
Uninsured:		
Collateral held by pledging bank’s agent in County’s name	95,535,749	112,350,740
Total deposits	<u>\$ 126,860,017</u>	<u>\$ 143,674,712</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, 2024. These cash equivalents are carried at fair value as presented below:

	Bank Balance	Carrying Amount
Discount note	\$ 2,168,910	\$ 2,168,910
Total	<u>\$ 2,168,910</u>	<u>\$ 2,168,910</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, 2024, 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 \$34,508,658, of which \$1,081,077 represents cash held on behalf of HVCC, \$15,786,334 related to unearned revenue, \$2,494,419 represents amounts to support restricted fund balance and \$15,146,828 is related to capital projects. Custodial Fund restricted cash totals \$3,780,569 which represents funds held on behalf of other entities. The Internal Service Funds report restricted cash of \$4,142. Finally, the business-type activity reports restricted cash totaling \$3,467,786 which represents Van Rensselaer Manor interest income earned from interest-bearing deposits, which are considered restricted for capital projects and reported as restricted net position.

**Cash with Fiscal Agent**—The County’s governmental activities report cash with a fiscal agent of \$5,251,905 for capital projects at December 31, 2024. Due to the nature of these deposits, they do not require FDIC insurance coverage or collateral held by escrow agents.

**Investments**—At December 31, 2024, the County reported \$87,746,741 in investments within governmental activities, which consists of various U.S. Treasury Bills and Certificates of Deposit with maturity dates ranging from twelve to sixty months. Investments are measured at original cost. All investments are collateralized at December 31, 2024.

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

- |         |   |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.   |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul> If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement.   |

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

Investments reported by the County’s governmental and business-type activities are all measured using level 1 inputs.

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

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

**Concentration of Credit Risk**—To promote competition in rates and service cost, and to limit the risk of institutional failure, County deposits and investments are placed with multiple institutions.

**Interest Rate Risk**—In accordance with its investment policy, the County manages exposures by limiting investments to low risk type investments governed by New York State statutes.

**Rensselaer County Industrial Development Agency**

Deposits for the Agency totaled \$5,075,709 (includes restricted cash of \$13,020) and were fully collateralized at December 31, 2024.

**Hudson Valley Community College**

Deposits and investments for HVCC (including amounts held by trustee banks) totaled \$70,620,801 and \$11,809,874, respectively, and were fully collateralized or insured at August 31, 2024.

**4. RECEIVABLES**

Revenues accrued by the County at December 31, 2024 consisted of the following:

**Property Taxes Receivable**—Represents amounts due to the County for real property taxes and tax items of \$24,969,079. These amounts are reported net of an allowance for uncollectible taxes provision of \$1,332,861.

**Other Receivables**—Represent amounts due from various sources. The County’s accounts receivable at December 31, 2024 are as shown below:

Governmental Funds:	
General Fund	\$ 16,375,185
Nonmajor governmental funds	6,014,126
Enterprise Fund, net of allowance of \$568,400	3,468,606
Internal Service Funds	103,492
Total	<u>\$ 25,961,409</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, 2024 are shown on the following page.

Governmental Funds:		
General Fund		
Due from State and Federal	\$ 19,997,233	
Due from local governments	12,250,793	\$ 32,248,026
Capital Projects Fund		
Due from State and Federal		827,752
Nonmajor governmental funds		
Due from State and Federal		601,655
Enterprise Fund		<u>6,363,890</u>
Total		<u>\$ 40,041,323</u>

**Hudson Valley Community College**

*Accounts Receivable*—Accounts receivable of HVCC for the fiscal year ended August 31, 2024 was as follows:

Sponsor and other counties	\$ 1,223,427
Grants and contracts	8,114,494
Students, less \$6,193,246 allowance for doubtful accounts	1,748,699
State aid and other	<u>2,014,105</u>
Total	<u>\$ 13,100,725</u>

HVCC's component units, the Faculty Student Association and the Hudson Valley Community College Foundation report accounts receivable of \$2,105,490 and \$1,207,710, respectively.

## 5. CAPITAL ASSETS

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

	Balance 1/1/2024	Increases	Decreases	Balance 12/31/2024
Capital assets, not being depreciated/amortized:				
Land	\$ 762,880	\$ -	\$ -	\$ 762,880
Construction in progress	82,522,977	11,784,892	8,516,116	85,791,753
Total capital assets, not being depreciated/amortized	<u>83,285,857</u>	<u>11,784,892</u>	<u>8,516,116</u>	<u>86,554,633</u>
Capital assets, being depreciated/amortized:				
Land improvements	6,412,747	-	-	6,412,747
Buildings and improvements	141,604,329	8,903,058	-	150,507,387
Infrastructure	203,047,195	18,514,145	2,504,774	219,056,566
Machinery and equipment	41,140,497	5,846,603	1,183,503	45,803,597
Right-to-use leased assets	10,333,997	4,364,611	-	14,698,608
Right-to-use subscription assets	306,343	-	-	306,343
Total capital assets, being depreciated/amortized	<u>402,845,108</u>	<u>37,628,417</u>	<u>3,688,277</u>	<u>436,785,248</u>
Less accumulated depreciation/amortization for:				
Land improvements	6,354,702	3,725	-	6,358,427
Buildings and improvements	82,551,076	3,390,393	-	85,941,469
Infrastructure	107,210,628	5,340,379	2,504,774	110,046,233
Machinery and equipment	30,610,638	4,138,505	1,183,503	33,565,640
Right-to-use leased assets	9,433,706	2,171,759	-	11,605,465
Right-to-use subscription assets	153,171	153,171	-	306,342
Total accumulated depreciation/amortization	<u>236,313,921</u>	<u>15,197,932</u>	<u>3,688,277</u>	<u>247,823,576</u>
Total capital assets, being depreciated/amortized, net	<u>166,531,187</u>	<u>22,430,485</u>	<u>-</u>	<u>188,961,672</u>
Governmental activities capital assets, net	<u>\$ 249,817,044</u>	<u>\$ 34,215,377</u>	<u>\$ 8,516,116</u>	<u>\$ 275,516,305</u>

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

Governmental activities:	
General government support	\$ 3,191,566
Public safety	5,015,319
Health	47,940
Transportation	4,559,380
Economic assistance and opportunity	151,981
Culture and recreation	75,988
Home and community services	2,155,758
Total depreciation expense—governmental activities	<u>\$ 15,197,932</u>

**Business-type activity**—Capital asset activity for business-type activity (Enterprise Fund) for the year ended December 31, 2024 was as follows:

	Balance 1/1/2024	Increases	Decreases	Balance 12/31/2024
Capital assets, not being depreciated:				
Land	\$ 550,000	\$ -	\$ -	\$ 550,000
Construction in progress	-	1,666,389	-	1,666,389
Total capital assets, not being depreciated	<u>550,000</u>	<u>1,666,389</u>	<u>-</u>	<u>2,216,389</u>
Capital assets, being depreciated:				
Buildings	20,439,030	-	-	20,439,030
Fixed equipment	30,230,337	-	-	30,230,337
Major moveable equipment	6,037,089	533,320	587,667	5,982,742
Total capital assets, being depreciated	<u>56,706,456</u>	<u>533,320</u>	<u>587,667</u>	<u>56,652,109</u>
Less accumulated depreciation for:				
Buildings	18,145,844	317,503	-	18,463,347
Fixed equipment	15,160,303	970,768	-	16,131,071
Major moveable equipment	3,129,406	455,653	587,667	2,997,392
Total accumulated depreciation	<u>36,435,553</u>	<u>1,743,924</u>	<u>587,667</u>	<u>37,591,810</u>
Total capital assets, being depreciated, net	<u>20,270,903</u>	<u>(1,210,604)</u>	<u>-</u>	<u>19,060,299</u>
Business-type activity capital assets, net	<u>\$ 20,820,903</u>	<u>\$ 455,785</u>	<u>\$ -</u>	<u>\$ 21,276,688</u>

**Rensselaer County Industrial Development Agency**

Capital assets for the Agency as of December 31, 2024 was as follows:

	Balance 12/31/24
Machinery and equipment	\$ 286,083
Real estate	4,100,000
Vehicles	35,129
Less: accumulated depreciation	<u>(276,241)</u>
Total capital assets, net	<u>\$ 4,144,971</u>

**Hudson Valley Community College**

Capital asset balances for HVCC as of August 31, 2024 are shown on the following page.

	Balance 8/31/2024
Land, land improvements and infrastructure	\$ 34,366,556
Buildings and building improvements	246,664,194
Machinery and equipment	48,816,160
Construction in progress	9,448,524
Right-to-use assets	11,306,265
Subscription-based information technology arrangements	515,304
Total capital assets	351,117,003
Less: accumulated depreciation	(192,118,012)
Total Hudson Valley Community College	<u>\$ 158,998,991</u>

Additionally, net capital assets of \$6,028,423 and \$783,922 were reported for HVCC component units, the Faculty Student Association and the Foundation, respectively.

## 6. ACCRUED LIABILITIES

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

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Salaries and employee benefits	\$ 5,194,443	\$ 344,270	\$ 5,538,713
Intergovernmental transfer	5,756,532	-	5,756,532
Social Services accruals	3,325,217	-	3,325,217
Total	<u>\$ 14,276,192</u>	<u>\$ 344,270</u>	<u>\$ 14,620,462</u>

## 7. PENSION PLANS

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

The System is noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 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, 2024, the County reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2024. The total pension liability used to calculate the net pension liability/(asset) was determined by actuarial valuations as of April 1, 2023, with update procedures used to roll forward the total net pension liability to the measurement date. The County's proportion of the net pension liability was based on projections of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the County.

	ERS	
	Governmental Activities	Business-type Activity
Measurement date	March 31, 2024	
Net pension liability	\$ 36,299,349	\$ 9,733,348
County's portion of the Plan's total net pension liability	0.2465499%	0.0661089%

For the year ended December 31, 2024, the County recognized pension expenses of \$14,418,226 and \$3,866,119 for ERS for governmental activities and its business-type activity, respectively. At December 31, 2024, 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 Activity	Governmental Activities	Business-type Activity
Differences between expected and actual experiences	\$ 11,691,992	\$ 3,135,104	\$ 989,788	\$ 265,403
Changes of assumptions	13,723,968	3,679,960	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	17,732,039	4,754,689
Changes in proportion and differences between the County's contributions and proportionate share of contributions	2,059,785	552,213	4,082,571	1,094,705
County contributions subsequent to the measurement date	7,992,198	2,048,841	-	-
Total	<u>\$ 35,467,943</u>	<u>\$ 9,416,118</u>	<u>\$ 22,804,398</u>	<u>\$ 6,114,797</u>

The County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ending December 31, 2025. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as shown on the following page.

Year Ending December 31,	ERS	
	Governmental Activities	Business-type Activity
2025	\$ (7,649,084)	\$ (2,050,994)
2026	6,288,288	1,686,116
2027	10,105,291	2,709,591
2028	(4,073,148)	(1,092,233)

**Actuarial Assumptions**—The total pension liability/(asset) 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 liability/(asset) to the measurement date. The actuarial valuations used the actuarial assumptions as shown below:

	ERS
Measurement date	March 31, 2024
Actuarial valuation date	April 1, 2023
Interest rate	5.90%
Salary scale	4.40%
Decrement tables	April 1, 2015- March 31, 2020
Inflation rate	2.90%
Cost-of-living adjustments	1.50%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021. The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

	ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
Measurement date	March 31, 2024	
Asset class:		
Domestic equity	32.0 %	4.0 %
International equity	15.0	6.7
Private equity	10.0	7.3
Real estate	9.0	4.6
Opportunistic/Absolute Return Strategy	3.0	5.3
Credit	4.0	5.4
Real assets	3.0	5.8
Fixed income	23.0	1.5
Cash	1.0	0.3
Total	<u>100.0 %</u>	

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
<b>Governmental Activities:</b>			
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 114,129,513	\$ 36,299,349	\$ (28,704,604)
<b>Business-type Activity:</b>			
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 30,602,220	\$ 9,733,348	\$ (7,696,735)

**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, 2023
Employers' total pension liability	\$ 240,696,851
Plan fiduciary net position	225,972,801
Employers' net pension liability	<u>\$ 14,724,050</u>
System fiduciary net position as a percentage of total pension liability	93.9%

**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, 2024, the Agency reported a net pension liability of \$118,556 for its proportionate share of the net pension liability. At the March 31, 2024 measurement date, the Agency’s proportion was 0.0008052%.

For the year ended December 31, 2024, the Agency recognized pension expense of \$67,191. At December 31, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions as presented on the following page.

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 38,187	\$ 3,233
Changes of assumptions	44,823	-
Net difference between projected and actual earnings on pension plan investments	-	57,914
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	47,941	5,919
Agency contributions subsequent to the measurement date	44,254	-
Total	<u>\$ 175,205</u>	<u>\$ 67,066</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, 2025. Other amounts reported as net deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	ERS
2025	\$ (9,096)
2026	34,274
2027	44,375
2028	(5,668)

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 372,751	\$ 118,556	\$ (93,750)

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 NYSTRS Annual Comprehensive Financial Report which can be found on TRS' website at [www.nystrs.org](http://www.nystrs.org).

Plan members who joined the TRS before July 27, 1976, are not required to make contributions. Those joining after July 27, 1976 are required to contribute 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/(Assets), Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions**—At August 31, 2024, HVCC reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of March 31, 2024 for ERS and June 30, 2024 for TRS. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by actuarial valuations as of April 1, 2023 and June 30, 2023 for ERS and TRS, respectively. HVCC's proportion of the net pension liability/(asset) was 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, 2024	March 31, 2024
Net pension liability/(asset)	\$ (1,660,099)	\$ 9,526,040
HVCC's portion of the Plan's total net pension liability/(asset)	0.060208%	0.0556410%

For the year ended August 31, 2024, HVCC recognized pension expense of approximately \$1,003,000 and \$3,630,000 for TRS and ERS, respectively. At August 31, 2024, 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	\$ 1,787,622	\$ 3,068,330	\$ -	\$ 259,750
Changes of assumptions	993,076	3,601,582	167,045	-
Net difference between projected and actual earnings on pension plan investments	-	-	1,844,512	4,653,420
Changes in proportion and differences between HVCC's contributions and proportionate share of contributions	337,688	540,550	167,930	1,071,389
Total	<u>\$ 3,118,386</u>	<u>\$ 7,210,462</u>	<u>\$ 2,179,487</u>	<u>\$ 5,984,559</u>

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

<u>Year Ending August 31,</u>	<u>TRS</u>	<u>ERS</u>
2025	\$ (799,069)	\$ (2,007,338)
2026	2,058,567	1,650,226
2027	(293,372)	2,651,917
2028	(355,111)	(1,068,902)
2029	224,703	-
Thereafter	103,181	-

**Actuarial Assumptions**—The total pension liability/(asset) 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 liability/(asset) to the measurement date. The actuarial valuations used the following actuarial assumptions:

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

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries Scale MP 2021, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2020.

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

Measurement date	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
			June 30, 2024	March 31, 2024
Asset class:				
Domestic equities	33.0 %	32.0 %	6.6 %	4.0 %
International equities	15.0	15.0	7.4	6.7
Global equities	4.0	0.0	6.9	0.0
Private equity	9.0	10.0	10.0	7.3
Real estate	11.0	9.0	6.3	4.6
Absolute return strategies	0.0	4.0	0.0	5.4
Domestic fixed income securities	16.0	0.0	2.6	0.0
Global fixed income securities	2.0	0.0	2.5	0.0
High-yield fixed income securities	1.0	0.0	4.8	0.0
Opportunistic portfolio	0.0	3.0	0.0	5.3
Private debt	2.0	0.0	5.9	0.0
Real assets	0.0	3.0	0.0	5.8
Bonds and mortgages	6.0	23.0	3.9	1.5
Cash	1.0	1.0	0.5	0.0
Total	<u>100.0 %</u>	<u>100.0 %</u>		

**Discount Rate**—The discount rate used to calculate the total pension liability/(asset) was 6.95% for TRS and 5.90% 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 liability/(asset).

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

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension liability/(asset)	\$ 7,668,094	\$ (1,660,099)	\$ (9,505,361)
ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension liability/(asset)	\$ 29,950,843	\$ 9,526,040	\$ (7,532,908)

**Pension Plan Fiduciary Net Position**—The components of the current-year net pension liability/(asset) of the employers as of the respective valuation dates, were as follows:

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

**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 2024 for HVCC employees covered by TIAA/CREF was \$15,674,924. Employer contributions and employee contributions for 2024 were \$1,826,460 and \$246,101, respectively.

**8. 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 \$1,872,373 and \$391,554 for governmental activities and its business-type activity, respectively.

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

	Governmental Activities	Business-type Activity
Active employees	682	163
Retired employees	<u>575</u>	<u>106</u>
Total	<u><u>1,257</u></u>	<u><u>269</u></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 its business-type activity of \$56,345,606 and \$12,409,052, respectively, was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2024.

**Actuarial Methods and Assumptions**—Calculations are based on the types of benefits provided under the terms of the substantive plan, the plan as understood by the employer and the plan members, at the time of the valuation and on the pattern of cost sharing between the 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, 2024 actuarial valuation, the Entry Age Normal actuarial cost method, over a level percent of salary was used. The single discount rate changed from 4.00% effective December 31, 2023 to 4.28% effective December 31, 2024. Payroll growth rates are based on the assumptions used in the NYS ERS actuarial valuation as of August 2023. Rates include 2.90% 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%.

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

	Total OPEB Liability	
	Governmental Activities	Business-type Activity
Balances at December 31, 2023	\$ 53,043,325	\$ 11,544,552
Changes for the year:		
Service cost	2,085,507	463,834
Interest	2,168,073	472,581
Changes in assumptions	(1,953,551)	(409,622)
Differences between expected and actual experience	2,874,625	729,261
Benefit payments	(1,872,373)	(391,554)
Net changes	3,302,281	864,500
Balances at December 31, 2024	<u>\$ 56,345,606</u>	<u>\$ 12,409,052</u>

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

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
Governmental activities:			
Total OPEB liability	\$ 63,876,978	\$ 56,345,606	\$ 50,184,915
Business-type activities:			
Total OPEB liability	13,972,514	12,409,052	11,099,019

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total 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	\$ 48,716,729	\$ 56,345,606	\$ 65,930,927
Business-type activity:			
Total OPEB liability	10,749,981	12,409,052	14,473,290

**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, 2024, the County’s governmental activities and business-type activities recognized OPEB expense of \$3,214,274 and \$23,868. The County’s contributions plan are based on negotiated contracts with its bargaining units, as discussed in Note 15. 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 total OPEB liability. The table below presents the County’s deferred outflows of resources and deferred inflows of resources at December 31, 2024.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activity	Governmental Activities	Business-type Activity
Differences between expected and actual experience	\$ 4,375,461	\$ 754,236	\$ 5,846,377	\$ 4,241,688
Changes in assumptions	9,633,196	2,913,979	11,765,680	3,189,193
Total	<u>\$ 14,008,657</u>	<u>\$ 3,668,215</u>	<u>\$ 17,612,057</u>	<u>\$ 7,430,881</u>

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

Year Ending December 31,	Governmental Activities	Business-type Activity
2025	\$ (1,039,306)	\$ (912,547)
2026	(1,039,306)	(912,547)
2027	(1,039,309)	(912,547)
2028	(503,336)	(912,548)
2029	(876,200)	(158,137)
Thereafter	894,057	45,660

## 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 \$389,978 for HVCC.

**Employees Covered by Benefit Terms**—At September 1, 2023, the actuarial valuation date, the following employees were covered by the benefit terms:

Active employees	481
Retired employees	<u>278</u>
Total	<u>759</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 \$11,635,000 was measured as of September 1, 2023, 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, 2023 actuarial valuation, the single discount rate changed from 3.91% effective September 1, 2022 to 4.13% effective September 1, 2023. The discount rate was based on the Bond Buyer General Obligation 20-year municipal bond index. Mortality rates were based on the Pri-2012 total dataset employees headcount-weighted mortality projected with fully generational MP-2021 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 3.9%.

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

	<u>Total OPEB Liability</u>
Balance at August 31, 2023	\$ 11,388,340
Changes for the year:	
Service cost	394,031
Interest	435,175
Differences between expected and actual experience	(878)
Changes of assumptions or other inputs	(168,610)
Benefit payments	<u>(413,058)</u>
Net changes	<u>246,660</u>
Balance at August 31, 2024	<u>\$ 11,635,000</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 total OPEB liability. The table below presents the effect of a 1% change in the discount rate assumption would have on the total OPEB liability:

	<u>1% Decrease (3.13%)</u>	<u>Current Assumption (4.13%)</u>	<u>1% Increase (5.13%)</u>
Total OPEB liability	\$ 13,070,225	\$ 11,635,000	\$ 10,430,502

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 (3.9%) healthcare cost trend rates.

	<u>1% Decrease (6.5%/2.9%)</u>	<u>Current Assumption (7.5%/3.9%)</u>	<u>1% Increase (8.5%/4.9%)</u>
Total OPEB liability	\$ 10,391,817	\$ 11,635,000	\$ 13,125,197

**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, 2024, HVCC recognized OPEB expense/(benefit) of approximately \$(1,582,000). At August 31, 2024, HVCC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources shown on the following page.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 2,492,756	\$ 4,604,510
Changes of assumptions and other inputs	662,541	4,874,211
Expected benefit payments subsequent to the measurement date	<u>225,547</u>	<u>-</u>
Total	<u>\$ 3,380,844</u>	<u>\$ 9,478,721</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>	
2025	\$ (2,412,697)
2026	(2,406,206)
2027	(993,663)
2028	(510,858)

## 9. 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 \$452,227,847.

The County also holds a professional liability policy on behalf of the Van Rensselaer Manor, which is limited to \$2 million per incident and an aggregate limit of \$5 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 as accrued liabilities were for unemployment, dental, and vision at December 31, 2024 were \$212,777.

Year Ended December 31,	Liability Beginning of Year	Claims and Adjustments	Claim Payments	Liability End of Year
2024	\$ 31,314	\$ 25,038,165	\$ 24,856,702	\$ 212,777
2023	119,737	23,384,712	23,473,135	31,314

Workers' compensation liability, reported in the Internal Service Fund, for the County and 35 other plan members at December 31, 2024 was \$11,956,360. 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.

Year Ended December 31,	Liability Beginning of Year	Claims and Adjustments	Claim Payments	Liability End of Year
2024	\$ 8,593,115	\$ 4,722,622	\$ 1,359,377	\$ 11,956,360
2023	8,593,115	1,588,654	1,588,654	8,593,115

The County's governmental activities, excluding the internal service fund, and its business-type activity do not report liabilities for Workers' Compensation at December 31, 2024 as the plan was fully funded by available net assets.

## 10. LEASE AND SUBSCRIPTION LIABILITIES

The County is a lessee for various leases and a subscriber of various information technology agreements. Under GASB Statement No. 87, *Leases*, the County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. Under GASB Statement No. 96, *Subscription Based Information Technology Agreements*, the County recognizes a subscription liability and a subscription asset in the government-wide financial statements. The County recognizes lease and subscription liabilities with an initial, individual value of \$100,000 or more.

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

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

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

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

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

The County entered into various long-term lease agreements for the rental of office space and equipment. As of December 31, 2024, the value of the lease liability was \$2,669,526. The County is required to make monthly lease payments on all of the agreements. The County uses their estimated incremental borrowing rate of 3.00% to determine the value of their principal and interest payments.

At December 31, 2024, the County maintained a subscription based information technology agreement. As a result of the implementation of the GASB Statement No. 96, *Subscription Based Information Technology Agreements*, the County now reports this as a subscription liability. As of December 31, 2024, the value of the subscription liability was \$0. The agreements have interest rates of 3.0%. The value of the subscription assets as of the end of the current fiscal year was \$0.

The future principal and interest payments as of December 31, 2024, are shown below:

Fiscal Year Ending December 31	Principal	Interest	Total
2025	\$ 1,220,461	\$ 76,567	\$ 1,297,028
2026	1,000,552	41,685	1,042,237
2027	159,909	13,455	173,364
2028	43,540	8,658	52,198
2029	45,890	7,352	53,242
2030 and thereafter	199,174	14,893	214,067
Totals	<u>\$ 2,669,526</u>	<u>\$ 162,610</u>	<u>\$ 2,832,136</u>

**Rensselaer County Industrial Development Agency (the “Agency”)**

The Agency entered into a non-cancellable lease for office space that expires in December 2024, with the option to renew to up to one additional terms of five year. Future minimum lease payments are as follows:

Year Ended December 31,	
2025	\$ 2,732
Total	<u>\$ 2,732</u>

**Hudson Valley Community College**

The table on the following page is a summary of HVCC’s future minimum lease and subscription payments as of August 31, 2024.

<u>Year Ended August 31,</u>	
2025	\$ 2,456,401
2026	2,484,802
2027	2,514,872
2028	2,528,781
2029	1,825,582
2030-2034	1,203,826
2035-2039	113,644
2040-2044	113,644
2045-2049	113,644
2050-2054	113,644
2055-2059	<u>90,915</u>
Total	<u>\$ 13,559,755</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, lease liability, subscription liability, 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, 2024 is shown on the following page.

	Balance 1/1/2024 (as restated)	Increases	Decreases	Balance 12/31/2024	Due Within One Year
<b>Governmental activities:</b>					
Serial bonds	\$ 43,204,270	\$ 2,500,000	\$ 6,753,319	\$ 38,950,951	\$ 5,020,809
Serial bonds - HVCC	19,620,107	-	1,837,849	17,782,258	1,917,259
Unamortized premiums	4,116,120	-	506,739	3,609,381	506,739
RTASC bonds and accreted interest	31,643,692	383,171	730,000	31,296,863	4,435,000
RTASC unamortized premium	1,153,573	-	32,216	1,121,357	195,719
Installment purchase debt	95,499,917	4,147,402	6,773,502	92,873,817	7,472,504
Lease liability	961,478	4,364,611	2,656,563	2,669,526	1,220,461
Subscription liability	150,908	-	150,908	-	-
Compensated absences, as restated*	19,816,574	-	22,168	19,794,406	989,720
OPEB obligation	53,043,325	4,253,580	951,299	56,345,606	2,817,280
Worker's compensation	8,593,115	4,722,622	1,359,377	11,956,360	597,818
Net pension liability*	51,301,573	-	15,002,224	36,299,349	-
Total governmental activities	<u>\$ 329,104,652</u>	<u>\$ 20,371,386</u>	<u>\$ 36,776,164</u>	<u>\$ 312,699,874</u>	<u>\$ 25,173,309</u>
<b>Business-type activity:</b>					
Bonds payable	4,350,000	-	2,465,000	1,885,000	245,000
Installment purchase debt	4,648,430	1,617,885	251,015	6,015,300	305,408
Compensated absences, as restated*	2,305,955	304,820	-	2,610,775	759,436
OPEB obligation	11,544,552	936,415	71,915	12,409,052	620,453
Net pension liability*	14,994,113	-	5,260,765	9,733,348	-
Total business-type activity	<u>\$ 37,843,050</u>	<u>\$ 2,859,120</u>	<u>\$ 8,048,695</u>	<u>\$ 32,653,475</u>	<u>\$ 1,930,297</u>

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

	Balance 1/1/2024	Increases	Decreases	Balance 12/31/2024	Due Within One Year
<b>IDA:</b>					
Lease liability	\$ 891,977	\$ -	\$ 889,245	\$ 2,732	\$ 2,732
Notes payable	-	3,125,000	-	3,125,000	34,206
Net pension liability	120,206	-	1,650	118,556	-
Total IDA	<u>\$ 1,012,183</u>	<u>\$ 3,125,000</u>	<u>\$ 890,895</u>	<u>\$ 3,246,288</u>	<u>\$ 36,938</u>

	Balance 9/1/2023	Increases	Decreases	Balance 8/31/2024	Due Within One Year
<b>HVCC:</b>					
Termination benefits	\$ 16,571,761	-	\$ 1,384,052	\$ 15,187,709	\$ 2,110,696
OPEB obligation	11,388,340	829,206	582,546	11,635,000	-
Association financing agreement	4,006,592	-	519,698	3,486,894	519,727
Other long-term liabilities	4,375,374	-	304,705	4,070,669	-
Lease liability	12,204,952	-	2,101,241	10,103,711	2,101,241
Subscription liability	366,163	-	175,984	190,179	175,984
Net pension liability	14,789,363	-	5,263,323	9,526,040	-
Total HVCC	<u>\$ 63,702,545</u>	<u>\$ 829,206</u>	<u>\$ 10,331,549</u>	<u>\$ 54,200,202</u>	<u>\$ 4,907,648</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.

A summary of additions and payments of serial bonds for the year ended December 31, 2024 is shown below:

Description	Original Issue	Interest Rate	Year of Maturity	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024	Due Within One Year
<b>Governmental activities serial bonds issued by the County:</b>								
General:								
Public Improvement refunding	\$ 12,898,755	2.0/5.0	2038	\$ 6,719,375	\$ -	\$ 1,236,170	\$ 5,483,205	\$ 1,301,160
2017 Various Projects	12,573,333	2.07	2028	6,654,062	-	1,057,300	5,596,762	1,075,373
2020 Public Improvement Bond	4,000,000	1.0/2.0	2040	3,485,000	-	180,000	3,305,000	180,000
2020 Public Improvement Refunding	2,722,500	3.0/5.0	2038	2,417,250	-	111,000	2,306,250	116,250
2022 Public Improvement Refunding	1,295,634	1.35	2026	876,107	-	429,089	447,018	447,018
2022 General Obligation Bonds	5,000,000	3.70	2037	4,731,000	-	277,000	4,454,000	285,000
2022 Siemens Notes	2,000,000	4.15	2024	2,000,000	-	2,000,000	-	-
2023A General Obligation Bonds	3,186,115	4.71	2043	3,186,115	-	103,000	3,083,115	107,000
2023B General Obligation Bonds	1,582,428	4.71	2043	1,582,428	-	51,000	1,531,428	53,000
2024 General Obligation Bonds	2,500,000	4.98	2039	-	2,500,000	-	2,500,000	115,535
Highway:								
2017 Highway Improvements	5,194,000	2.07	2029	2,748,769	-	436,767	2,312,002	444,233
2017 Machinery	928,000	2.07	2029	491,115	-	78,036	413,079	79,370
2022 Public Improvement Refunding	896,978	1.35	2026	606,535	-	297,062	309,473	309,474
Sewer:								
EFC	2,829,338	0.15-3.55	2034	1,590,000	-	130,000	1,460,000	135,000
Public Improvements	406,245	2.0-5.0	2028	210,625	-	38,830	171,795	38,840
2017 Grit Collection	2,175,000	2.07	2029	1,151,054	-	182,897	968,157	186,024
2020 EFC Sewer Pump	5,176,061	-	2050	4,754,835	-	145,168	4,609,667	147,532
Total serial bonds				43,204,270	2,500,000	6,753,319	38,950,951	5,020,809
Unamortized premium				4,116,120	-	506,739	3,609,381	506,739
Total governmental activities bonded debt				\$ 47,320,390	\$ 2,500,000	\$ 7,260,058	\$ 42,560,332	\$ 5,527,548

Description	Original Issue	Interest Rate	Year of Maturity	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024	Due Within One Year
<b>Governmental activities serial bonds issued on behalf of the Discretely Presented Component Unit—HVCC:</b>								
HVCC Facilities Upgrade	\$ 3,870,000	2.50-2.75	2042	\$ 3,340,000	\$ -	\$ 140,000	\$ 3,200,000	\$ 145,000
2020 Public Improvement Refunding	15,427,500	3.0/5.0	2038	13,697,750	-	629,000	13,068,750	658,750
2022 Public Improvement Refunding	3,627,388	1.35	2026	2,582,357	-	1,068,849	1,513,508	1,113,509
Total serial bonds—component units				\$ 19,620,107	\$ -	\$ 1,837,849	\$ 17,782,258	\$ 1,917,259
<b>Business-type activity—Van Rensselaer Manor:</b>								
Enterprise Fund:								
2014 Serial Bonds	\$ 24,000,000	2.0-3.1	2031	\$ 4,350,000	\$ -	\$ 2,465,000	\$ 1,885,000	\$ 245,000
Total business-type activity				\$ 4,350,000	\$ -	\$ 2,465,000	\$ 1,885,000	\$ 245,000

**Amortization of Bond Premiums**—The County issued serial bonds which included bond premiums. The premiums are being amortized on a straight-line basis over the life of the bonds. The total unamortized premium as of December 31, 2024 was \$3,609,381.

The annual repayment of principal and interest on bonded debt are shown below:

	Governmental Activities Serial Bonds		Issued on behalf of the Discretely Presented Component Unit - HVCC		Business-Type Activity Van Rensselaer Manor	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 5,020,809	\$ 1,081,982	\$ 1,917,259	\$ 643,372	\$ 245,000	\$ 57,275
2026	4,400,532	928,924	1,242,750	578,053	255,000	49,925
2027	4,501,774	817,196	881,000	531,665	260,000	42,275
2028	4,620,824	699,472	932,750	491,365	270,000	34,475
2029	3,229,197	575,953	984,500	448,603	275,000	26,375
2030-2034	7,114,596	2,017,927	5,665,250	1,607,418	580,000	27,344
2035-2039	6,375,093	862,150	5,528,749	519,578	-	-
2040-2044	2,481,566	130,860	630,000	34,925	-	-
2045-2049	999,518	-	-	-	-	-
2050-2054	207,042	-	-	-	-	-
Total	<u>\$ 38,950,951</u>	<u>\$ 7,114,464</u>	<u>\$ 17,782,258</u>	<u>\$ 4,854,979</u>	<u>\$ 1,885,000</u>	<u>\$ 237,669</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 \$1,837,849 in principal and \$721,817 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, 2024 are shown below:

	Balance 1/1/2024	Increases	Decreases	Balance 12/31/2024	*Due Within One Year
Tobacco Settlement Bonds:					
Series 2016	\$ 26,140,000	\$ -	\$ 730,000	\$ 25,410,000	\$ 4,435,000
Plus: Bond premium	1,153,573	-	32,216	1,121,357	195,719
Net Tobacco Settlement Bonds	<u>27,293,573</u>	<u>-</u>	<u>762,216</u>	<u>26,531,357</u>	<u>4,630,719</u>
Subordinate Turbo CABs	<u>5,503,692</u>	<u>383,171</u>	<u>-</u>	<u>5,886,863</u>	<u>-</u>
Total RTASC	<u>\$ 32,797,265</u>	<u>\$ 383,171</u>	<u>\$ 762,216</u>	<u>\$ 32,418,220</u>	<u>\$ 4,630,719</u>

\*Actual amounts due within one year may vary on the receipt of TSRs and RTASC’s ability to make the payment of principal and interest, as referenced in Note 6.

**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
2025	\$ 4,435,000	\$ 1,239,663	\$ 5,674,663
2026	1,580,000	1,068,163	2,648,163
2027	1,685,000	974,294	2,659,294
2028	1,795,000	874,244	2,669,244
2029	1,915,000	767,582	2,682,582
2030-2034	11,400,000	2,143,763	13,543,763
2035	2,600,000	65,000	2,665,000
Totals	<u>\$ 25,410,000</u>	<u>\$ 7,132,709</u>	<u>\$ 32,542,709</u>

**Subordinate Turbo CABs**—Interest on the Subordinate Turbo CABs is compounded semi-annually 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, 2024, RTASC did not make any redemption payments. Outstanding Subordinate Turbo CABs consist of one installment, Series 2005 S3.

**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, 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, 2020, Van Rensselaer Manor entered into an installment purchase Energy Performance Contract for the installation and maintenance of various machinery and equipment, in an effort to reduce energy costs. The Installment Purchase Debt of \$3,866,742 upon issuance carries an interest rate of 2.31% and is payable semi-annually, with the first payment due on September 30, 2022 and the final payment due on September 30, 2038. Subsequently, on July 22, 2021 an amendment occurred increasing the total outstanding balance. During the year ended December 31, 2024 an additional amendment increased the total outstanding balance by \$1,617,885.

During the years ended December 31, 2024 and 2023, the County entered into several new Energy Performance Contracts for building and infrastructure improvements at various County locations. The total Installment Purchase Debt of \$63,255,905 upon issuance carries interest rates ranging from 3.07% to 5.23%. Principal and interest payments vary for each lease resulting in annual or semi-annual payments. The maturity dates on the contracts range from 2032 to 2043. As of December 31, 2024, total expenditures incurred on all of the contracts is \$62,626,098 and total cash with fiscal agent is \$4,777,212.

The table on the following page summarizes requirements of the Installment Purchase Debt.

Year ending December 31,	Governmental Activities			Total Governmental Activities	Business-type Activity Van Rensselaer Manor
	Sewer District	County Building	Highway Machinery		
2025	\$ 4,007,970	\$ 3,358,582	\$ 105,952	\$ 7,472,504	\$ 493,986
2026	4,613,791	6,168,372	130,661	10,912,824	504,337
2027	3,770,996	6,201,246	132,654	10,104,896	514,700
2028	3,772,414	6,235,027	134,707	10,142,148	545,981
2029	2,044,401	6,282,469	136,822	8,463,692	546,669
2030-2034	6,923,455	31,426,051	400,679	38,750,185	2,735,925
2035-2039	2,866,582	22,573,523	-	25,440,105	2,276,783
2040-2043	-	9,521,910	-	9,521,910	-
Total minimum lease payments	27,999,609	91,767,180	1,041,475	120,808,264	7,618,381
Less: Amount representing imputed interest costs	(3,782,553)	(24,049,302)	(102,592)	(27,934,447)	(1,603,081)
Present value of minimum lease payments	\$ 24,217,056	\$ 67,717,878	\$ 938,883	\$ 92,873,817	\$ 6,015,300

The assets acquired through installment purchase debt are as follows:

	Governmental Activities
Assets:	
Infrastructure	\$ 110,723,660
Less: Accumulated depreciation	(13,709,760)
Total	\$ 97,013,900

As of December 31, 2024, total expenditures incurred on all of the contracts is \$62,626,098 and total cash with fiscal agent is \$4,777,212.

**Lease Liability**—The County entered into long-term leases for various office space and equipment. The outstanding balance at December 31, 2024 was \$2,669,526. Refer to Note 10 for additional information related to the County’s leases.

**Subscription Liability**—The County has entered into long-term subscription based information technology agreements. The outstanding balance at December 31, 2024 was \$0. Refer to Note 10 for additional information related to the County’s subscription liability.

**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.

**OPEB Obligation**—As discussed in Note 8, the County’s OPEB obligation at December 31, 2024 is \$56,345,606, and \$12,409,052 for governmental activities and its business type activity, respectively.

**Workers’ Compensation**—As discussed in Note 9, the County reports the workers’ compensation liability within the Internal Service fund and in governmental activities. The total of this liability at December 31, 2024 is \$11,956,360.

**Net Pension Liability**—The County reports liabilities for its proportionate share of the net pension liabilities for the Employees’ Retirement System. The net pension liability is estimated to be \$36,299,349, at December 31, 2024. Refer to Note 7 for additional information related to the County’s net pension liability.

#### **Rensselaer County Industrial Development Agency (the “Agency”)**

**Lease Liability**—The Agency has entered into long-term lease agreements to lease certain real estate and equipment. At December 31, 2024, the Agency recorded a lease liability of \$2,732.

#### **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 \$15,187,709 at August 31, 2024. HVCC’s component units reported termination benefits of \$792,113.

**OPEB Obligation**—As discussed in Note 8, 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, 2024 is \$11,635,000.

**Association Financing Agreement**—HVCC’s component units reported financing agreement liabilities of \$3,486,894.

**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, 2024 is \$4,070,669.

**Lease Liability**—The HVCC has entered into long-term lease agreements to lease certain real estate and equipment. At August 31, 2024, the Agency recorded a lease liability of \$10,103,711.

**Net Pension Liability**—HVCC reports a liability for its proportionate share of the net pension liabilities for the Teacher’ Retirement System and Employees’ Retirement System. At August 31, 2024, the net pension liability is estimated to be \$9,526,040.

## **12. NET POSITION AND FUND BALANCE**

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

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

Governmental activities:

Capital assets, net of accumulated depreciation/amortization		\$ 275,516,305
Related debt:		
Serial bonds issued	\$ (38,950,951)	
Leases liability	(2,669,526)	
Deferred charge on refunding bonds	400,493	
Unamortized premium on serial bonds	(3,609,381)	
Installment purchase debt	(92,873,817)	
Capital projects fund accounts payable	(845,410)	
RTASC Tobacco Settlement Bonds and CABs	(31,296,863)	
Related RTASC unamortized premium	(1,121,357)	
RTASC deferred gain on refunding	(6,813,310)	
Unspent proceeds reported within the Capital Projects Fund	18,310,207	(159,469,915)
Net investment in capital assets—governmental activities		<u>\$ 116,046,390</u>

Business-type activities:

Capital assets, net of accumulated depreciation		\$ 21,276,688
Related debt:		
Debt issued for capital assets		(1,885,000)
Installment purchase debt		(6,015,300)
Net investment in capital assets—business-type activity		<u>\$ 13,376,388</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.
- **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, 2024 includes:

- **Inventories**—Represents the portion of fund balance composed of inventory of \$439,328 that is nonspendable because inventory is not an available spendable resource.
- **Prepaid Items**—Represents amounts prepaid to vendors and employees of \$2,799,517, 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, 2024 the Community Development Fund reported loans receivable amounts of \$898,881.

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, 2024, the County had the following restricted funds, as presented on the following page.

	General Fund	Capital Projects Fund	Other Nonmajor Funds	Total
Tax stabilization	\$ 1,461,853	\$ -	\$ -	\$ 1,461,853
Handicapped parking	141,267	-	-	141,267
Debt service	-	-	2,168,910	2,168,910
Youth	76,074	-	-	76,074
Opioid	570,375	-	-	570,375
Sheriff-Asset forfeiture	244,850	-	-	244,850
Capital projects	-	43,667,939	-	43,667,939
Total restricted fund balance	<u>\$ 2,494,419</u>	<u>\$ 43,667,939</u>	<u>\$ 2,168,910</u>	<u>\$ 48,331,268</u>

- **Restricted for Tax Stabilization**—Represents amounts restricted under General Municipal Law Section 6-6, 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 Youth**—Represents funds set aside to be used for youth programs and related equipment.
- **Restricted for Opioid**—Represents direct payments of opioid settlement funds to support future treatment and recovery requirements.
- **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, 2024, 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, 2024, the following balances were considered to be assigned:

	General Fund	Total Nonmajor Funds	Total
Encumbrances	\$ 1,064,992	\$ 160,540	\$ 1,225,532
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	15,000,000	2,897,818	17,897,818
Legislative Clerk	88,842	-	88,842
Specific use	-	9,991,364	9,991,364
Total assigned fund balance	<u>\$ 23,253,834</u>	<u>\$ 13,049,722</u>	<u>\$ 36,303,556</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 Office of the Medicaid Inspector General (“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 2025 fiscal year.
- **Assigned to Legislative Clerk**—Represents available fund balance assigned for future use by the Legislative Clerk.
- **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, 2024 is shown on the following page.

Fund	Interfund	
	Receivable	Payable
Governmental funds:		
General Fund	\$ 4,765,428	\$ 29,554,170
Capital Projects Fund	26,011,894	556,120
Nonmajor governmental funds	1,014,791	870,045
Proprietary funds:		
Enterprise Fund	-	1,308,039
Internal Service Funds	4,224,920	3,728,659
Total	<u>\$ 36,017,033</u>	<u>\$ 36,017,033</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, 2024:

Transfers out:	Transfers in:				Total
	General Fund	Capital Projects Fund	Nonmajor Funds	Van Rensselaer Manor	
General Fund	\$ -	\$ 25,761,003	\$ 4,034,197	\$ 107,650	\$ 29,902,850
Capital Projects Fund	555,170	-	-	-	555,170
Nonmajor Funds	-	11,894	-	-	11,894
Total	<u>\$ 555,170</u>	<u>\$ 25,772,897</u>	<u>\$ 4,034,197</u>	<u>\$ 107,650</u>	<u>\$ 30,469,914</u>

#### 14. SEGMENT INFORMATION FOR ENTERPRISE FUND

Segment information for the Manor as of, and for the year ended, December 31, 2024 follows:

	Van Rensselaer Manor
Operating revenues	\$ 31,055,986
Operating expenses:	
Services provided	41,656,689
Depreciation and amortization	1,743,924
Operating income	(12,344,627)
Non-operating revenue (expense), net	17,091,167
Change in net position	<u>\$ 4,746,540</u>
Current assets	\$ 53,779,535
Current liabilities	6,002,713
Net working capital	<u>\$ 47,776,822</u>
Total assets and deferred outflows	\$ 88,140,556
Total liabilities and deferred inflows	(50,892,022)
Net position	<u>\$ 37,248,534</u>
Capital asset additions	<u>\$ 2,199,709</u>
Long-term liabilities—excluding current portions	<u>\$ 31,343,631</u>

**15. LABOR CONTRACTS**

Four bargaining units represent the unionized County employees. The United Public Service Employees Union is settled through December 31, 2028. The Police Benevolent Association contract is settled through December 31, 2027. The Council 82 contract is settled through December, 31, 2024. The Civil Service Employees Association contract is settled through December 31, 2026.

**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, 2024, the County reported significant encumbrances as shown below:

	Amount	Description
General Fund	\$ 194,916	(4) Vans
General Fund	102,192	Schodack Audio
Capital Projects Fund	618,130	(2) HV507 Plow Trucks

**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 \$3,003,418 during 2024 in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$6,678,373 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 July 18, 2025, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

\* \* \* \* \*

**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

## REQUIRED SUPPLEMENTARY INFORMATION



**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

**COUNTY OF RENSSELAER, NEW YORK**  
**Schedule of the Local Government's Proportionate Share of the**  
**Net Pension Liability/(Asset)—Teachers' Retirement System**  
**Last Ten Fiscal Years**

	Year Ended August 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Hudson Valley Community College ("HVCC")</b>										
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
HVCC's proportion of the net pension liability/(asset)	0.055641%	0.060208%	0.057101%	0.0601540%	0.0627310%	0.0599030%	0.0628370%	0.0663080%	0.0672550%	0.0684170%
HVCC's proportionate share of the net pension liability/(asset)	<u>\$ (1,660,099)</u>	<u>\$ 688,535</u>	<u>\$ 1,095,713</u>	<u>\$ (10,424,102)</u>	<u>\$ 1,733,414</u>	<u>\$ (1,556,297)</u>	<u>\$ (1,136,266)</u>	<u>\$ (504,004)</u>	<u>\$ 720,333</u>	<u>\$ (7,106,348)</u>
HVCC's covered payroll	\$ 10,873,228	\$ 11,368,617	\$ 10,299,450	\$ 10,655,008	\$ 11,221,505	\$ 10,631,558	\$ 9,591,463	\$ 10,491,959	\$ 10,454,460	\$ 10,395,233
HVCC's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(15.3)%	6.1%	10.6%	-97.8%	15.4%	-14.6%	-11.8%	-4.8%	6.9%	-68.4%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	102.1%	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%

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

	Year Ended August 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Hudson Valley Community College ("HVCC")</b>										
Contractually required contributions	\$ 1,036,880	\$ 1,120,103	\$ 1,006,806	\$ 993,661	\$ 972,503	\$ 1,061,345	\$ 945,712	\$ 1,203,803	\$ 1,365,305	\$ 1,761,050
Contributions in relation to the contractually required contribution	<u>(1,036,880)</u>	<u>(1,120,103)</u>	<u>(1,006,806)</u>	<u>(993,661)</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
HVCC's covered payroll	\$ 10,873,228	\$ 11,368,617	\$ 10,299,450	\$ 10,655,008	\$ 11,221,505	\$ 10,631,558	\$ 9,591,463	\$ 10,491,959	\$ 10,454,460	\$ 10,395,233
Contributions as a percentage of covered payroll	9.5%	9.9%	9.8%	9.3%	8.7%	10.0%	9.9%	11.5%	13.1%	16.9%

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

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Plan fiduciary net position as a percentage of the total pension liability/(asset)	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
<b>Primary Government:</b>										
<b>Rensselaer County ("County")—Governmental Activities:</b>										
County's proportion of the net pension liability/(asset)	0.2465310%	0.2392347%	0.2401642%	0.2249338%	0.2343438%	0.2275316%	0.2343915%	0.2482384%	0.2478850%	0.2485007%
County's proportionate share of the net pension liability/(asset)	<u>\$ 36,299,349</u>	<u>\$ 51,301,573</u>	<u>\$ (19,632,433)</u>	<u>\$ 223,971</u>	<u>\$ 62,689,977</u>	<u>\$ 16,121,309</u>	<u>\$ 7,564,855</u>	<u>\$ 23,325,058</u>	<u>\$ 39,786,238</u>	<u>\$ 8,394,401</u>
County's covered payroll	\$ 68,367,789	\$ 67,245,076	\$ 63,769,514	\$ 63,513,440	\$ 61,539,269	\$ 61,050,130	\$ 57,703,567	\$ 60,251,514	\$ 58,369,518	\$ 59,071,651
County's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	53.1%	76.3%	(30.8)%	0.4%	101.9%	26.4%	13.1%	38.7%	68.2%	14.2%
<b>Van Rensselaer Manor ("VRM")—Business-type Activities:</b>										
VRM's proportion of the net pension liability/(asset)	0.0661051%	0.0699221%	0.0703763%	0.0848051%	0.0790984%	0.0962192%	0.0769122%	0.0684246%	0.0766568%	0.0798511%
VRM's proportionate share of the net pension liability/(asset)	<u>\$ 9,733,348</u>	<u>\$ 14,994,113</u>	<u>\$ (5,752,974)</u>	<u>\$ 84,444</u>	<u>\$ 21,159,839</u>	<u>\$ 6,817,422</u>	<u>\$ 2,482,300</u>	<u>\$ 6,429,328</u>	<u>\$ 12,303,626</u>	<u>\$ 2,697,566</u>
VRM's covered payroll	\$ 17,994,463	\$ 19,650,350	\$ 18,437,922	\$ 18,256,546	\$ 20,572,649	\$ 20,153,829	\$ 18,247,759	\$ 13,020,424	\$ 14,132,790	\$ 15,132,583
VRM's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	54.1%	76.3%	(31.2)%	0.5%	102.9%	33.8%	13.6%	49.4%	87.1%	17.8%

(continued)

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

(concluded)

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Discretely Presented Component Units:</b>										
<b>Rensselaer County Industrial Development Agency ("Agency"):</b>										
Agency's proportion of the net pension liability/(asset)	0.0008052%	0.0005606%	0.0004704%	0.0005635%	0.0006686%	0.0006048%	0.0006203%	0.00063333%	0.0006267%	0.0005167%
Agency's proportionate share of the net pension liability/(asset)	\$ 118,556	\$ 120,206	\$ (38,450)	\$ 561	\$ 177,054	\$ 42,851	\$ 20,019	\$ 59,511	\$ 100,588	\$ 17,457
Agency's covered payroll	\$ 371,681	\$ 345,597	\$ 392,908	\$ 274,576	\$ 285,318	\$ 348,686	\$ 314,472	\$ 284,398	\$ 266,198	\$ 253,521
Agency's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	31.9%	34.8%	(9.8%)	0.2%	62.1%	12.3%	6.4%	20.9%	37.8%	6.9%
<b>Year Ended August 31,</b>										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Hudson Valley Community College ("HVCC"):</b>										
HVCC's proportion of the net pension liability/(asset)	0.064697%	0.065756%	0.070799%	0.07092%	0.070356%	0.070917%	0.071456%	0.068436%	0.071318%	0.067539%
HVCC's proportionate share of the net pension liability/(asset)	\$ 9,526,040	\$ 14,100,828	\$ (5,787,527)	\$ 70,626	\$ 18,630,602	\$ 5,024,673	\$ 2,306,215	\$ 6,430,374	\$ 11,446,691	\$ 2,282,192
HVCC's covered payroll	\$ 21,484,656	\$ 19,463,259	\$ 18,171,384	\$ 18,042,407	\$ 19,285,836	\$ 17,905,867	\$ 19,062,540	\$ 16,751,763	\$ 16,139,145	\$ 15,438,034
HVCC's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	44.3%	72.5%	(31.8%)	0.4%	96.6%	28.1%	12.1%	38.4%	70.9%	14.8%

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

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Primary Government:</b>										
<b>County of Rensselaer ("County")—Governmental Activities:</b>										
Contractually required contributions	\$ 9,844,705	\$ 8,572,794	\$ 8,003,642	\$ 9,556,672	\$ 8,711,681	\$ 8,359,548	\$ 8,658,804	\$ 8,370,495	\$ 8,485,275	\$ 9,277,770
Contributions in relation to the contractually required contribution	<u>(9,844,705)</u>	<u>(8,572,794)</u>	<u>(8,003,642)</u>	<u>(9,556,672)</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 67,951,237	\$ 66,574,892	\$ 63,461,464	\$ 64,184,105	\$ 61,535,635	\$ 61,212,013	\$ 57,631,458	\$ 62,693,511	\$ 58,369,518	\$ 59,071,651
Contributions as a percentage of covered payroll	14.5%	12.9%	12.6%	14.9%	14.2%	13.7%	15.0%	13.4%	14.5%	15.7%
<b>Van Rensselaer Manor ("VRM")—Business-type Activities:</b>										
Contractually required contributions	\$ 2,563,679	\$ 2,383,198	\$ 2,406,294	\$ 3,290,798	\$ 2,924,735	\$ 3,101,976	\$ 2,657,772	\$ 2,540,533	\$ 2,679,395	\$ 3,276,192
Contributions in relation to the contractually required contribution	<u>(2,563,679)</u>	<u>(2,383,198)</u>	<u>(2,406,294)</u>	<u>(3,290,798)</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
VRM's covered payroll	\$ 18,180,890	\$ 18,987,621	\$ 18,596,946	\$ 18,545,048	\$ 20,512,464	\$ 20,153,828	\$ 18,464,790	\$ 13,549,018	\$ 14,036,447	\$ 14,966,986
Contributions as a percentage of covered payroll	14.1%	12.6%	12.9%	17.7%	14.3%	15.4%	14.4%	18.8%	19.1%	21.9%

(continued)

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

(concluded)

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Discretely Presented Component Units:</b>										
<b>Rensselaer County Industrial Development Agency ("Agency"):</b>										
Contractually required contributions	\$ 43,615	\$ 29,058	\$ 40,138	\$ 37,913	\$ 28,657	\$ 27,528	\$ 42,620	\$ 49,762	\$ 33,472	\$ 44,005
Contributions in relation to the contractually required contribution	<u>(43,615)</u>	<u>(29,058)</u>	<u>(40,138)</u>	<u>(37,913)</u>	<u>(28,657)</u>	<u>(27,528)</u>	<u>(42,620)</u>	<u>(49,762)</u>	<u>(33,472)</u>	<u>(44,005)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Agency's covered payroll	\$ 371,681	\$ 345,597	\$ 392,908	\$ 274,576	\$ 285,318	\$ 348,686	\$ 314,472	\$ 284,398	\$ 266,198	\$ 253,521
Contributions as a percentage of covered payroll	11.7%	8.4%	10.2%	13.8%	10.0%	7.9%	13.6%	17.5%	12.6%	17.4%
	Year Ended August 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Hudson Valley Community College ("HVCC")</b>										
Contractually required contributions	\$ 2,749,777	\$ 2,213,324	\$ 2,393,202	\$ 2,602,670	\$ 2,599,471	\$ 2,444,203	\$ 2,568,734	\$ 2,443,161	\$ 2,406,654	\$ 2,899,220
Contributions in relation to the contractually required contribution	<u>(2,749,777)</u>	<u>(2,213,324)</u>	<u>(2,393,202)</u>	<u>(2,602,670)</u>	<u>(2,599,471)</u>	<u>(2,444,203)</u>	<u>(2,568,734)</u>	<u>(2,443,161)</u>	<u>(2,406,654)</u>	<u>(2,899,220)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
HVCC's covered payroll	\$ 21,484,656	\$ 19,463,259	\$ 18,171,384	\$ 18,042,407	\$ 19,285,836	\$ 17,905,867	\$ 19,062,540	\$ 16,751,763	\$ 16,139,145	\$ 15,438,034
Contributions as a percentage of covered payroll	12.8%	11.4%	13.2%	14.4%	13.5%	13.7%	13.5%	14.6%	14.9%	18.8%

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

	Year Ended December 31,						
	2024	2023	2022	2021	2020	2019	2018
<b>Rensselaer County - Governmental Activities:</b>							
<b>Total OPEB liability</b>							
Service cost	\$ 2,085,507	\$ 2,061,311	\$ 3,117,904	\$ 3,270,425	\$ 2,964,684	\$ 2,235,591	\$ 3,322,905
Interest	2,168,073	1,972,686	1,248,243	1,179,385	1,827,367	1,839,499	2,313,336
Changes of benefit terms	-	-	-	-	-	-	(20,062,880)
Changes in assumptions	(1,953,551)	4,502,265	(12,449,463)	(2,296,955)	7,083,654	7,770,514	(3,447,353)
Differences between expected and actual experience	2,874,625	1,597,534	935,684	(682,317)	(11,010,612)	321,362	(1,912,350)
Benefit payments	<u>(1,872,373)</u>	<u>(1,581,589)</u>	<u>(1,433,652)</u>	<u>(1,510,243)</u>	<u>(1,671,614)</u>	<u>(1,523,465)</u>	<u>(1,713,054)</u>
Net changes in total OPEB liability	3,302,281	8,552,207	(8,581,284)	(39,705)	(806,521)	10,643,501	(21,499,396)
Total OPEB liability—beginning	53,043,325	44,491,118	53,072,402	53,112,107	53,918,628	43,275,127	64,774,523
Total OPEB liability—ending	<u>\$ 56,345,606</u>	<u>\$ 53,043,325</u>	<u>\$ 44,491,118</u>	<u>\$ 53,072,402</u>	<u>\$ 53,112,107</u>	<u>\$ 53,918,628</u>	<u>\$ 43,275,127</u>
<b>Plan fiduciary net position</b>							
Contributions—employer	\$ 1,872,373	\$ 1,581,589	\$ 1,433,652	\$ 1,510,243	\$ 1,671,614	\$ 1,523,465	\$ 1,713,054
Benefit payments	<u>(1,872,373)</u>	<u>(1,581,589)</u>	<u>(1,433,652)</u>	<u>(1,510,243)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>County's total OPEB liability—ending</b>	<u>\$ 56,345,606</u>	<u>\$ 53,043,325</u>	<u>\$ 44,491,118</u>	<u>\$ 53,072,402</u>	<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%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 68,746,981	\$ 48,054,725	\$ 40,839,734	\$ 48,069,208	\$ 61,011,151	\$ 60,760,613	\$ 59,839,275
County's total OPEB liability as a percentage of covered-employee payroll	82.0%	110.4%	108.9%	110.4%	87.1%	88.7%	72.3%
<b>Rensselaer County - Business-type Activity:</b>							
<b>Total OPEB liability</b>							
Service cost	\$ 463,834	\$ 490,960	\$ 760,206	\$ 990,611	\$ 901,662	\$ 672,885	\$ 1,077,782
Interest	472,581	533,207	344,999	363,172	560,404	559,204	707,882
Changes of benefit terms	-	-	-	-	-	-	(6,331,920)
Changes of assumptions	(409,622)	941,399	(3,524,255)	(722,991)	2,378,170	2,606,095	(1,162,045)
Differences between expected and actual experience	729,261	(2,035,487)	226,019	(1,758,318)	(3,572,343)	(95,844)	(494,044)
Benefit payments	<u>(391,554)</u>	<u>(526,353)</u>	<u>(475,777)</u>	<u>(403,788)</u>	<u>(427,720)</u>	<u>(345,709)</u>	<u>(384,165)</u>
Net changes in total OPEB liability	864,500	(596,274)	(2,668,808)	(1,531,314)	(159,827)	3,396,631	(6,586,510)
Total OPEB liability—beginning	11,544,552	12,140,826	14,809,634	16,340,948	16,500,775	13,104,144	19,690,654
Total OPEB liability—ending	<u>\$ 12,409,052</u>	<u>\$ 11,544,552</u>	<u>\$ 12,140,826</u>	<u>\$ 14,809,634</u>	<u>\$ 16,340,948</u>	<u>\$ 16,500,775</u>	<u>\$ 13,104,144</u>
<b>Plan fiduciary net position</b>							
Contributions—employer	\$ 391,554	\$ 526,353	\$ 475,777	\$ 384,165	\$ 384,165	\$ 384,165	\$ 384,165
Benefit payments	<u>(391,554)</u>	<u>(526,353)</u>	<u>(475,777)</u>	<u>(384,165)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>County's total OPEB liability—ending</b>	<u>\$ 12,409,052</u>	<u>\$ 11,544,552</u>	<u>\$ 12,140,826</u>	<u>\$ 14,809,634</u>	<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%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 18,423,316	\$ 8,437,306	\$ 9,546,356	\$ 9,566,394	\$ 20,233,539	\$ 20,120,139	\$ 19,619,888
County's total OPEB liability as a percentage of covered-employee payroll	67.4%	136.8%	127.2%	154.8%	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 Seven Fiscal Years\***

(concluded)

	Year Ended August 31,						
	2024	2023	2022	2021	2020	2019	2018
<b>Hudson Valley Community College ("HVCC")</b>							
<b>Total OPEB liability</b>							
Service cost	\$ 394,031	\$ 1,370,088	\$ 1,102,456	\$ 1,276,991	\$ 1,228,641	\$ 1,163,050	\$ 1,097,461
Interest	435,175	331,064	422,879	627,587	604,613	702,630	620,918
Changes of benefit terms	-	-	-	-	-	(5,726,315)	-
Changes in assumptions	(168,610)	(8,064,363)	126,351	(329,998)	1,026,760	589,906	(1,876,023)
Differences between expected and actual experience	(878)	2,515,191	(4,508,665)	(2,678,859)	23,463	1,762,416	(1,237,696)
Benefit payments	(413,058)	(389,978)	(353,269)	(310,376)	(272,520)	(234,666)	(288,675)
Net changes in total OPEB liability	246,660	(4,237,998)	(3,210,248)	(1,414,655)	2,610,957	(1,742,979)	(1,684,015)
Total OPEB liability—beginning	11,388,340	15,626,338	18,836,586	20,251,241	17,640,284	19,383,263	21,067,278
Total OPEB liability—ending	<u>\$ 11,635,000</u>	<u>\$ 11,388,340</u>	<u>\$ 15,626,338</u>	<u>\$ 18,836,586</u>	<u>\$ 20,251,241</u>	<u>\$ 17,640,284</u>	<u>\$ 19,383,263</u>
<b>Plan fiduciary net position</b>							
Contributions—employer	\$ 413,058	\$ 389,978	\$ 353,269	\$ 310,376	\$ 272,520	\$ 234,666	\$ 288,675
Benefit payments	(413,058)	(389,978)	(353,269)	(310,376)	(272,520)	(234,666)	(288,675)
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>HVCC's total OPEB liability—ending</b>	<u>\$ 11,635,000</u>	<u>\$ 11,388,340</u>	<u>\$ 15,626,338</u>	<u>\$ 18,836,586</u>	<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%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HVCC's total OPEB liability as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a	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, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 52,927,100	\$ 52,927,100	\$ 53,263,474	\$ 336,374
Real property tax items	5,725,422	6,472,724	7,614,829	1,142,105
Non-property tax items	113,284,601	113,284,601	128,594,554	15,309,953
Departmental income	16,587,656	16,619,956	13,742,857	(2,877,099)
Intergovernmental charges	15,497,460	15,535,060	17,167,261	1,632,201
Use of money and property	3,452,020	6,112,029	8,379,892	2,267,863
Fines and forfeitures	181,000	240,877	322,985	82,108
Sale of property and compensation for loss	234,496	351,818	376,017	24,199
Miscellaneous	331,899	521,179	576,035	54,856
Interfund revenues	2,610,932	2,610,932	2,574,702	(36,230)
State aid	43,674,053	63,114,296	49,324,843	(13,789,453)
Federal aid	20,229,380	25,089,793	30,695,310	5,605,517
Total revenues	<u>274,736,019</u>	<u>302,880,365</u>	<u>312,632,759</u>	<u>9,752,394</u>
<b>EXPENDITURES</b>				
Current:				
General government support	68,556,563	82,491,041	82,287,070	203,971
Education	24,742,144	28,277,671	28,073,414	204,257
Public safety	47,151,416	49,757,823	43,950,370	5,807,453
Health	27,713,699	31,147,966	25,272,197	5,875,769
Transportation	593,744	631,490	610,885	20,605
Economic assistance and opportunity	101,679,042	104,696,510	103,101,461	1,595,049
Culture and recreation	818,585	837,157	712,088	125,069
Home and community services	1,149,489	1,145,871	966,564	179,307
Debt service:				
Principal	12,769,254	12,769,254	12,862,549	(93,295)
Interest	4,665,788	4,705,359	4,839,740	(134,381)
Total expenditures	<u>289,839,724</u>	<u>316,460,142</u>	<u>302,676,338</u>	<u>13,783,804</u>
Excess (deficiency) of revenues over expenditures	(15,103,705)	(13,579,777)	9,956,421	(4,031,410)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	555,170	555,170
Transfers out	(1,250,000)	(42,750,000)	(29,795,200)	12,954,800
Leases issued	4,364,611	4,364,611	4,364,611	-
Total other financing sources	<u>3,114,611</u>	<u>(38,385,389)</u>	<u>(24,875,419)</u>	<u>13,509,970</u>
Net change in fund balances*	(11,989,094)	(51,965,166)	(14,918,998)	37,046,168
Fund balances—beginning	130,731,125	130,731,125	130,731,125	-
Fund balances—ending	<u>\$ 118,742,031</u>	<u>\$ 78,765,959</u>	<u>\$ 115,812,127</u>	<u>\$ 37,046,168</u>

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

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

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

---

**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 increased from 4.00% effective December 31, 2023 to 4.28% effective December 31, 2024. 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 An increase in the discount rate from 3.91% to 4.13%. The medical healthcare cost trend rates increased from 2023 to an initial rate of 7.5% and an ultimate rate of 3.9%.

**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, 2024 includes encumbrances from the prior year of \$239,094.

**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

## SUPPLEMENTARY INFORMATION



**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

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

	Special Revenue						Total Nonmajor Funds
	Special Grant	Community Development	Highway	Sewer	RTASC	RCCRC	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 285,415	\$ 999,704	\$ 4,596,424	\$ 2,538,393	\$ 34,950	\$ 16,459	\$ 8,471,345
Restricted cash and cash equivalents	-	-	-	-	2,168,910	-	2,168,910
Other receivables	1,149	898,881	75,140	5,038,956	-	-	6,014,126
Intergovernmental receivables	-	-	601,655	-	-	-	601,655
Due from other funds	-	-	1,014,791	-	-	-	1,014,791
Inventories	-	-	439,328	-	-	-	439,328
Prepaid items	25,469	-	115,655	63,584	-	-	204,708
Total assets	<u>\$ 312,033</u>	<u>\$ 1,898,585</u>	<u>\$ 6,842,993</u>	<u>\$ 7,640,933</u>	<u>\$ 2,203,860</u>	<u>\$ 16,459</u>	<u>\$ 18,914,863</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 51,243	\$ 783	\$ 674,318	\$ 182,349	\$ -	\$ -	\$ 908,693
Accrued liabilities	71,714	-	125,526	147,030	-	-	344,270
Due to other funds	90,530	8,367	343,213	427,935	-	-	870,045
Intergovernmental payables	-	30,306	-	-	-	-	30,306
Total liabilities	<u>213,487</u>	<u>39,456</u>	<u>1,143,057</u>	<u>757,314</u>	<u>-</u>	<u>-</u>	<u>2,153,314</u>
<b>FUND BALANCES</b>							
Nonspendable	25,469	898,881	554,983	63,584	-	-	1,542,917
Restricted	-	-	-	-	2,168,910	-	2,168,910
Assigned	73,077	960,248	5,144,953	6,820,035	34,950	16,459	13,049,722
Total fund balances	<u>98,546</u>	<u>1,859,129</u>	<u>5,699,936</u>	<u>6,883,619</u>	<u>2,203,860</u>	<u>16,459</u>	<u>16,761,549</u>
Total liabilities and fund balances	<u>\$ 312,033</u>	<u>\$ 1,898,585</u>	<u>\$ 6,842,993</u>	<u>\$ 7,640,933</u>	<u>\$ 2,203,860</u>	<u>\$ 16,459</u>	<u>\$ 18,914,863</u>

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

REVENUES	Special Revenue						Total Nonmajor Funds
	Special Grant	Community Development	Highway	Sewer	RTASC	RCCRC	
Real property taxes	\$ -	\$ -	\$ 6,906,296	\$ -	\$ -	\$ -	\$ 6,906,296
Non-property tax items	-	-	989,425	-	-	-	989,425
Departmental income	-	-	-	11,023,210	-	-	11,023,210
Use of money and property	-	-	2,744,079	25,896	143,467	-	2,913,442
Licenses and permits	-	-	930	-	-	-	930
Sale of property and compensation for loss	-	-	26,169	-	-	-	26,169
Miscellaneous	-	23	35,308	9,088	-	-	44,419
State aid	-	-	5,908,006	-	-	-	5,908,006
Federal aid	2,155,377	-	-	-	-	-	2,155,377
Tobacco settlement revenue	-	-	-	-	2,025,578	-	2,025,578
Total revenues	<u>2,155,377</u>	<u>23</u>	<u>16,610,213</u>	<u>11,058,194</u>	<u>2,169,045</u>	<u>-</u>	<u>31,992,852</u>
<b>EXPENDITURES</b>							
Current:							
General government support	76,000	-	591,995	545,693	50,163	5,541	1,269,392
Public safety	-	-	385,932	-	-	-	385,932
Transportation	-	-	15,838,701	-	-	-	15,838,701
Economic assistance and opportunity	2,112,329	32,878	-	-	-	-	2,145,207
Home and community services	-	-	-	3,870,487	-	-	3,870,487
Employee benefits	-	-	1,755,739	917,811	-	-	2,673,550
Debt service:							
Principal	-	-	912,858	4,396,734	730,000	-	6,039,592
Interest and other fiscal charges	-	-	112,865	654,307	1,386,409	-	2,153,581
Total expenditures	<u>2,188,329</u>	<u>32,878</u>	<u>19,598,090</u>	<u>10,385,032</u>	<u>2,166,572</u>	<u>5,541</u>	<u>34,376,442</u>
Excess (deficiency) of revenues over expenditures	<u>(32,952)</u>	<u>(32,855)</u>	<u>(2,987,877)</u>	<u>673,162</u>	<u>2,473</u>	<u>(5,541)</u>	<u>(2,383,590)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	3,600,000	434,197	-	-	4,034,197
Transfers out	-	-	-	(11,894)	-	-	(11,894)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,600,000</u>	<u>422,303</u>	<u>-</u>	<u>-</u>	<u>4,022,303</u>
Net change in fund balances	(32,952)	(32,855)	612,123	1,095,465	2,473	(5,541)	1,638,713
Fund balances—beginning	131,498	1,891,984	5,087,813	5,788,154	2,201,387	22,000	15,122,836
Fund balances—ending	<u>\$ 98,546</u>	<u>\$ 1,859,129</u>	<u>\$ 5,699,936</u>	<u>\$ 6,883,619</u>	<u>\$ 2,203,860</u>	<u>\$ 16,459</u>	<u>\$ 16,761,549</u>

**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

## DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111  
Elma, New York 14059  
Telephone: 716.565.2299  
Fax: 716.389.5178



### **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 (“*Government Auditing Standards*”), the financial statements of the governmental activities, the business-type activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Rensselaer, New York (the “County”) as of and for the year ended December 31, 2024 (with the Hudson Valley Community College for the fiscal year ended August 31, 2024), and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated July 18, 2025 (which report includes an emphasis of matter paragraph regarding a restatement for the implementation of GASB Statement No. 101, *Compensated Absences*). Our report includes a reference to other auditors who audited the financial statements of the Rensselaer County Industrial Development Agency, Hudson Valley Community College, and the Rensselaer County Capital Resource Corporation, as described in our report on the County’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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

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

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

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

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

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

### **Purpose of this Report**

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

*Drescher & Malecki LLP*

July 18, 2025