

**COUNTY OF RENSSELAER,
NEW YORK**

*Basic Financial Statements, Required Supplementary
Information, Supplementary Information and Federal Awards
Information for the Year Ended December 31, 2023 and
Independent Auditors' Reports*

COUNTY OF RENSSELAER, NEW YORK
Table of Contents
Year Ended December 31, 2023

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
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
Required Supplementary Information:	
Schedule of the Local Government's Proportionate Share of the Net Pension Liability (Asset)—Teachers' Retirement System	72

(continued)

COUNTY OF RENSSELAER, NEW YORK
Table of Contents
Year Ended December 31, 2023

(concluded)

Schedule of the Local Government’s Contributions—Teachers’ Retirement System	73
Schedule of the Local Government’s Proportionate Share of the Net Pension Liability—Employees’ Retirement System	74
Schedule of the Local Government’s Contributions—Employees’ Retirement System	76
Schedule of Changes in the County’s Total OPEB Liability and Related Ratios	78
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—General Fund	80
Notes to the Required Supplementary Information	81

Supplementary Information:

Combining Balance Sheet—Nonmajor Governmental Funds.....	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds.....	83

Federal Awards Information:

Schedule of Expenditures of Federal Awards	84
Notes to the Schedule of Expenditures of Federal Awards	87
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>	88
Independent Auditors’ Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance.....	90
Schedule of Findings and Questioned Costs	93
Summary Schedule of Prior Audit Findings and Corrective Action Plan	95

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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows 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 0.13 percent and 0.00 percent of the assets and revenues, respectively, of the aggregate remaining 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.

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 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

June 28, 2024

COUNTY OF RENSSELAER, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2023

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, 2023. We encourage the reader to consider the information contained in this analysis in conjunction with the additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the County's primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$209,311,771 (net position). This consists of \$112,193,632 net investment in capital assets, \$41,915,934 restricted for specific purposes and unrestricted net position of \$55,202,205.
- The County's total primary government net position increased by \$7,240,350 during the year ended December 31, 2023. Governmental activities increased the County's net position by \$7,939,625, while net position of the business-type activity decreased \$699,275.
- At the close of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$180,741,068, a decrease of \$13,624,039 from the prior year's combined ending fund balance of \$194,365,107.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$107,425,537, or 38.2 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the County's discretion and constitutes approximately 82.2 percent of the General Fund's total fund balance of \$130,731,125 at December 31, 2023.
- The County's primary government total bonded indebtedness, excluding RTASC bonds, decreased by \$1,433,246. During the year the County issued serial bonds of \$4,768,543 and made scheduled principal payments of \$6,201,789.

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 to be 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 to be a major fund of the County. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary fund financial statements can be found on pages 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.

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

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County's primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$209,311,771 at the close of the most recent fiscal year, as compared to \$202,071,421, at the close of the fiscal year ended December 31, 2022.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities		Business-type Activities		Total	
	December 31,		December 31,		December 31,	
	2023	2022	2023	2022	2023	2022
Assets:						
Current assets	\$ 309,540,703	\$ 320,649,802	\$ 49,173,322	\$ 42,776,547	\$ 358,714,025	\$ 363,426,349
Noncurrent assets	249,817,044	234,961,901	20,820,903	27,956,489	270,637,947	262,918,390
Total assets	559,357,747	555,611,703	69,994,225	70,733,036	629,351,972	626,344,739
Deferred outflows of resources	54,330,294	54,247,585	15,243,322	16,013,113	69,573,616	70,260,698
Liabilities:						
Current liabilities	76,801,823	74,557,573	5,621,501	(574,119)	82,423,324	73,983,454
Non-current liabilities	327,235,860	264,009,351	35,537,095	23,699,049	362,772,955	287,708,400
Total liabilities	404,037,683	338,566,924	41,158,596	23,124,930	445,196,279	361,691,854
Deferred inflows of resources	33,649,308	103,230,939	10,768,230	29,611,223	44,417,538	132,842,162
Net position:						
Net investment in capital assets	100,371,159	101,419,909	11,822,473	10,645,292	112,193,632	112,065,201
Restricted	40,129,224	29,132,964	1,786,710	433,603	41,915,934	29,566,567
Unrestricted	35,500,667	37,508,552	19,701,538	22,931,101	55,202,205	60,439,653
Total net position	\$ 176,001,050	\$ 168,061,425	\$ 33,310,721	\$ 34,009,996	\$ 209,311,771	\$ 202,071,421

The largest portion of the County's primary government net position, \$112,193,632, reflects its net investment in capital assets (e.g. land, land improvements, buildings and improvements, infrastructure and machinery and equipment), less any debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position of the primary government, \$41,915,934 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, \$55,202,205, is considered to be unrestricted net position.

Table 2, as presented below, shows the changes in net position for the years ended December 31, 2023 and December 31, 2022.

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

	Governmental activities		Business-type activities		Total	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues	\$ 111,568,415	\$ 117,987,591	\$ 43,034,241	\$ 43,995,479	\$ 154,602,656	\$ 161,983,070
General revenues	211,203,657	202,673,319	-	-	211,203,657	202,673,319
Total revenues	<u>322,772,072</u>	<u>320,660,910</u>	<u>43,034,241</u>	<u>43,995,479</u>	<u>365,806,313</u>	<u>364,656,389</u>
Total expenses	<u>314,070,367</u>	<u>270,976,680</u>	<u>44,495,596</u>	<u>39,609,746</u>	<u>358,565,963</u>	<u>310,586,426</u>
Transfers	<u>(762,080)</u>	<u>(1,628,285)</u>	<u>762,080</u>	<u>1,628,285</u>	<u>-</u>	<u>-</u>
Change in net position	7,939,625	48,055,945	(699,275)	6,014,018	7,240,350	54,069,963
Net position—beginning	<u>168,061,425</u>	<u>120,005,480</u>	<u>34,009,996</u>	<u>27,995,978</u>	<u>202,071,421</u>	<u>148,001,458</u>
Net position—ending	<u>\$ 176,001,050</u>	<u>\$ 168,061,425</u>	<u>\$ 33,310,721</u>	<u>\$ 34,009,996</u>	<u>\$ 209,311,771</u>	<u>\$ 202,071,421</u>

Governmental activities—Governmental activities increased the County’s net position by \$7,939,625. Total revenues increased 0.7 percent primarily as a result of an increase in interest earnings and non-property taxes related to sales tax revenue. Total expenses increased 15.9 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, 2023 and December 31, 2022 is presented below.

Table 3—Summary of Sources of Revenues—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
Charges for services	\$ 37,639,906	\$ 39,840,420	\$ (2,200,514)	(5.5)
Operating and capital grants	73,928,509	78,147,171	(4,218,662)	(5.4)
Property taxes and tax items	67,747,573	66,806,248	941,325	1.4
Non-property taxes	129,144,719	126,455,108	2,689,611	2.1
Use of money and property	9,650,713	4,176,460	5,474,253	131.1
Tobacco settlement revenue	2,298,416	2,855,588	(557,172)	(19.5)
Other	<u>2,362,236</u>	<u>2,379,915</u>	<u>(17,679)</u>	(0.7)
Total revenues	<u>\$ 322,772,072</u>	<u>\$ 320,660,910</u>	<u>\$ 2,111,162</u>	0.7

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. Similarly, for the year ended December 31, 2022, the most significant source of revenues for governmental activities are non-property taxes, which account for \$126,455,108, or 39.4 percent of total revenues. The other significant sources of revenue include operating and capital grants which account for \$78,147,171, or 24.4 percent of total revenues and property taxes and tax items which account for \$66,806,248, or 20.8 percent of total revenues.

A summary of program expenses of governmental activities for the years ended December 31, 2023 and December 31, 2022 is presented below.

Table 4—Summary of Program Expenses—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
General government support	\$ 72,310,617	\$ 68,559,717	\$ 3,750,900	5.5
Education	24,468,893	22,381,912	2,086,981	9.3
Public safety	53,914,098	45,767,045	8,147,053	17.8
Health	25,951,552	23,485,510	2,466,042	10.5
Transportation	19,661,543	13,334,819	6,326,724	47.4
Economic assistance and opportunity	103,911,041	85,382,495	18,528,546	21.7
Culture and recreation	631,049	479,242	151,807	31.7
Home and community services	6,955,672	7,581,530	(625,858)	(8.3)
Interest and fiscal charges	6,265,902	4,004,410	2,261,492	56.5
Total program expenses	<u>\$ 314,070,367</u>	<u>\$ 270,976,680</u>	<u>\$ 43,093,687</u>	15.9

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. Similarly, for the year ended December 31, 2022, the County’s most significant expense category for governmental activities is economic assistance and opportunity (primarily composed of social service costs) of \$85,382,495, or 31.5 percent of program expenses. The other significant expenses include general government support of \$68,559,717, or 25.3 percent of total expenses, and public safety expenses of \$45,767,045, or 16.9 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 negative in that overall net position decreased to an ending balance of \$33,310,721. The total decrease in net position for business-type activities was \$699,275 or 1.3% from the prior fiscal year. The decrease is primarily related to increases in operating expenses for personnel services.

The Manor's total expenses for the year ended December 31, 2023 increased 12.3 percent from the previous year. The increase is mainly due to the increase in personnel services and fringe benefits to maintain operations at the Nursing Home.

The Manor's most significant expense items for the year ended December 31, 2023 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. Similarly, for the year ended December 31, 2022, the most significant items were nursing and medical care, which accounted for \$20,433,087 or 51.6 percent of total expenses and ancillary expenses which accounted for \$7,658,226 or 19.3 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, 2023, the County's governmental funds reported combined ending fund balances of \$180,741,068, a decrease of \$13,624,039 from the prior year. Approximately 59.4 percent of this amount, \$107,425,537, 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, \$3,885,507, (2) restricted for particular purposes, \$39,083,360, or (3) assigned for particular purposes, \$30,346,664.

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 \$107,425,537, while total fund balance increased to \$130,731,125. 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 38.2 percent of the total General Fund expenditures and transfers out, while total fund balance represents approximately 46.5 percent of that same amount. Fund balance in the General Fund increased \$15,094,015 during the year, primarily as a result of budgetary savings in general government support expenditures, combined with higher than anticipated sales tax and interest earnings.

The fund balance in the Capital Projects Fund decreased \$27,860,225 from December 31, 2022, resulting in an ending restricted fund balance of \$34,887,107. The Capital Projects Fund issued a serial bond for \$4,768,543 and issued installment purchase debt of \$11,073,507. Additionally, transfers in to the Capital Projects Fund during the year ending December 31, 2023 totaled \$11,392,252 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, 2023 is presented in Table 6 below:

Table 6—Summary of General Fund Results of Operations

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 263,024,970	\$ 290,702,349	\$ 296,312,077	\$ 5,609,728
Expenditures and other financing uses	271,659,159	313,508,095	281,218,062	32,290,033
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (8,634,189)	\$ (22,805,746)	\$ 15,094,015	\$ 37,899,761

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 \$13,118,065 for transfers, to support additional transfers to capital projects, \$4,765,172 for health, to support increases in personnel services and employee benefits, and \$4,750,412 for public safety, 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 \$31,815,033. The primary positive variances were realized in economic assistance and opportunity, general government support and public safety expenditures. 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 \$5,609,728 due to the unanticipated receipt of state grants.

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, 2023 amounts to \$270,637,947 (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 capital assets were depreciated from acquisition date to the end of the current year as outlined in the County’s capital asset policy.

Capital assets of the primary government net of depreciation/amortization for the governmental activities and business-type activity at the years ended December 31, 2023 and December 31, 2022 are presented in Table 7 below:

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

	Governmental activities		Business-type activities		Total	
	December 31,		December 31,		December 31,	
	2023	2022	2023	2022	2023	2022
Land	\$ 762,880	\$ 762,880	\$ 550,000	\$ 550,000	\$ 1,312,880	\$ 1,312,880
Construction in progress	82,522,977	50,297,985	-	35,823	82,522,977	50,333,808
Land improvements	58,045	61,770	-	-	58,045	61,770
Buildings and building improvements	59,053,253	61,862,742	2,293,186	2,679,221	61,346,439	64,541,963
Infrastructure	95,836,567	93,879,343	-	-	95,836,567	93,879,343
Machinery and equipment	10,529,859	6,610,546	17,977,717	18,938,472	28,507,576	25,549,018
Right-to-use leased assets	900,291	1,854,202	-	-	900,291	1,854,202
Right-to-use subscription assets	153,172	-	-	-	153,172	-
Total	<u>\$ 249,817,044</u>	<u>\$ 215,329,468</u>	<u>\$ 20,820,903</u>	<u>\$ 22,203,516</u>	<u>\$ 270,637,947</u>	<u>\$ 237,532,984</u>

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

Long-term liabilities—The County currently has approximately \$98.8 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, 2023 is \$31,643,692. 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 \$4,350,000 as of December 31, 2023.

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

A summary of the County’s long-term liabilities at December 31, 2023 and December 31, 2022 is presented in Table 8 on the following page.

Table 8—Summary of Long-Term Liabilities

	Governmental activities		Business-type activities		Total	
	December 31,		December 31,		December 31,	
	2023	2022	2023	2022	2023	2022
Serial bonds	\$ 43,204,270	\$ 42,876,099	\$ -	\$ -	\$ 43,204,270	\$ 42,876,099
Serial bonds - HVCC	19,620,107	21,381,524	-	-	19,620,107	21,381,524
Unamortized premiums	4,116,120	4,622,859	-	-	4,116,120	4,622,859
RTASC bonds, and accrued interest	31,643,692	32,230,182	-	-	31,643,692	32,230,182
RTASC unamortized premium	1,153,573	1,195,276	-	-	1,153,573	1,195,276
Installment purchase debt	95,499,917	89,346,476	4,648,430	4,818,223	100,148,347	94,164,699
Compensated absences	17,947,782	17,370,382	-	-	17,947,782	17,370,382
OPEB obligation	53,043,325	44,491,118	11,544,552	12,140,826	64,587,877	56,631,944
Workers' compensation	8,593,115	8,593,115	-	-	8,593,115	8,593,115
Bond payable - Manor	-	-	4,350,000	6,740,000	4,350,000	6,740,000
Lease liability	961,478	1,902,320	-	-	961,478	1,902,320
Subscription liability	150,908	-	-	-	150,908	-
Net pension liability	51,301,573	-	14,994,113	-	66,295,686	-
Total	\$ 327,235,860	\$ 264,009,351	\$ 35,537,095	\$ 23,699,049	\$ 362,772,955	\$ 287,708,400

For additional information on the County’s long-term debt, refer to Note 10 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
2023	\$ 31,291,403
2022	29,353,853
2021	29,269,437

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 2024 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 \$6 million in General Fund interest earnings for 2023.

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 91% 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 2023 was 4.5 percent, while the average rate of unemployment for the county was 3.6 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, 4th 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, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activity	Total	Industrial Development Agency	Hudson Valley Community College (August 31, 2023)
ASSETS					
Cash and cash equivalents	\$ 23,112,407	\$ 35,317,506	\$ 58,429,913	\$ 4,615,715	\$ 66,736,947
Restricted cash and cash equivalents	54,584,592	1,786,710	56,371,302	13,382	-
Cash with fiscal agent	11,503,021	-	11,503,021	-	-
Investments	112,642,668	-	112,642,668	-	11,524,717
Property taxes receivable (net of allowance)	25,593,563	-	25,593,563	-	-
Other receivables (net of allowance)	22,627,348	6,362,023	28,989,371	17,276	13,186,704
Intergovernmental receivables	37,017,354	4,908,334	41,925,688	-	-
Lease receivable	-	-	-	28,480	40,102
Inventories	569,400	225,145	794,545	-	473,969
Prepaid items	2,270,243	573,604	2,843,847	-	1,127,447
Other assets	-	-	-	44,300	2,024,368
Assets held by trustee	-	-	-	-	1,146,929
Due from component units	19,620,107	-	19,620,107	-	-
Lease receivable, net of current portion	-	-	-	-	126,851
Capital assets not being depreciated/amortized	83,285,857	550,000	83,835,857	-	-
Capital assets, net of accumulated depreciation/amortization	166,531,187	20,270,903	186,802,090	889,524	168,367,043
Total assets	<u>559,357,747</u>	<u>69,994,225</u>	<u>629,351,972</u>	<u>5,608,677</u>	<u>264,755,077</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows—relating to pensions	39,784,801	11,532,255	51,317,056	147,534	12,879,662
Deferred outflows—relating to OPEB	14,020,389	3,711,067	17,731,456	-	4,363,905
Deferred loss on refunding	525,104	-	525,104	-	-
Total deferred outflows of resources	<u>54,330,294</u>	<u>15,243,322</u>	<u>69,573,616</u>	<u>147,534</u>	<u>17,243,567</u>
LIABILITIES					
Accounts payable	15,619,768	801,553	16,421,321	55,668	7,769,906
Retainage payable	16,801	-	16,801	-	-
Accrued liabilities	12,680,237	3,424,401	16,104,638	-	9,141,958
Internal balances	(1,395,547)	1,395,547	-	-	-
Intergovernmental payables	23,883,825	-	23,883,825	-	-
Security deposits	-	-	-	7,710	-
Due to primary government	-	-	-	-	19,620,107
Unearned revenues	24,758,871	-	24,758,871	-	14,677,907
Amounts held on behalf of HVCC	1,237,868	-	1,237,868	-	-
Noncurrent liabilities:					
Due within one year	21,037,279	2,679,623	23,716,902	128,079	5,179,063
Due within more than one year	306,198,581	32,857,472	339,056,053	884,104	60,860,311
Total liabilities	<u>404,037,683</u>	<u>41,158,596</u>	<u>445,196,279</u>	<u>1,075,561</u>	<u>117,249,252</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows—relating to pensions	7,056,090	2,062,311	9,118,401	14,790	2,483,073
Deferred inflows—relating to OPEB	19,584,170	8,705,919	28,290,089	-	12,728,573
Deferred inflows—relating to leases	-	-	-	32,424	162,491
Deferred gain on refunding	7,009,048	-	7,009,048	-	-
Total deferred inflows of resources	<u>33,649,308</u>	<u>10,768,230</u>	<u>44,417,538</u>	<u>47,214</u>	<u>15,374,137</u>
NET POSITION					
Net investment in capital assets	100,371,159	11,822,473	112,193,632	889,524	125,773,998
Restricted for:					
Tax stabilization	1,187,440	-	1,187,440	-	-
Handicapped parking	128,360	-	128,360	-	-
Debt service	2,168,758	-	2,168,758	-	-
Youth	58,395	-	58,395	-	-
Opioid	408,451	-	408,451	-	-
Sheriff	244,849	-	244,849	-	-
Scholarships and fellowships	-	-	-	-	10,132,331
Capital projects	34,887,107	1,786,710	36,673,817	-	701,170
South Troy Industrial Park Project	-	-	-	13,382	-
Loans	1,045,864	-	1,045,864	-	-
Unrestricted	35,500,667	19,701,538	55,202,205	3,730,530	12,767,756
Total net position	<u>\$ 176,001,050</u>	<u>\$ 33,310,721</u>	<u>\$ 209,311,771</u>	<u>\$ 4,633,436</u>	<u>\$ 149,375,255</u>

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, 2023

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, 2023)
Primary government:									
Governmental activities:									
General government support	\$ 72,310,617	\$ 13,697,945	\$ 5,882,723	\$ -	\$ (52,729,949)	\$ -	\$ (52,729,949)	\$ -	\$ -
Education	24,468,893	1,360,015	7,985,685	-	(15,123,193)	-	(15,123,193)	-	-
Public safety	53,914,098	3,514,480	3,797,143	-	(46,602,475)	-	(46,602,475)	-	-
Health	25,951,552	6,148,840	13,554,426	-	(6,248,286)	-	(6,248,286)	-	-
Transportation	19,661,543	54,461	81,862	4,659,653	(14,865,567)	-	(14,865,567)	-	-
Economic assistance and opportunity	103,911,041	2,545,118	37,214,726	-	(64,151,197)	-	(64,151,197)	-	-
Culture and recreation	631,049	-	301,392	-	(329,657)	-	(329,657)	-	-
Home and community services	6,955,672	10,319,047	450,899	-	3,814,274	-	3,814,274	-	-
Interest and fiscal charges	6,265,902	-	-	-	(6,265,902)	-	(6,265,902)	-	-
Total governmental activities	<u>314,070,367</u>	<u>37,639,906</u>	<u>69,268,856</u>	<u>4,659,653</u>	<u>(202,501,952)</u>	<u>-</u>	<u>(202,501,952)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Van Rensselaer Manor	44,495,596	26,650,886	14,105,015	2,278,340	-	(1,461,355)	(1,461,355)	-	-
Total primary government	<u>\$ 358,565,963</u>	<u>\$ 64,290,792</u>	<u>\$ 83,373,871</u>	<u>\$ 6,937,993</u>	<u>(202,501,952)</u>	<u>(1,461,355)</u>	<u>(203,963,307)</u>	<u>-</u>	<u>-</u>
Component units:									
Industrial Development Agency	\$ 2,414,290	\$ 769,297	\$ -	\$ -	-	-	-	(1,644,993)	-
Hudson Valley Community College	127,778,620	64,331,535	49,741,576	14,000,430	-	-	-	-	294,921
Total component units	<u>\$ 130,192,910</u>	<u>\$ 65,100,832</u>	<u>\$ 49,741,576</u>	<u>\$ 14,000,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,644,993)</u>	<u>294,921</u>
General revenues:									
Real property taxes and tax items					67,747,573	-	67,747,573	-	-
Non-property taxes					129,144,719	-	129,144,719	-	-
Use of money and property					9,650,713	-	9,650,713	44,449	-
Fines and forfeitures					215,714	-	215,714	-	-
Sale of property and compensation for loss					1,770,664	-	1,770,664	-	-
Miscellaneous					514,517	-	514,517	-	5,741,812
Tobacco settlement revenue					2,159,757	-	2,159,757	-	-
Transfers					(762,080)	762,080	-	-	-
Total general revenues and transfers					<u>210,441,577</u>	<u>762,080</u>	<u>209,043,900</u>	<u>44,449</u>	<u>5,741,812</u>
Change in net position					7,939,625	(699,275)	7,240,350	(1,600,544)	6,036,733
Net position—beginning, as restated					168,061,425	34,009,996	202,071,421	6,233,980	143,338,522
Net position—ending					<u>\$ 176,001,050</u>	<u>\$ 33,310,721</u>	<u>\$ 209,311,771</u>	<u>\$ 4,633,436</u>	<u>\$ 149,375,255</u>

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

COUNTY OF RENNELLAER, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2023

	General	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,308,282	\$ -	\$ 6,109,134	\$ 7,417,416
Restricted cash and cash equivalents	27,476,016	24,935,676	2,168,758	54,580,450
Cash with fiscal agent	-	11,503,021	-	11,503,021
Investments	112,642,668	-	-	112,642,668
Property taxes receivable (net of allowance)	25,593,563	-	-	25,593,563
Other receivables	16,462,470	83,675	6,018,655	22,564,800
Intergovernmental receivables	32,040,500	837,574	1,883,389	34,761,463
Due from other funds	3,692,915	251,684	50,506	3,995,105
Inventories	-	-	569,400	569,400
Prepaid items	2,108,157	-	162,086	2,270,243
Total assets	<u>\$ 221,324,571</u>	<u>\$ 37,611,630</u>	<u>\$ 16,961,928</u>	<u>\$ 275,898,129</u>
LIABILITIES				
Accounts payable	\$ 12,753,029	\$ 2,179,186	\$ 614,982	\$ 15,547,197
Accrued liabilities	11,688,871	-	248,344	11,937,215
Due to other funds	2,320,257	1,261	972,774	3,294,292
Intergovernmental payables	23,880,833	-	2,992	23,883,825
Unearned revenues	24,754,729	-	-	24,754,729
Amounts held on behalf of HVCC	693,792	544,076	-	1,237,868
Total liabilities	<u>76,091,511</u>	<u>2,724,523</u>	<u>1,839,092</u>	<u>80,655,126</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue—property taxes	14,501,935	-	-	14,501,935
Total deferred inflows of resources	<u>14,501,935</u>	<u>-</u>	<u>-</u>	<u>14,501,935</u>
FUND BALANCES				
Nonspendable	2,108,157	-	1,777,350	3,885,507
Restricted	2,027,495	34,887,107	2,168,758	39,083,360
Assigned	19,169,936	-	11,176,728	30,346,664
Unassigned	107,425,537	-	-	107,425,537
Total fund balances	<u>130,731,125</u>	<u>34,887,107</u>	<u>15,122,836</u>	<u>180,741,068</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 221,324,571</u>	<u>\$ 37,611,630</u>	<u>\$ 16,961,928</u>	<u>\$ 275,898,129</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, 2023

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

Total fund balances—governmental funds (page 17)	\$	180,741,068	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$486,130,965 and the accumulated depreciation is \$236,313,921.			249,817,044
A long-term receivable from Hudson Valley Community College is not reported as a fund receivable, but rather is recognized when the resources are available. The asset is reported in the statement of net position.			19,620,107
A long-term asset owed to RTASC by New York State is not available to pay for current period expenditures and, therefore, is not reported in the funds.			2,255,891
Uncollected property taxes are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.			14,501,935
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	\$	525,104	
Deferred gain on refunding—RTASC		<u>(7,009,048)</u>	(6,483,944)
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds.			
Deferred outflows related to employer contributions	\$	6,720,287	
Deferred outflows related to experience, changes of assumptions, investment earnings, and changes in proportion		33,064,514	
Deferred inflows related to pension plans		(7,056,090)	
Deferred outflows related to OPEB		14,020,389	
Deferred inflows related to OPEB		<u>(19,584,170)</u>	27,164,930
Internal service funds are used by management to charge the costs of management information systems and other internal services in addition to health insurance and workers' compensation. The assets and liabilities of the internal service funds are included in the government-wide statement of net position.			7,755,273
Retained percentages are not a current liability, and therefore are not reported as liabilities in the governmental funds.			(16,801)
Net accrued interest expense for serial bonds is not reported in the funds. Accrued interest for general obligation bonds is \$594,814 and accrued interest on RTASC bonds is \$121,663 at year end.			(711,708)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:			
Serial bonds	\$	(43,204,270)	
Serial bonds - HVCC		(19,620,107)	
Unamortized premiums		(4,116,120)	
RTASC Tobacco Settlement Bonds and accreted interest		(31,643,692)	
Unamortized premium on RTASC Tobacco Settlement Bonds		(1,153,573)	
Installment purchase debt		(95,499,917)	
Lease liability		(961,478)	
Subscription liability		(150,908)	
Net pension liability		(51,301,573)	
Compensated absences		(17,947,782)	
Other post-employment benefits plan obligation		<u>(53,043,325)</u>	(318,642,745)
Total net position of governmental activities	\$		<u>176,001,050</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, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Real property taxes	\$ 54,998,768	\$ -	\$ 6,906,296	\$ 61,905,064
Real property tax items	6,101,042	-	-	6,101,042
Non-property tax items	128,140,645	-	1,004,074	129,144,719
Departmental income	13,274,770	-	10,215,765	23,490,535
Intergovernmental charges	15,776,372	-	-	15,776,372
Use of money and property	6,594,788	253,341	2,802,584	9,650,713
Licenses and permits	-	-	54,461	54,461
Fines and forfeitures	215,714	-	-	215,714
Sale of property and compensation for loss	741,687	992,856	36,121	1,770,664
Miscellaneous	470,845	-	43,672	514,517
Interfund revenues	2,732,553	-	-	2,732,553
State aid	47,413,299	-	4,134,857	51,548,156
Federal aid	19,545,251	563,276	2,351,781	22,460,308
Tobacco settlement revenue	-	-	2,348,497	2,348,497
Total revenues	<u>296,005,734</u>	<u>1,809,473</u>	<u>29,898,108</u>	<u>327,713,315</u>
EXPENDITURES				
Current:				
General government support	67,598,377	-	1,217,684	68,816,061
Education	24,468,893	-	-	24,468,893
Public safety	43,437,420	-	323,738	43,761,158
Health	24,081,748	-	-	24,081,748
Transportation	614,564	-	14,577,463	15,192,027
Economic assistance and opportunity	93,628,972	-	2,314,237	95,943,209
Culture and recreation	558,966	-	-	558,966
Home and community services	942,979	-	3,955,278	4,898,257
Employee benefits	-	-	2,346,836	2,346,836
Debt service:				
Principal	7,047,479	-	6,115,653	13,163,132
Interest	4,251,385	-	2,337,995	6,589,380
Capital outlay	-	56,904,000	-	56,904,000
Total expenditures	<u>266,630,783</u>	<u>56,904,000</u>	<u>33,188,884</u>	<u>356,723,667</u>
Excess (deficiency) of revenues over expenditures	<u>29,374,951</u>	<u>(55,094,527)</u>	<u>(3,290,776)</u>	<u>(29,010,352)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	11,392,252	3,208,000	14,600,252
Transfers out	(14,587,279)	-	(775,053)	(15,362,332)
Issuance of serial bonds	-	4,768,543	-	4,768,543
Subscription liability issued	306,343	-	-	306,343
Issuance of installment purchase debt	-	11,073,507	-	11,073,507
Total other financing sources (uses)	<u>(14,280,936)</u>	<u>27,234,302</u>	<u>2,432,947</u>	<u>15,386,313</u>
Net change in fund balances	15,094,015	(27,860,225)	(857,829)	(13,624,039)
Fund balances—beginning	<u>115,637,110</u>	<u>62,747,332</u>	<u>15,980,665</u>	<u>194,365,107</u>
Fund balances—ending	<u>\$ 130,731,125</u>	<u>\$ 34,887,107</u>	<u>\$ 15,122,836</u>	<u>\$ 180,741,068</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, 2023

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) \$ (13,624,039)

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

Capital asset additions	\$ 46,432,247	
Loss on disposal of capital assets	(62,768)	
Depreciation expense	<u>(11,881,903)</u>	34,487,576

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	\$ (188,740)	
Change in property tax revenue	(258,533)	
HVCC principal reimbursement	<u>(1,761,417)</u>	(2,208,690)

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

(124,611)

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

Direct pension contributions	\$ 8,572,794	
Cost of benefits earned net of employee contributions	<u>96,336</u>	(8,669,130)

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	\$ (487,241)	
Differences between expected and actual experience	<u>7,757,928</u>	7,270,687

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 revenue of certain activities of internal service funds is reported within the governmental activities.

2,350,534

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

124,077

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

4,769

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:

Issuance of serial bonds	\$ (4,768,543)	
Principal payments on serial bonds	4,440,372	
Principal payments on serial bonds - HVCC	1,761,417	
Amortization of bond premiums	506,739	
Accreted interest on RTASC Subordinate Turbo CABs	(358,510)	
Principal payments on RTASC Tobacco Settlement Bonds	945,000	
Amortization of RTASC Tobacco Settlement Bonds premium	41,703	
Change in RTASC deferred gain on refunding	253,388	
Issuance of installment purchase debt	(11,073,507)	
Payment of installment purchase debt	4,920,066	
Issuance of subscription based IT arrangements	(306,343)	
Repayment of subscription based IT arrangements	155,435	
Repayment of leases	940,842	
Change in compensated absences	(577,400)	
Change in other postemployment benefits plan obligation	<u>(8,552,207)</u>	<u>(11,671,548)</u>

Change in net position of governmental activities

\$ 7,939,625

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, 2023

	Business-type Activity	Governmental Activities
	Van Rensselaer Manor	Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 35,317,506	\$ 15,694,991
Restricted cash and cash equivalents	1,786,710	4,142
Other receivables, net of allowance for uncollectibles	6,362,023	62,548
Intergovernmental receivables	4,908,334	-
Due from other funds	-	3,834,696
Inventories	225,145	-
Prepaid items	573,604	-
Total current assets	<u>49,173,322</u>	<u>19,596,377</u>
Noncurrent assets:		
Capital assets not being depreciated	550,000	-
Capital assets, net of accumulated depreciation	20,270,903	-
Total noncurrent assets	<u>20,820,903</u>	<u>-</u>
Total assets	<u>69,994,225</u>	<u>19,596,377</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows—relating to pensions	11,532,255	-
Deferred outflows—relating to OPEB	3,711,067	-
Total deferred outflows of resources	<u>15,243,322</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	801,553	72,571
Accrued liabilities	3,424,401	31,314
Due to other funds	1,395,547	3,139,962
Unearned revenues	-	4,142
Long-term debt—current	2,679,623	-
Total current liabilities	<u>8,301,124</u>	<u>3,247,989</u>
Noncurrent liabilities:		
Accrued workers' compensation liability	-	8,593,115
Accrued other post employment benefits	11,544,552	-
Long-term debt—excluding current portion	6,318,807	-
Net pension liability	14,994,113	-
Total noncurrent liabilities	<u>32,857,472</u>	<u>8,593,115</u>
Total liabilities	<u>41,158,596</u>	<u>11,841,104</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows—relating to pensions	2,062,311	-
Deferred inflows—relating to OPEB	8,705,919	-
Total deferred inflows of resources	<u>10,768,230</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	11,822,473	-
Restricted for capital projects	1,786,710	-
Unrestricted	19,701,538	7,755,273
Total net position	<u>\$ 33,310,721</u>	<u>\$ 7,755,273</u>

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

COUNTY OF RENSSELAER, NEW YORK
Statement of Revenues, Expenses, and Changes in Net Position—Proprietary Funds
Year Ended December 31, 2023

	Business-type Activity	Governmental Activities
	Van Rensselaer Manor	Internal Service Funds
Operating revenues:		
Net patient service revenue	\$ 26,650,886	\$ -
Charges for services—interfund	-	25,326,429
Charges for services—intergovernmental	-	1,187,193
Other operating revenues	1,511,133	14,305
Total operating revenues	28,162,019	26,527,927
Operating expenses:		
Nursing and medical services	17,779,683	-
Dietary	3,799,435	-
Household and plant operation	4,533,311	-
Administrative and general services	5,284,808	-
Fringe benefits	10,385,098	1,214,688
Depreciation	1,804,911	-
Contractual expenses	280,187	23,480,682
Bad debt expense	614,640	-
Total operating expenses	44,482,073	24,695,370
Operating (loss) income	(16,320,054)	1,832,557
Nonoperating revenues (expenses):		
Intergovernmental transfer revenue	12,593,882	
Contribution from County	762,080	-
Federal grants	2,278,340	-
Other nonoperating expenses	(13,523)	-
Interest income	-	517,977
Total nonoperating revenues (expenses)	15,620,779	517,977
Change in net position	(699,275)	2,350,534
Total net position—beginning	34,009,996	5,404,739
Total net position—ending	\$ 33,310,721	\$ 7,755,273

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, 2023

	Business-type Activity	Governmental Activities
	Van Rensselaer Manor	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from patient care or services provided	\$ 24,539,456	\$ 26,535,429
Payments to suppliers for goods and services	(12,858,607)	(23,446,478)
Payments to employees for services	(27,129,927)	(1,303,111)
Payments for interest	(319,670)	-
Other operating revenue	1,511,133	14,305
Net cash (used for) provided by operating activities	(14,257,615)	1,800,145
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contributions from other funds	762,080	998,200
Payments from (to) other funds	6,457,723	(849,135)
Receipts for intergovernmental transfer	12,593,882	-
Receipt of federal emergency relief funds	2,278,340	-
Other nonoperating expenses	(13,523)	-
Interest earned on bank accounts	-	517,977
Net cash provided by non-capital financing activities	22,078,502	667,042
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(422,299)	-
Principal payments on long-term debt	(2,559,793)	-
Net cash (used for) capital and related financing activities	(2,982,092)	-
Net increase in cash and cash equivalents	4,838,795	2,467,187
Cash and cash equivalents—beginning	32,265,421	13,231,946
Cash and cash equivalents—ending	\$ 37,104,216	\$ 15,699,133

(continued)

COUNTY OF RENSSELAER, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2023

(concluded)

	Business-type Activity	Governmental Activities
	Van Rensselaer Manor	Internal Service Funds
Reconciliation of operating (loss) income to net cash (used for) provided by operating activities:		
Operating (loss) income	\$ (16,320,054)	\$ 1,832,557
Adjustments to reconcile operating income to net cash (used for) provided by operating activities:		
Depreciation expense	1,804,911	-
(Increase) decrease in accounts receivable	(1,496,790)	21,807
Decrease in inventory	41,505	-
(Increase) in prepaid expenses	(102,695)	-
Decrease in deferred outflows of resources	769,791	-
(Decrease) increase in accounts payable	(637,680)	34,204
Increase (decrease) in accrued liabilities	375,577	(88,423)
(Decrease) in other postemployment benefits obligation	(596,274)	-
Increase in net pension liability	20,747,087	-
(Decrease) in deferred inflows of resources	(18,842,993)	-
Total adjustments	2,062,439	(32,412)
Net cash (used for) provided by operating activities	\$ (14,257,615)	\$ 1,800,145

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, 2023

	Custodial Fund
ASSETS	
Restricted cash and cash equivalents	\$ 3,025,826
Total assets	<u>3,025,826</u>
LIABILITIES	
Accounts payable	<u>1,355,639</u>
Total liabilities	<u>1,355,639</u>
NET POSITION	
Restricted for resident trust funds	238,606
Restricted for other	<u>1,431,581</u>
Total restricted net position	<u>\$ 1,670,187</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, 2023

	<u>Custodial Fund</u>
ADDITIONS	
Funds received on behalf of others	\$ 4,073,917
Total additions	<u>4,073,917</u>
DEDUCTIONS	
Funds distributed to others	<u>4,078,891</u>
Total deductions	<u>4,078,891</u>
Change in fiduciary net position	(4,974)
Net position—beginning	<u>1,675,161</u>
Net position—ending	<u>\$ 1,670,187</u>

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, 2023

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, 2023 fiscal year end. The annual financial report can be obtained by writing the Chief Fiscal Officer, Hudson Valley Community College, 80 Vandenberg Avenue, Troy, New York 12180.

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

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

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

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

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

Rensselaer County Capital Resource Corporation—The Rensselaer County Capital Resource Corporation (“RCCRC”) was formed under New York State Not-for-Profit Corporation Law in 2018 for the purpose of promoting community and economic development and the creation of jobs in the County. The County is the sole member of the RCCRC which comprises of seven directors including the Chairman of the RCIDA, the Treasurer of the RCIDA and any additional members of the RCIDA so appointed as directors by the County Executive. The RCCRC has been reflected as a blended component unit of the County.

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 funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the County has two discretely presented component units. While neither the Rensselaer County Industrial Development Agency nor the Hudson Valley Community College are considered to be a major component unit, they are nevertheless shown in separate columns in the government-wide financial statements.

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

Basis of Presentation—Fund Financial Statements

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

The County reports the following major governmental funds:

- *General Fund*—The General Fund is the primary operating fund of the County and accounts for all financial resources of the general government, except those required to be accounted for in other funds. The principal sources of revenue for the General Fund are property taxes and sales tax.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

The County reports two proprietary funds as follows:

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

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

Additionally, the County reports the following fund types:

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

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

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

Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 180 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

Cash, Cash Equivalents and Investments—Cash and cash equivalents include cash on hand, demand deposits, time deposits and short-term, highly liquid investments which are readily convertible to known amounts of cash and have a maturity date within six months or less from the date of acquisition. State statutes and various resolutions of the County Legislature govern the County’s investment policies. Permissible investments include obligations of the U.S. Treasury and U.S. Government agencies, repurchase agreements and obligations of New York State or its localities. 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 expenditures/expenses when consumed rather than when purchased.

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

Capital Assets—Capital assets include property, buildings, equipment and infrastructure assets (e.g. roads, bridges, drainage systems and similar items), 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 capital assets using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
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 purposes. At December 31, 2023, the County reported unearned revenues within the General Fund of \$24,754,729. Of this amount, \$20,358,612 represents unspent American Rescue Plan Act funds.

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, 2023, 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 loss on refunding bonds.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net 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 Expenditures/Expenses

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

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

The Manor records patient revenue at established rates for services rendered to all patients. Payments for services rendered to patients covered by Medicare, Medicaid and certain other prospective rate or cost based third-party payers are generally less than established rates, and contractual allowances are recorded to reflect these differences. Final determination of amounts due the Manor under these cost reimbursement programs are subject to audit or review by the respective administrative agencies, and provision has been made for estimated adjustments that may result. Differences between estimated amounts and accrued final settlements are reported in operations in the year of settlement. The Medicare cost report has been settled through 2021.

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, 2023 are \$25,593,563. The portion of the receivable, \$10,509,201, 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, \$14,501,935, 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 2023 is approximately \$13.70 billion. The total County levy, including all charge-backs, for 2023 was \$69,950,467. 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 2023 levy represents approximately 35.6% 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.

Pensions—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 6.

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

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

Interfund Revenues—The County allocates General Fund costs incurred in the general administration of the County to other funds based on their proportionate benefit of the total costs allocated. In 2023, the County has reported interfund revenues in the General Fund of \$2,732,553 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, \$19,620,107 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, 2023, the County implemented GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and a portion of No. 99, *Omnibus 2022*. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnerships arrangements (“PPPs”). GASB Statement No. 96 improves financial reporting by establishing a definition for Subscription-Based Information Technology Arrangements (“SBITAs”) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. A portion of 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. The implementation of GASB Statements No. 94, 96, and a portion of 99 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 Statement No. 99, *Omnibus 2022*; No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024; and No. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 99, 100, 101, and 102 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets

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

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

2. CASH AND CASH EQUIVALENTS

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

Total cash and cash equivalents (including restricted cash) reported by the County’s primary government and Fiduciary Funds at December 31, 2023 is presented below:

	Governmental Activities	Business-type Activity	Fiduciary Funds	Total
Petty cash (uncollateralized)	\$ 8,650	\$ 2,500	\$ -	\$ 11,150
Deposits	77,688,349	37,101,716	3,025,826	117,815,891
Cash held by fiscal agent	11,503,021	-	-	11,503,021
Total	<u>\$ 89,200,020</u>	<u>\$ 37,104,216</u>	<u>\$ 3,025,826</u>	<u>\$ 129,330,062</u>

The County's cash and cash equivalents were comprised of the following at December 31, 2023:

	Fair Value at December 31, 2023
Petty cash (uncollateralized)	\$ 11,150
Deposits with financial institutions	115,647,133
Cash with fiscal agent (uncollateralized)	11,503,021
Discount note	<u>2,168,758</u>
Total	<u>\$ 129,330,062</u>

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

	December 31, 2023	
	Bank Balance	Carrying Amount
FDIC insured	\$ 38,043,022	\$ 38,043,022
Uninsured:		
Collateral held by pledging bank's agent in County's name	<u>82,546,331</u>	<u>79,772,869</u>
Total deposits	<u>\$ 120,589,353</u>	<u>\$ 117,815,891</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, 2023. These cash equivalents are carried at fair value as presented below:

	Bank Balance	Carrying Amount
Discount note	<u>\$ 2,168,758</u>	<u>\$ 2,168,758</u>
Total	<u>\$ 2,168,758</u>	<u>\$ 2,168,758</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, 2023, 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 \$54,580,450, of which \$693,792 represents cash held on behalf of HVCC, \$24,754,729 related to unearned revenue, \$4,196,253 represents amounts to support restricted fund balance and \$24,935,676 is related to capital projects. Custodial fund restricted cash totals \$3,025,826 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 \$1,786,710 which represents Van Rensselaer Manor interest income earned from interest-bearing deposits, which are considered restricted for capital projects reported as restricted net position.

Cash with Fiscal Agent—The County's governmental activities report cash with a fiscal agent of \$11,503,021 for capital projects at December 31, 2023. Due to the nature of these deposits, they do not require FDIC insurance coverage or collateral held by escrow agents.

Investments—At December 31, 2023, the County reported \$112,642,668 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, 2023.

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 \$4,629,097 (includes restricted cash of \$13,382) and were fully collateralized at December 31, 2023.

Hudson Valley Community College

Deposits and investments for HVCC (including amounts held by trustee banks) totaled \$51,058,526 and \$15,678,421, respectively, and were fully collateralized or insured at August 31, 2023.

3. RECEIVABLES

Revenues accrued by the County at December 31, 2023 consisted of the following:

Property Taxes Receivable—Represents amounts due to the County for real property taxes and tax items of \$27,157,830. These amounts are reported net of an allowance for uncollectible taxes provision of \$1,564,267.

Other Receivables—Represent amounts due from various sources. The County’s accounts receivable at December 31, 2023 are as shown below:

Governmental Funds:	
General Fund	\$ 16,462,470
Capital Projects Fund	83,675
Nonmajor governmental funds	6,018,655
Enterprise Fund, net of allowance of \$568,400	11,270,357
Internal Service Funds	62,548
Total	<u>\$ 33,897,705</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, 2023 are shown below:

Governmental Funds:	
General Fund	\$ 32,040,500
Capital Projects Fund	837,574
Nonmajor governmental funds	<u>1,883,389</u>
Total	<u>\$ 34,761,463</u>

Rensselaer County Industrial Development Agency

The Agency reports grants and accounts receivable of \$17,276. These items are non-interest bearing and are carried at their estimated collectible amounts. Grants and accounts receivable are periodically evaluated for collectability based on a review of outstanding receivables, historical collection information and current economic conditions. The Agency estimates that all receivable balances are collectible; accordingly, no allowance for doubtful accounts has been recorded.

Hudson Valley Community College

Accounts Receivable—Accounts receivable of HVCC for the fiscal year ended August 31, 2023 was as follows:

Sponsor and other counties	\$ 1,143,860
Grants and contracts	6,036,275
Students, less \$6,193,246 allowance for doubtful accounts	1,543,782
State aid and other	<u>1,959,847</u>
Total	<u>\$ 10,683,764</u>

HVCC’s component units, the Faculty Student Association and the Hudson Valley Community College Foundation report accounts receivable of \$2,203,552 and \$299,388, respectively.

4. CAPITAL ASSETS

Governmental activities—Capital asset activity for governmental activities for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023
Capital assets, not being depreciated/amortized:				
Land	\$ 762,880	\$ -	\$ -	\$ 762,880
Construction in progress	50,297,985	40,320,754	8,095,762	82,522,977
Total capital assets, not being depreciated/amortized	<u>51,060,865</u>	<u>40,320,754</u>	<u>8,095,762</u>	<u>83,285,857</u>
Capital assets, being depreciated/amortized:				
Land improvements	6,412,747	-	-	6,412,747
Buildings and improvements	141,083,252	600,827	79,750	141,604,329
Infrastructure	196,330,098	6,717,097	-	203,047,195
Machinery and equipment	36,274,050	6,582,988	1,716,541	41,140,497
Right-to-use leased assets	10,333,997	-	-	10,333,997
Right-to-use subscription assets	-	306,343	-	306,343
Total capital assets, being depreciated/amortized	<u>390,434,144</u>	<u>14,207,255</u>	<u>1,796,291</u>	<u>402,845,108</u>
Less accumulated depreciation/amortization for:				
Land improvements	6,350,977	3,725	-	6,354,702
Buildings and improvements	79,220,510	3,378,748	48,182	82,551,076
Infrastructure	102,450,755	4,759,873	-	107,210,628
Machinery and equipment	29,663,504	2,632,475	1,685,341	30,610,638
Right-to-use leased assets	8,479,795	953,911	-	9,433,706
Right-to-use subscription assets	-	153,171	-	153,171
Total accumulated depreciation/amortization	<u>226,165,541</u>	<u>11,881,903</u>	<u>1,733,523</u>	<u>236,313,921</u>
Total capital assets, being depreciated/amortized, net	<u>164,268,603</u>	<u>2,325,352</u>	<u>62,768</u>	<u>166,531,187</u>
Governmental activities capital assets, net	<u>\$ 215,329,468</u>	<u>\$ 42,646,106</u>	<u>\$ 8,158,530</u>	<u>\$ 249,817,044</u>

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

Governmental activities:	
General government support	\$ 2,495,200
Public safety	3,921,029
Health	37,480
Transportation	3,564,571
Economic assistance and opportunity	118,820
Culture and recreation	59,409
Home and community services	1,685,394
Total depreciation expense—governmental activities	<u>\$ 11,881,903</u>

Business-type activity—Capital asset activity for business-type activity (Enterprise Fund) for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023
Capital assets, not being depreciated:				
Land	\$ 550,000	\$ -	\$ -	\$ 550,000
Construction in progress	35,823	-	35,823	-
Total capital assets, not being depreciated	<u>585,823</u>	<u>-</u>	<u>35,823</u>	<u>550,000</u>
Capital assets, being depreciated:				
Buildings	20,439,030	-	-	20,439,030
Fixed equipment	30,230,337	-	-	30,230,337
Major moveable equipment	6,133,994	458,122	555,027	6,037,089
Total capital assets, being depreciated	<u>56,803,361</u>	<u>458,122</u>	<u>555,027</u>	<u>56,706,456</u>
Less accumulated depreciation for:				
Buildings	17,759,809	386,035	-	18,145,844
Fixed equipment	14,188,334	971,969	-	15,160,303
Major moveable equipment	3,237,526	446,907	555,027	3,129,406
Total accumulated depreciation	<u>35,185,669</u>	<u>1,804,911</u>	<u>555,027</u>	<u>36,435,553</u>
Total capital assets, being depreciated, net	<u>21,617,692</u>	<u>(1,346,789)</u>	<u>-</u>	<u>20,270,903</u>
Business-type activity capital assets, net	<u>\$ 22,203,515</u>	<u>\$ (1,346,789)</u>	<u>\$ 35,823</u>	<u>\$ 20,820,903</u>

Rensselaer County Industrial Development Agency

Capital assets for the Agency as of December 31, 2023 was as follows:

	Balance 12/31/23
Machinery and equipment	\$ 210,049
Real Estate	1,190,273
Vehicles	35,129
Less: accumulated depreciation	<u>(545,927)</u>
Total capital assets, net	<u>\$ 889,524</u>

Hudson Valley Community College

Capital asset balances for HVCC as of August 31, 2023 are shown on the following page.

	Balance 8/31/2023
Land, land improvements and infrastructure	\$ 33,762,327
Buildings and building improvements	232,579,952
Machinery and equipment	46,025,491
Construction in progress	16,847,338
Right-to-use assets	19,821,085
Subscription-based information technology arrangements	1,055,641
Total capital assets	350,091,834
Less: accumulated depreciation	(189,127,929)
Total Hudson Valley Community College	<u>\$ 160,963,905</u>

Additionally, net capital assets of \$6,594,706 and \$808,432 were reported for HVCC Component Units, the Faculty Student Association and the Foundation, respectively.

5. ACCRUED LIABILITIES

Accrued liabilities reported by the County’s governmental funds at December 31, 2023 were as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Salary and employee benefits	\$ 4,344,159	\$ 248,344	\$ 4,592,503
Intergovernmental transfer	4,439,343	-	4,439,343
Social services accruals	2,905,369	-	2,905,369
Total	<u>\$ 11,688,871</u>	<u>\$ 248,344</u>	<u>\$ 11,937,215</u>

6. 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 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, 2023, the County reported the following liability/ for its proportionate share of the net pension liability/(asset) for ERS. The net pension liability/(asset) was measured as of March 31, 2023. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by actuarial valuations as of April 1, 2022, with update procedures used to roll forward the total net pension liability/(asset) to the measurement date. The County's proportion of the net pension liability/(asset) 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, 2023	
Net pension liability/(asset)	\$ 51,301,573	\$ 14,994,113
County's portion of the Plan's total net pension liability/(asset)	0.2392347%	0.1356825%

For the year ended December 31, 2023, the County recognized pension expenses of \$16,744,178 and \$4,893,887 for ERS for governmental activities and its business-type activity, respectively. At December 31, 2023, 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	\$ 5,464,018	\$ 1,596,990	\$ 1,440,742	\$ 421,091
Changes of assumptions	24,915,353	7,282,108	275,361	80,481
Net difference between projected and actual earnings on pension plan investments	-	-	301,394	88,090
Changes in proportion and differences between the County's contributions and proportionate share of contributions	2,685,143	784,797	5,038,593	1,472,649
County contributions subsequent to the measurement date	6,720,287	1,868,360	-	-
Total	\$ 39,784,801	\$ 11,532,255	\$ 7,056,090	\$ 2,062,311

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, 2024. 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
2024	\$ 5,668,338	\$ 1,656,707
2025	(3,472,728)	(1,014,988)
2026	10,054,307	2,938,612
2027	13,758,507	4,021,253

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, 2023
Actuarial valuation date	April 1, 2022
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, 2022 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, 2023	
Asset class:		
Domestic equity	32.0 %	4.3 %
International equity	15.0	6.9
Private equity	10.0	7.5
Real estate	9.0	4.6
Opportunistic/Absolute Return Strategy	3.0	5.4
Credit	4.0	5.4
Real assets	3.0	5.8
Fixed income	23.0	1.5
Cash	1.0	0.0
Total	100.0 %	

Discount Rate—The discount rate used to calculate the total pension liability/(asset) was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. 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/(asset).

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%)
Governmental Activities:			
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 123,975,530	\$ 51,301,573	\$ (9,424,733)
Business-type Activities:			
Employer's proportionate share of the net pension liability/(asset)—ERS	\$ 36,234,817	\$ 14,994,113	\$ (2,754,604)

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, 2022
Employers' total pension liability/(asset)	\$ 232,627,259
Plan fiduciary net position	211,183,223
Employers' net pension liability/(asset)	<u>\$ 21,444,036</u>
System fiduciary net position as a percentage of total pension liability/(asset)	90.8%

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, 2023, the Agency reported a net pension liability of \$120,206 for its proportionate share of the net pension liability. At the March 31, 2023 measurement date, the Agency’s proportion was 0.0005606%.

For the year ended December 31, 2023, the Agency recognized pension expense of \$51,889. At December 31, 2023, 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	\$ 12,803	\$ 3,376
Changes of assumptions	58,380	645
Net difference between projected and actual earnings on pension plan investments	-	706
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	32,736	10,063
Agency contributions subsequent to the measurement date	43,615	-
Total	<u>\$ 147,534</u>	<u>\$ 14,790</u>

The Agency's contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability/(asset) in the year ending December 31, 2024. 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
2024	\$ 24,712
2025	(617)
2026	29,248
2027	35,786

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	\$ 290,487	\$ 120,206	\$ (22,083)

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

Hudson Valley Community College

HVCC participates in the ERS and the Teachers' Retirement System ("TRS").

Plan Description and Benefits Provided

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

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

Plan members who joined the TRS before July 27, 1976, are not required to make contributions. Those joining after July 27, 1976 are required to contribute 3.0% to 3.5% of their annual salary. Employees in the System more than ten years are no longer required to contribute. Pursuant to Article 11 of the Education Law, rates are established annually by the New York State Teachers' Retirement Board.

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions—At August 31, 2023, 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, 2023 for ERS and June 30, 2023 for TRS. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by actuarial valuations as of April 1, 2022 and June 30, 2022 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.

Measurement date	TRS	ERS
	June 30, 2023	March 31, 2023
Net pension liability/(asset)	\$ 688,535	\$ 14,100,828
HVCC's portion of the Plan's total net pension liability/(asset)	0.060208%	0.065756%

For the year ended August 31, 2023, HVCC recognized pension expense of approximately \$2,035,000 and \$4,323,000 for TRS and ERS, respectively. At August 31, 2023, 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	\$ 1,669,514	\$ 1,501,848	\$ 4,126	\$ 396,004
Changes of assumptions	1,482,395	6,848,272	323,080	75,686
Net difference between projected and actual earnings on pension plan investments	351,965	-	-	82,842
Changes in proportion and differences between HVCC's contributions and proportionate share of contributions	287,626	738,042	216,420	1,384,915
Total	<u>\$ 3,791,500</u>	<u>\$ 9,088,162</u>	<u>\$ 543,626</u>	<u>\$ 1,939,447</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>
2024	\$ 344,087	\$ 1,557,987
2025	(326,950)	(954,507)
2026	2,767,771	2,763,506
2027	221,513	3,781,729
2028	156,344	-
Thereafter	85,109	-

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, 2023	March 31, 2023
Actuarial valuation date	June 30, 2022	April 1, 2022
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%	1.3%

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, 2023	March 31, 2023
Asset class:				
Domestic equities	33.0 %	32.0 %	6.8 %	4.3 %
International equities	15.0	15.0	7.6	6.9
Global equities	4.0	0.0	7.2	0.0
Private equity	9.0	10.0	10.1	7.5
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	2.2	0.0
Global fixed income securities	2.0	0.0	1.6	0.0
High-yield fixed income securities	1.0	0.0	4.4	0.0
Opportunistic portfolio	0.0	3.0	0.0	5.3
Private debt	2.0	0.0	6.0	0.0
Real assets	0.0	3.0	0.0	5.8
Bonds and mortgages	6.0	23.0	3.2	1.5
Cash	1.0	1.0	0.3	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)	\$ 10,486,735	\$ 688,535	\$ (7,552,175)
ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension liability(asset)	\$ 34,075,654	\$ 14,100,828	\$ (2,590,462)

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, 2022	April 1, 2022
Employers' total pension liability	\$ 138,365,122	\$ 43,835,333
Plan fiduciary net position	<u>137,221,537</u>	<u>38,324,863</u>
Employers' net pension liability	<u>\$ 1,143,585</u>	<u>\$ 5,510,470</u>
System fiduciary net position as a percentage of total pension liability	99.2%	87.4%

TIAA-CREF—HVCC also participates in the SUNY Optional Retirement Program (“ORP”) TIAA-CREF. TIAA-CREF provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. TIAA/CREF is contributory for employees who joined after July 27, 1976, who contribute 3 percent of their salary. Employer contributions range from 8 percent to 15 percent depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to TIAA/CREF. The payroll for 2023 for HVCC employees covered by TIAA/CREF was \$16,907,363. Employer contributions and employee contributions for 2023 were \$2,009,025 and \$205,986, respectively.

7. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

Plan Description—The County pays for a portion of eligible retirees’ health insurance, depending on the type of health plan provided. Eligibility for postemployment benefits requires a minimum age of 55 with at least ten (10) years of service. In addition, the employee must qualify for retirement as a member of the New York State retirement system and immediately begin receiving a New York State pension upon leaving the County. The estimated cost of such benefits totaled \$1,581,589 and \$526,353 for governmental activities and its business-type activity, respectively.

Employees Covered by Benefit Terms—At December 31, 2023, the following employees were covered by the benefit terms:

	Governmental Activities	Business-type Activity
Active employees	749	186
Retired employees	<u>478</u>	<u>106</u>
Total	<u><u>1,227</u></u>	<u><u>292</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 \$53,043,325 and \$11,544,552, respectively, was measured as of December 31, 2023, 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 4.31% effective December 31, 2022 to 4.00% effective December 31, 2023. 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 8.0% 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, 2022	\$ 44,491,118	\$ 12,140,826
Changes for the year:		
Service cost	2,061,311	490,960
Interest	1,972,686	533,207
Changes in assumptions	4,502,265	941,399
Differences between expected and actual experience	1,597,534	(2,035,487)
Benefit payments	(1,581,589)	(526,353)
Net changes	8,552,207	(596,274)
Balances at December 31, 2023	<u>\$ 53,043,325</u>	<u>\$ 11,544,552</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 net OPEB liability. The table below presents the effect of a 1% change in the discount rate assumption would have on the net OPEB liability.

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Governmental activities:			
Net OPEB liability	\$ 60,375,712	\$ 53,043,325	\$ 47,081,165
Business-type activities:			
Net OPEB liability	13,040,135	11,544,552	10,294,556

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the net OPEB liability of a 1% change in the initial (8.0%) and ultimate (4.5%) healthcare cost trend rates.

	1% Decrease (7.0% / 3.5%)	Healthcare Cost Trend Rates (8.0% / 4.5%)	1% Increase (9.0% / 5.5%)
Governmental activities:			
Net OPEB liability	\$ 46,074,153	\$ 53,043,325	\$ 61,812,268
Business-type activities:			
Net OPEB liability	10,039,955	11,544,552	13,417,836

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, 2023, the County’s governmental activities and business-type activities recognized OPEB expense of \$2,863,109 and \$65,957. 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 net OPEB liability. The table below presents the County’s deferred outflows of resources and deferred inflows of resources at December 31, 2023.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activity	Governmental Activities	Business-type Activity
Differences between expected and actual experience	\$ 2,260,286	\$ 161,443	\$ 7,336,826	\$ 5,178,394
Changes in assumptions	11,760,103	3,549,624	12,247,344	3,527,525
Total	<u>\$ 14,020,389</u>	<u>\$ 3,711,067</u>	<u>\$ 19,584,170</u>	<u>\$ 8,705,919</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
2024	\$ (1,170,888)	\$ (958,210)
2025	(1,170,888)	(958,210)
2026	(1,170,888)	(958,210)
2027	(1,170,891)	(958,210)
2028	(634,918)	(958,211)
Thereafter	(245,308)	(203,801)

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, 2022, the actuarial valuation date, the following employees were covered by the benefit terms:

Active employees	472
Retired employees	<u>308</u>
Total	<u>780</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 \$15,626,338 was measured as of September 1, 2022, 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, 2022 actuarial valuation, the single discount rate changed from 2.14% effective September 1, 2021 to 3.91% effective September 1, 2022. 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 on the following page presents the changes to the total OPEB liability during the fiscal year, by source:

	<u>Total OPEB Liability</u>
Balance at August 31, 2022	\$ 15,626,338
Changes for the year:	
Service cost	1,370,088
Interest	331,064
Differences between expected and actual experience	2,515,191
Changes of assumptions or other inputs	(8,064,363)
Benefit payments	<u>(389,978)</u>
Net changes	<u>(4,237,998)</u>
Balance at August 31, 2023	<u>\$ 11,388,340</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 (2.91%)</u>	<u>Current Assumption (3.91%)</u>	<u>1% Increase (4.91%)</u>
Total OPEB liability	\$ 12,831,314	\$ 11,388,340	\$ 10,188,578

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	\$ 10,122,534	\$ 11,388,340	\$ 12,922,190

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, 2023, HVCC recognized OPEB expense/(benefit) of approximately \$(403,000). At August 31, 2023, 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	\$ 3,288,144	\$ 5,742,613
Changes of assumptions and other inputs	873,796	6,985,960
Expected benefit payments subsequent to the measurement date	<u>201,965</u>	<u>-</u>
Total	<u>\$ 4,363,905</u>	<u>\$ 12,728,573</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>	
2024	\$ (2,378,799)
2025	(2,378,799)
2026	(2,372,308)
2027	(959,765)
2028	(476,962)

8. RISK MANAGEMENT

The County is exposed to various risks of loss related to damage and destruction of assets, vehicle liability, injuries to employees, health insurance, workers' compensation and unemployment insurance. The County purchases commercial insurance to cover such potential risks. The County purchases insurance for: general liability, property, boiler and machinery, building ordinance or law, crime, earthquake, flood, and miscellaneous liability. The general liability insurance is limited to \$1 million per occurrence and an aggregate \$2 million limit. All other policies have limits ranging from \$100,000 to \$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, 2023 were \$31,314.

Year Ended December 31,	Liability Beginning of Year	Claims and Adjustments	Claim Payments	Liability End of Year
2023	\$ 119,737	\$ 23,384,712	\$ 23,473,135	\$ 31,314
2022	73,117	23,118,080	23,071,460	119,737

Workers' compensation liability, reported in the Internal Service Fund, for the County and 35 other plan members at December 31, 2023 was \$8,593,115. 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
2023	\$ 8,593,115	\$ 1,588,654	\$ 1,588,654	\$ 8,593,115
2022	8,050,361	3,390,765	2,848,011	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, 2023 as the plan was fully funded by available net assets.

9. 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, 2023, the value of the lease liability was \$961,478. The County is required to make monthly lease payments on all of the agreements. The Town uses their estimated incremental borrowing rate of 3.00% to determine the value of their principal and interest payments.

At December 31, 2023, 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, 2023, the value of the subscription liability was \$150,908. The agreements have interest rates of 3.0%. The value of the subscription assets as of the end of the current fiscal year was \$306,343 and had accumulated amortization of \$153,171.

The future principal and interest payments as of December 31, 2023, are shown below:

Fiscal Year Ending December 31	Principal	Interest	Total
2024	\$ 524,602	\$ 28,261	\$ 552,863
2025	399,551	12,169	411,720
2026	188,233	2,038	190,271
Totals	<u>\$ 1,112,386</u>	<u>\$ 42,468</u>	<u>\$ 1,154,854</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:

<u>Year Ended December 31,</u>	
2024	\$ 128,079
2025	129,444
2026	133,607
2027	140,867
2028	148,507
2029-2032	<u>211,473</u>
Total	<u>\$ 891,977</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, 2023.

Year Ended August 31,	
2024	\$ 2,336,829
2025	2,277,225
2026	2,307,864
2027	2,379,745
2028	2,388,202
2029-2033	2,853,151
2034-2038	48,877
2039-2043	58,735
2044-2048	70,580
2049-2053	84,815
2054-2058	101,921
Total	<u>\$ 14,907,944</u>

10. 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, 2023 is shown below:

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Governmental activities:					
Serial bonds	42,876,099	4,768,543	4,440,372	43,204,270	6,753,319
Serial bonds - HVCC	21,381,524	-	1,761,417	19,620,107	1,837,849
Unamortized premiums	4,622,859	-	506,739	4,116,120	506,739
RTASC bonds and accreted interest	32,230,182	358,510	945,000	31,643,692	3,675,000
RTASC unamortized premium	1,195,276	-	41,703	1,153,573	162,180
Installment purchase debt	89,346,476	11,073,507	4,920,066	95,499,917	6,680,201
Lease liability	1,902,320	-	940,842	961,478	373,694
Subscription liability	-	306,343	155,435	150,908	150,908
Compensated absences*	17,370,382	577,400	-	17,947,782	897,389
OPEB obligation	44,491,118	10,133,796	1,581,589	53,043,325	-
Worker's compensation	8,593,115	1,588,654	1,588,654	8,593,115	-
Net pension liability*	-	51,301,573	-	51,301,573	-
Total governmental activities	<u>\$ 264,009,351</u>	<u>\$ 80,108,326</u>	<u>\$ 16,881,817</u>	<u>\$ 327,235,860</u>	<u>\$ 21,037,279</u>
Business type activity:					
Bonds payable	6,740,000	-	2,390,000	4,350,000	2,465,000
Installment purchase debt	4,818,223	-	169,793	4,648,430	214,620
OPEB obligation	12,140,826	-	596,274	11,544,552	-
Net pension liability*	-	14,994,113	-	14,994,113	-
Total business-type activity	<u>\$ 23,699,049</u>	<u>\$ 14,994,113</u>	<u>\$ 3,156,067</u>	<u>\$ 35,537,095</u>	<u>\$ 2,679,620</u>

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

Discretely Presented Component Units

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023	Due Within One Year
IDA:					
Lease liability	\$ 1,013,437	\$ -	\$ 121,460	\$ 891,977	\$ 128,079
Net pension liability	-	120,206	-	120,206	-
Total IDA	<u>\$ 1,013,437</u>	<u>\$ 120,206</u>	<u>\$ 121,460</u>	<u>\$ 1,012,183</u>	<u>\$ 128,079</u>

	Balance 9/1/2022	Increases	Decreases	Balance 8/31/2023	Due Within One Year
HVCC:					
Termination benefits	\$ 17,892,001	-	\$ 1,320,240	\$ 16,571,761	\$ -
OPEB obligation	15,626,338	4,216,343	8,454,341	11,388,340	-
Association financing agreement	4,512,038	-	505,446	4,006,592	505,405
Other long-term liabilities	4,118,884	256,490	-	4,375,374	-
Lease liability	16,358,008	14,692	2,147,346	12,204,952	2,020,402
Subscription liability	476,328	486,884	280,622	366,163	316,427
Net pension liability	1,095,713	13,693,650	-	14,789,363	-
Total HVCC	<u>\$ 60,079,310</u>	<u>\$ 18,668,059</u>	<u>\$ 12,707,995</u>	<u>\$ 63,702,545</u>	<u>\$ 2,842,234</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, 2023 is shown below:

Description	Original Issue	Interest Rate	Year of Maturity	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Governmental activities serial bonds issued by the County:								
General:								
Public Improvement refunding	12,898,755	2.0/5.0	2038	\$ 7,885,920	\$ -	\$ 1,166,545	\$ 6,719,375	\$ 1,236,170
2017 Various Projects	12,573,333	2.07	2028	7,687,263	-	1,033,201	6,654,062	1,057,300
2020 Public Improvement Bond	4,000,000	1.0/2.0	2040	3,660,000	-	175,000	3,485,000	180,000
2020 Public Improvement Refunding	2,722,500	3.0/5.0	2038	2,523,000	-	105,750	2,417,250	111,000
2022 Public Improvement Refunding	1,295,634	1.35	2026	1,288,463	-	412,356	876,107	429,089
2022 General Obligation Bonds	5,000,000	3.70	2037	5,000,000	-	269,000	4,731,000	277,000
2022 Siemens Notes	2,000,000	4.15	2024	2,000,000	-	-	2,000,000	2,000,000
2023A General Obligation Bonds	3,186,115	4.71	2043	-	3,186,115	-	3,186,115	103,000
2023B General Obligation Bonds	1,582,428	4.71	2043	-	1,582,428	-	1,582,428	51,000
Highway:								
2017 Highway Improvements	5,194,000	2.07	2029	3,175,581	-	426,812	2,748,769	436,767
2017 Machinery	928,000	2.07	2029	567,373	-	76,258	491,115	78,036
2022 Public Improvement Refunding	896,978	1.35	2026	892,013	-	285,478	606,535	297,062
Sewer:								
EFC	2,829,338	0.15-3.55	2034	1,720,000	-	130,000	1,590,000	130,000
Public Improvements	406,245	2.0-5.0	2028	249,080	-	38,455	210,625	38,830
2017 Grit Collection	2,175,000	2.07	2029	1,329,783	-	178,729	1,151,054	182,897
2020 EFC Sewer Pump	5,176,061	-	2050	4,897,623	-	142,788	4,754,835	145,168
Total serial bonds				<u>42,876,099</u>	<u>4,768,543</u>	<u>4,440,372</u>	<u>43,204,270</u>	<u>6,753,319</u>
Unamortized premium				4,622,859	-	506,739	4,116,120	506,739
Total governmental activities bonded debt				<u>\$ 47,498,958</u>	<u>\$ 4,768,543</u>	<u>\$ 4,947,111</u>	<u>\$ 47,320,390</u>	<u>\$ 7,260,058</u>

Description	Original Issue	Interest Rate	Year of Maturity	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Governmental activities serial bonds issued on behalf of the Discretely Presented Component Unit—HVCC:								
HVCC Facilities Upgrade	3,870,000	2.50-2.75	2042	\$ 3,475,000	\$ -	\$ 135,000	\$ 3,340,000	\$ 140,000
2020 Public Improvement Refunding	15,427,500	3.0/5.0	2038	14,297,000	-	599,250	13,697,750	629,000
2022 Public Improvement Refunding	3,627,388	1.35	2026	3,609,524	-	1,027,167	2,582,357	1,068,849
Total serial bonds—component units				<u>\$ 21,381,524</u>	<u>\$ -</u>	<u>\$ 1,761,417</u>	<u>\$ 19,620,107</u>	<u>\$ 1,837,849</u>
Business-type activity—Van Rensselaer Manor:								
Enterprise Fund:								
2014 Serial Bonds	24,000,000	2.0-3.1	2031	\$ 6,740,000	\$ -	\$ 2,390,000	\$ 4,350,000	\$ 2,465,000
Total business-type activity				<u>\$ 6,740,000</u>	<u>\$ -</u>	<u>\$ 2,390,000</u>	<u>\$ 4,350,000</u>	<u>\$ 2,465,000</u>

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

	Governmental Activities Serial Bond		Issued on behalf of the Discretely Presented Component Unit - HVCC		Business-Type Activity Van Rensselaer Manor	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 6,753,319	\$ 1,156,669	\$ 1,837,849	\$ 721,817	\$ 2,465,000	\$ 131,225
2025	4,905,273	959,925	1,917,258	643,372	245,000	57,275
2026	4,279,178	812,810	1,242,750	578,053	255,000	49,925
2027	4,374,308	707,739	881,000	531,665	260,000	42,275
2028	4,486,937	596,650	932,750	491,365	270,000	34,475
2029-2033	8,054,884	1,874,320	5,424,250	1,820,183	855,000	53,719
2034-2038	5,958,379	891,777	6,554,250	732,840	-	-
2039-2043	2,992,667	208,539	830,000	57,500	-	-
2044-2048	987,619	-	-	-	-	-
2049-2053	411,706	-	-	-	-	-
Total	<u>\$ 43,204,270</u>	<u>\$ 7,208,429</u>	<u>\$ 19,620,107</u>	<u>\$ 5,576,795</u>	<u>\$ 4,350,000</u>	<u>\$ 368,894</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 \$1,761,417 in principal and \$801,795 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, 2023 are shown on the following page.

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023	Due Within One Year
Tobacco Settlement Bonds:					
Series 2016	\$ 27,085,000	\$ -	\$ 945,000	\$ 26,140,000	\$ 3,675,000
Plus: Bond premium	1,195,276	-	41,703	1,153,573	162,180
Net Tobacco Settlement Bonds	<u>28,280,276</u>	<u>-</u>	<u>986,703</u>	<u>27,293,573</u>	<u>3,837,180</u>
Subordinate Turbo CABs	<u>5,145,182</u>	<u>358,510</u>	<u>-</u>	<u>5,503,692</u>	<u>-</u>
Total RTASC	<u>\$ 33,425,458</u>	<u>\$ 358,510</u>	<u>\$ 986,703</u>	<u>\$ 32,797,265</u>	<u>\$ 3,837,180</u>

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

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

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

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

	Principal	Interest	Total
2024	\$ 3,675,000	\$ 1,303,031	\$ 4,978,031
2025	1,490,000	1,156,425	2,646,425
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
2029-2033	10,780,000	2,717,970	13,497,970
2034-2035	<u>5,135,000</u>	<u>258,375</u>	<u>5,393,375</u>
	<u>\$ 26,140,000</u>	<u>\$ 8,352,502</u>	<u>\$ 34,492,502</u>

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

Redemption of the Subordinate Turbo CABs as outlined in the New York Counties Tobacco Trust VI Tobacco Settlement Pass-Through Bonds, Series 2016 official statement totals \$13,736,443 and is scheduled to be paid from 2035 to 2040, while early payment is allowed. During the year ended December 31, 2023, 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. At December 31, 2023, the total balance of the installment purchase debt is \$4,648,430.

During the years ended December 31, 2023 and 2022, 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, 2023, total expenditures incurred on all of the contracts is \$52,227,578 and total cash with fiscal agent is \$11,028,327.

The table below summarizes requirements of the Installment Purchase Debt:

Year ended December 31,	Governmental Activities			Total Governmental Activities	Business-type Activity Van Rensselaer Manor
	Sewer District	County Building	Highway Machinery		
2024	\$ 4,498,405	\$ 5,450,017	\$ 127,265	\$ 10,075,687	\$ 322,620
2025	4,893,845	5,674,611	129,480	10,697,936	332,623
2026	4,613,791	5,767,932	130,661	10,512,384	342,623
2027	3,770,996	5,800,806	132,654	9,704,456	352,623
2028	3,772,414	5,834,587	134,707	9,741,708	383,412
2029-2033	8,573,714	30,075,121	513,974	39,162,809	1,917,060
2034-2038	1,970,730	22,956,241	-	24,926,971	1,916,993
2039-2043	404,119	9,982,217	-	10,386,336	-
Total minimum lease payments	32,498,014	91,541,532	1,168,741	125,208,287	5,567,954
Less: Amount representing imputed interest costs	(4,381,119)	(25,198,386)	(128,865)	(29,708,370)	(919,524)
Present value of minimum lease payment	\$ 28,116,895	\$ 66,343,146	\$ 1,039,876	\$ 95,499,917	\$ 4,648,430

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, 2023, total expenditures incurred on all of the contracts is \$52,227,578 and total cash with fiscal agent is \$11,028,327.

Lease Liability—The County entered into long-term leases for various office space and equipment. The outstanding balance at December 31, 2023 was \$961,478. Refer to Note 9 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, 2023 was \$150,908. Refer to Note 9 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 7, the County’s OPEB obligation at December 31, 2023 is \$53,043,325, and \$11,544,552 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, 2023 is \$8,593,115.

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, 2023, the Agency recorded a lease liability of \$891,977.

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 \$15,668,486 at August 31, 2023. HVCC’s component units reported termination benefits of \$903,275.

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, 2023 is \$11,388,340.

Association Financing Agreement—HVCC’s component units reported financing agreement liabilities of \$4,006,592.

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, 2023 is \$4,375,374.

Lease Liability—The HVCC has entered into long-term lease agreements to lease certain real estate and equipment. At August 31, 2023, the Agency recorded a lease liability of \$12,204,952.

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, 2023, the net pension liability is estimated to be \$14,789,363.

11. NET POSITION AND FUND BALANCE

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

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

Governmental activities:	
Capital assets, net of accumulated depreciation/amortization	\$ 249,817,044
Related debt:	
Serial bonds issued	\$ (43,204,270)
Leases liability	(961,478)
Subscription liability	(150,908)
Deferred charge on refunding bonds	525,104
Unamortized premium on serial bonds	(4,116,120)
Installment purchase debt	(95,499,917)
Retainage payable	(16,801)
Capital projects fund accounts payable	(2,179,186)
RTASC Tobacco Settlement Bonds and CABs	(31,643,692)
Related RTASC unamortized premium	(1,153,573)
RTASC deferred gain on refunding	(7,009,048)
Unspent proceeds reported within the Capital Projects Fund	<u>35,964,004</u> (149,445,885)
Net investment in capital assets—governmental activities	<u>\$ 100,371,159</u>

Business-type activities:

Capital assets, net of accumulated depreciation	\$ 20,820,903
Related debt:	
Debt issued for capital assets	(4,350,000)
Installment purchase debt	<u>(4,648,430)</u>
Net investment in capital assets—business-type activity	<u>\$ 11,822,473</u>

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

Rensselaer County Industrial Development Agency

The Agency reports restricted net position of \$13,382. This amount represents resources restricted for the South Troy Industrial Park Project.

Hudson Valley Community College

HVCC reports restricted net position of \$10,833,501. Of this amount, \$10,132,331 represents resources restricted for scholarships and fellowships, while \$701,170 represents resources restricted for capital projects and debt service.

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

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the County at December 31, 2023 includes:

- **Inventories**—Represents the portion of fund balance composed of inventory of \$569,400 that is nonspendable because inventory is not an available spendable resource.

- **Prepaid Items**—Represents amounts prepaid to vendors and employees of \$2,270,243, 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, 2023 the Community Development Fund reported loans receivable amounts of \$1,045,864.

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, 2023, the County had the following restricted funds, as presented below:

	General Fund	Capital Projects Fund	Other Nonmajor Funds	Total
Tax stabilization	\$ 1,187,440	\$ -	\$ -	\$ 1,187,440
Handicapped parking	128,360	-	-	128,360
Debt service	-	-	2,168,758	2,168,758
Sheriff–Asset forfeiture	244,849	-	-	244,849
Youth	58,395	-	-	58,395
Opioid	408,451	-	-	408,451
Capital projects	-	34,887,107	-	34,887,107
Total restricted fund balance	<u>\$ 2,027,495</u>	<u>\$ 34,887,107</u>	<u>\$ 2,168,758</u>	<u>\$ 39,083,360</u>

- **Restricted for Tax Stabilization**—Represents amounts restricted under General Municipal Law Section 6-e, for future use to stabilize real property tax levies.
- **Restricted for Handicapped Parking**—Represents revenues restricted to pay for the handicapped parking program, which is required by State Law
- **Restricted for Debt Service**—Represents resources that have been legally restricted for principal and interest payments that will be made in future periods.
- **Restricted for Sheriff—Asset Forfeiture**—Represents asset forfeiture revenue restricted to pay for equipment or other uses that will aid in drug enforcement activities, pursuant to state and federal laws.
- **Restricted for 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 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, 2023, 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, 2023, the following balances were considered to be assigned:

	General Fund	Total Nonmajor Funds	Total
Encumbrances	\$ 239,094	\$ 283,029	\$ 522,123
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	11,750,000	1,993,196	13,743,196
Legislative Clerk	80,842	-	80,842
Specific use	-	8,900,503	8,900,503
Total assigned fund balance	<u>\$ 19,169,936</u>	<u>\$ 11,176,728</u>	<u>\$ 30,346,664</u>

- **Assigned to Encumbrances**—Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of monies are recorded, is employed as part of the County’s budgetary control mechanism for all funds. Unencumbered appropriations lapse at fiscal year-end.
- **Assigned to Future OMIG Recoupment**—Represents the portion of fund balance assigned for future OMIG recoupments.
- **Assigned to Future Medicaid Recoupments**—Represents the portion of fund balance assigned for future Medicaid recoupments.
- **Assigned to Retirement Contribution**—Represents the portion of fund balance assigned for the future payment of retirement contributions.
- **Assigned to Subsequent Year’s Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2024 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.

12. 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, 2023 is shown below:

Fund	Interfund	
	Receivable	Payable
Governmental funds:		
General Fund	\$ 4,663,842	\$ 2,320,257
Capital Projects Fund	251,684	1,261
Nonmajor governmental funds	50,506	972,774
Proprietary funds:		
Enterprise Fund	-	1,395,547
Internal Service Funds	2,863,769	3,139,962
Total	<u>\$ 7,829,801</u>	<u>\$ 7,829,801</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, 2023:

Transfers out:	Transfers in:			Total
	Capital Projects Fund	Nonmajor Funds	Van Rensselaer Manor	
General Fund	\$ 10,617,199	\$ 3,208,000	\$ 762,080	\$ 14,587,279
Nonmajor Funds	775,053	-	-	775,053
Total	<u>\$ 11,392,252</u>	<u>\$ 3,208,000</u>	<u>\$ 762,080</u>	<u>\$ 15,362,332</u>

13. SEGMENT INFORMATION FOR ENTERPRISE FUND

Segment information for the Manor as of, and for the year ended, December 31, 2023 follows:

	Van Rensselaer Manor
Operating revenues	\$ 40,755,901
Operating expenses:	
Services provided	42,677,162
Depreciation and amortization	1,804,911
Operating income	(3,726,172)
Non-operating revenue (expense), net	3,026,897
Change in net position	<u>\$ (699,275)</u>
Current assets	\$ 49,173,322
Current liabilities	8,301,124
Net working capital	<u>\$ 57,474,446</u>
Total assets and deferred outflows	\$ 85,237,547
Total liabilities and deferred inflows	(51,926,826)
Net position	<u>\$ 33,310,721</u>
Capital asset additions	<u>\$ 422,299</u>
Long-term liabilities—excluding current portions	<u>\$ 32,857,472</u>

14. LABOR CONTRACTS

Four bargaining units represent the unionized County employees. The United Public Service Employees Union is settled through December 31, 2022. The Police Benevolent Association and Council 82 contracts are settled through December, 31, 2023. The Civil Service Employees Association contract is settled through December 31, 2026.

15. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure 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, 2023, the County reported significant encumbrances as shown on the following page.

	Amount	Description
Highway Fund	\$ 170,000	(2) Crew Cab Trucks
Capital Projects Fund	196,296	Conferencing Equipment
Capital Projects Fund	209,220	Aruba
Capital Projects Fund	190,244	Radio Units
Capital Projects Fund	985,000	(3) Dump Trucks
Capital Projects Fund	611,476	(2) Plow Trucks
Capital Projects Fund	113,621	New Gas Tank
Capital Projects Fund	156,900	(2) Pickup Trucks, Plows, & Sanders
Capital Projects Fund	170,000	(2) Crew Cab Trucks
Capital Projects Fund	305,877	Leeboy Road Widner

16. 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 \$3,083,518 during 2023 in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$5,102,295 in property taxes.

17. 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.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 28, 2024, 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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Hudson Valley Community College ("HVCC")										
Measurement date	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	June 30, 2013
HVCC's proportion of the net pension liability/(asset)	0.060208%	0.057101%	0.0601540%	0.0627310%	0.0599030%	0.0628370%	0.0663080%	0.0672550%	0.0684170%	0.0705820%
HVCC's proportionate share of the net pension liability/(asset)	<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>	<u>\$ (7,862,345)</u>
HVCC's covered payroll	\$ 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	\$ 10,897,491
HVCC's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	6.1%	10.6%	-97.8%	15.4%	-14.6%	-11.8%	-4.8%	6.9%	-68.4%	-72.1%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%

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

	Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Hudson Valley Community College ("HVCC")										
Contractually required contributions	\$ 1,120,103	\$ 1,006,806	\$ 993,661	\$ 972,503	\$ 1,061,345	\$ 945,712	\$ 1,203,803	\$ 1,365,305	\$ 1,761,050	\$ 1,717,382
Contributions in relation to the contractually required contribution	<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>	<u>(1,717,382)</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	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	\$ 10,897,491
Contributions as a percentage of covered payroll	9.9%	9.8%	9.3%	8.7%	10.0%	9.9%	11.5%	13.1%	16.9%	15.8%

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	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	March 31, 2014
Plan fiduciary net position as a percentage of the total pension liability/(asset)	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%
Primary Government:										
Rensselaer County ("County")—Governmental Activities:										
County's proportion of the net pension liability/(asset)	0.2392347%	0.2401642%	0.2249338%	0.2343438%	0.2275316%	0.2343915%	0.2482384%	0.2478850%	0.2485007%	0.2485007%
County's proportionate share of the net pension liability/(asset)	<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>	<u>\$ 11,228,648</u>
County's covered payroll	\$ 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	\$ 58,211,639
County's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	76.3%	(30.8)%	0.4%	101.9%	26.4%	13.1%	38.7%	68.2%	14.2%	19.3%
Van Rensselaer Manor ("VRM")—Business-type Activities:										
VRM's proportion of the net pension liability/(asset)	0.0699221%	0.0703763%	0.0848051%	0.0790984%	0.0962192%	0.0769122%	0.0684246%	0.0766568%	0.0798511%	0.0798511%
VRM's proportionate share of the net pension liability/(asset)	<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>	<u>\$ 3,608,361</u>
VRM's covered payroll	\$ 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	\$ 14,699,005
VRM's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	76.3%	(31.2)%	0.5%	102.9%	33.8%	13.6%	49.4%	87.1%	17.8%	24.5%

(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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Discretely Presented Component Units:										
Rensselaer County Industrial Development Agency ("Agency"):										
Agency's proportion of the net pension liability/(asset)	0.0005606%	0.0004704%	0.0005635%	0.0006686%	0.0006048%	0.0006203%	0.00063333%	0.0006267%	0.0005167%	0.0005167%
Agency's proportionate share of the net pension liability/(asset)	\$ 120,206	\$ (38,450)	\$ 561	\$ 177,054	\$ 42,851	\$ 20,019	\$ 59,511	\$ 100,588	\$ 17,457	n/a
Agency's covered payroll	\$ 345,597	\$ 392,908	\$ 274,576	\$ 285,318	\$ 348,686	\$ 314,472	\$ 284,398	\$ 266,198	\$ 253,521	n/a
Agency's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	34.8%	(9.8%)	0.2%	62.1%	12.3%	6.4%	20.9%	37.8%	6.9%	n/a
Year Ended August 31,										
	2022	2022	2021	2020	2019	2018	2017	2016	2015	2014
Hudson Valley Community College ("HVCC"):										
HVCC's proportion of the net pension liability/(asset)	0.065756%	0.070799%	0.07092%	0.070356%	0.070917%	0.071456%	0.068436%	0.071318%	0.067539%	0.067539%
HVCC's proportionate share of the net pension liability/(asset)	\$ 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	n/a
HVCC's covered payroll	\$ 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	n/a
HVCC's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	72.5%	(31.8%)	0.4%	96.6%	28.1%	12.1%	38.4%	70.9%	14.8%	n/a

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

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Primary Government:										
County of Rensselaer ("County")—Governmental Activities:										
Contractually required contributions	\$ 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	\$ 10,794,337
Contributions in relation to the contractually required contribution	<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>	<u>(10,794,337)</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	\$ 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	\$ 58,211,639
Contributions as a percentage of covered payroll	12.9%	12.6%	14.9%	14.2%	13.7%	15.0%	13.4%	14.5%	15.7%	18.5%
Van Rensselaer Manor ("VRM")—Business-type Activities:										
Contractually required contributions	\$ 2,383,198	\$ 2,406,294	\$ 3,290,798	\$ 2,924,735	\$ 3,101,976	\$ 2,657,772	\$ 2,540,533	\$ 2,679,395	\$ 3,276,192	\$ 3,447,088
Contributions in relation to the contractually required contribution	<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>	<u>(3,447,088)</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	\$ 18,987,621	\$ 18,596,946	\$ 18,545,048	\$ 20,512,464	\$ 20,153,828	\$ 18,464,790	\$ 13,549,018	\$ 14,036,447	\$ 14,966,986	\$ 14,706,069
Contributions as a percentage of covered payroll	12.6%	12.9%	17.7%	14.3%	15.4%	14.4%	18.8%	19.1%	21.9%	23.4%

(continued)

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

(concluded)

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Discretely Presented Component Units:										
Rensselaer County Industrial Development Agency ("Agency"):										
Contractually required contributions	\$ 29,058	\$ 40,138	\$ 37,913	\$ 28,657	\$ 27,528	\$ 42,620	\$ 49,762	\$ 33,472	\$ 44,005	n/a
Contributions in relation to the contractually required contribution	<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>	<u>n/a</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>n/a</u>
Agency's covered payroll	\$ 345,597	\$ 392,908	\$ 274,576	\$ 285,318	\$ 348,686	\$ 314,472	\$ 284,398	\$ 266,198	\$ 253,521	n/a
Contributions as a percentage of covered payroll	8.4%	10.2%	13.8%	10.0%	7.9%	13.6%	17.5%	12.6%	17.4%	n/a
	Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Hudson Valley Community College ("HVCC")										
Contractually required contributions	\$ 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	\$ 3,035,703
Contributions in relation to the contractually required contribution	<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>	<u>(3,035,703)</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	\$ 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	\$ 15,034,090
Contributions as a percentage of covered payroll	11.4%	13.2%	14.4%	13.5%	13.7%	13.5%	14.6%	14.9%	18.8%	20.2%

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

	Year Ended December 31,					
	2023	2022	2021	2020	2019	2018
Rensselaer County - Governmental Activities:						
Total OPEB liability						
Service cost	\$ 2,061,311	\$ 3,117,904	\$ 3,270,425	\$ 2,964,684	\$ 2,235,591	\$ 3,322,905
Interest	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	4,502,265	(12,449,463)	(2,296,955)	7,083,654	7,770,514	(3,447,353)
Differences between expected and actual experience	1,597,534	935,684	(682,317)	(11,010,612)	321,362	(1,912,350)
Benefit payments	(1,581,589)	(1,433,652)	(1,510,243)	(1,671,614)	(1,523,465)	(1,713,054)
Net changes in total OPEB liability	8,552,207	(8,581,284)	(39,705)	(806,521)	10,643,501	(21,499,396)
Total OPEB liability—beginning	44,491,118	53,072,402	53,112,107	53,918,628	43,275,127	64,774,523
Total OPEB liability—ending	\$ 53,043,325	\$ 44,491,118	\$ 53,072,402	\$ 53,112,107	\$ 53,918,628	\$ 43,275,127
Plan fiduciary net position						
Contributions—employer	\$ 1,581,589	\$ 1,433,652	\$ 1,510,243	\$ 1,671,614	\$ 1,523,465	\$ 1,713,054
Benefit payments	(1,581,589)	(1,433,652)	(1,510,243)	(1,671,614)	(1,523,465)	(1,713,054)
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-
Plan fiduciary net position—ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's total OPEB liability—ending	\$ 53,043,325	\$ 44,491,118	\$ 53,072,402	\$ 53,112,107	\$ 53,918,628	\$ 43,275,127
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%
Covered-employee payroll	\$ 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	110.4%	108.9%	110.4%	87.1%	88.7%	72.3%
Rensselaer County - Business-type Activity:						
Total OPEB liability						
Service cost	\$ 490,960	\$ 760,206	\$ 990,611	\$ 901,662	\$ 672,885	\$ 1,077,782
Interest	533,207	344,999	363,172	560,404	559,204	707,882
Changes of benefit terms	-	-	-	-	-	(6,331,920)
Changes in assumptions	941,399	(3,524,255)	(722,991)	2,378,170	2,606,095	(1,162,045)
Differences between expected and actual experience	(2,035,487)	226,019	(1,758,318)	(3,572,343)	(95,844)	(494,044)
Benefit payments	(526,353)	(475,777)	(403,788)	(427,720)	(345,709)	(384,165)
Net changes in total OPEB liability	(596,274)	(2,668,808)	(1,531,314)	(159,827)	3,396,631	(6,586,510)
Total OPEB liability—beginning	12,140,826	14,809,634	16,340,948	16,500,775	13,104,144	19,690,654
Total OPEB liability—ending	\$ 11,544,552	\$ 12,140,826	\$ 14,809,634	\$ 16,340,948	\$ 16,500,775	\$ 13,104,144
Plan fiduciary net position						
Contributions—employer	\$ 526,353	\$ 475,777	\$ 384,165	\$ 384,165	\$ 384,165	\$ 384,165
Benefit payments	(526,353)	(475,777)	(384,165)	(384,165)	(384,165)	(384,165)
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-
Plan fiduciary net position—ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's total OPEB liability—ending	\$ 11,544,552	\$ 12,140,826	\$ 14,809,634	\$ 16,340,948	\$ 16,500,775	\$ 13,104,144
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%
Covered-employee payroll	\$ 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	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 Six Fiscal Years*

(concluded)

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

* 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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 52,927,100	\$ 52,927,100	\$ 54,998,768	\$ 2,071,668
Real property tax items	5,730,323	5,730,323	6,101,042	370,719
Non-property tax items	105,490,000	106,086,246	128,140,645	22,054,399
Departmental income	16,485,732	16,485,732	13,274,770	(3,210,962)
Intergovernmental charges	14,582,713	14,654,713	15,776,372	1,121,659
Use of money and property	1,701,800	6,794,421	6,594,788	(199,633)
Fines and forfeitures	181,000	183,717	215,714	31,997
Sale of property and compensation for loss	15,000	110,346	741,687	631,341
Miscellaneous	125,704	181,886	470,845	288,959
Interfund revenues	2,601,863	2,601,863	2,732,553	130,690
State aid	42,970,749	62,558,155	47,413,299	(15,144,856)
Federal aid	19,906,643	22,081,504	19,545,251	(2,536,253)
Total revenues	<u>262,718,627</u>	<u>290,396,006</u>	<u>296,005,734</u>	<u>5,609,728</u>
EXPENDITURES				
Current:				
General government support	61,266,339	73,136,145	67,598,377	5,537,768
Education	23,720,167	24,469,142	24,468,893	249
Public safety	44,511,320	49,261,732	43,437,420	5,824,312
Health	24,697,151	29,462,323	24,525,962	4,936,361
Transportation	583,767	614,676	614,564	112
Economic assistance and opportunity	102,452,751	108,829,836	93,628,972	15,200,864
Culture and recreation	606,448	670,457	558,966	111,491
Home and community services	1,109,358	1,119,021	942,979	176,042
Debt service:				
Principal	7,047,480	7,047,480	7,047,479	1
Interest	4,164,378	4,279,218	4,251,385	27,833
Total expenditures	<u>270,159,159</u>	<u>298,890,030</u>	<u>267,074,997</u>	<u>31,815,033</u>
Excess (deficiency) of revenues over expenditures	(7,440,532)	(8,494,024)	28,930,737	(26,205,305)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,500,000)	(14,618,065)	(14,143,065)	475,000
Leases issued	306,343	306,343	306,343	-
Total other financing sources	<u>(1,193,657)</u>	<u>(14,311,722)</u>	<u>(13,836,722)</u>	<u>475,000</u>
Net change in fund balances*	(8,634,189)	(22,805,746)	15,094,015	37,899,761
Fund balances—beginning	115,637,110	115,637,110	115,637,110	-
Fund balances—ending	<u>\$ 107,002,921</u>	<u>\$ 92,831,364</u>	<u>\$ 130,731,125</u>	<u>\$ 37,899,761</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, 2023

1. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the discount rate and the medical healthcare cost trend rate. The discount rate is based on the yield for 20-year tax-exempt general obligation municipal bonds as of the measurement date, which decreased from 4.31% effective December 31, 2022 to 4.00% effective December 31, 2023. 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 2.14% to 3.91%. The medical healthcare cost trend rates increased from 2022 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, 2023 includes encumbrances from the prior year of \$734,189.

**** 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, 2023

	Special Revenue						Total Nonmajor Funds
	Special Grant	Community Development	Highway	Sewer	RTASC	RCCRC	
ASSETS							
Cash and cash equivalents	\$ 51,791	\$ 967,432	\$ 3,273,437	\$ 1,761,845	\$ 32,629	\$ 22,000	\$ 6,109,134
Restricted cash and cash equivalents	-	-	-	-	2,168,758	-	2,168,758
Other receivables	201,159	1,045,864	68,534	4,703,098	-	-	6,018,655
Intergovernmental receivables	71,544	66,382	1,745,463	-	-	-	1,883,389
Due from other funds	22,606	-	27,900	-	-	-	50,506
Inventories	-	-	569,400	-	-	-	569,400
Prepaid items	17,412	-	88,723	55,951	-	-	162,086
Total assets	\$ 364,512	\$ 2,079,678	\$ 5,773,457	\$ 6,520,894	\$ 2,201,387	\$ 22,000	\$ 16,961,928
LIABILITIES							
Accounts payable	\$ 113,472	\$ 159,485	\$ 109,444	\$ 232,581	\$ -	\$ -	\$ 614,982
Accrued liabilities	52,139	-	75,341	120,864	-	-	248,344
Due to other funds	67,403	25,217	500,859	379,295	-	-	972,774
Intergovernmental payables	-	2,992	-	-	-	-	2,992
Total liabilities	233,014	187,694	685,644	732,740	-	-	1,839,092
FUND BALANCES							
Nonspendable	17,412	1,045,864	658,123	55,951	-	-	1,777,350
Restricted	-	-	-	-	2,168,758	-	2,168,758
Assigned	114,086	846,120	4,429,690	5,732,203	32,629	22,000	11,176,728
Total fund balances	131,498	1,891,984	5,087,813	5,788,154	2,201,387	22,000	15,122,836
Total liabilities and fund balances	\$ 364,512	\$ 2,079,678	\$ 5,773,457	\$ 6,520,894	\$ 2,201,387	\$ 22,000	\$ 16,961,928

COUNTY OF RENSSELAER, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2023

	Special Revenue						Total Nonmajor Funds
	Special Grant	Community Development	Highway	Sewer	RTASC	RCCRC	
REVENUES							
Real property taxes	\$ -	\$ -	\$ 6,906,296	\$ -	\$ -	\$ -	\$ 6,906,296
Non-property tax items	-	-	1,004,074	-	-	-	1,004,074
Departmental income	-	-	-	10,215,765	-	-	10,215,765
Use of money and property	-	18,933	2,597,021	47,971	138,659	-	2,802,584
Licenses and permits	-	-	54,461	-	-	-	54,461
Sale of property and compensation for loss	-	-	36,121	-	-	-	36,121
Miscellaneous	-	227	37,504	5,941	-	-	43,672
State aid	-	-	4,134,857	-	-	-	4,134,857
Federal aid	1,986,187	365,594	-	-	-	-	2,351,781
Tobacco settlement revenue	-	-	-	-	2,348,497	-	2,348,497
Total revenues	<u>1,986,187</u>	<u>384,754</u>	<u>14,770,334</u>	<u>10,269,677</u>	<u>2,487,156</u>	<u>-</u>	<u>29,898,108</u>
EXPENDITURES							
Current:							
General government support	76,000	-	597,390	486,129	50,165	8,000	1,217,684
Public safety	-	-	323,738	-	-	-	323,738
Transportation	-	-	14,577,463	-	-	-	14,577,463
Economic assistance and opportunity	1,910,188	404,049	-	-	-	-	2,314,237
Home and community services	-	-	-	3,955,278	-	-	3,955,278
Employee benefits	-	-	1,511,246	835,590	-	-	2,346,836
Debt service:							
Principal	-	-	886,019	4,284,634	945,000	-	6,115,653
Interest and other fiscal charges	-	-	136,609	767,867	1,433,519	-	2,337,995
Total expenditures	<u>1,986,188</u>	<u>404,049</u>	<u>18,032,465</u>	<u>10,329,498</u>	<u>2,428,684</u>	<u>8,000</u>	<u>33,188,884</u>
Excess (deficiency) of revenues over expenditures	<u>(1)</u>	<u>(19,295)</u>	<u>(3,262,131)</u>	<u>(59,821)</u>	<u>58,472</u>	<u>(8,000)</u>	<u>(3,290,776)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	3,208,000	-	-	-	3,208,000
Transfers out	-	-	(186,684)	(588,369)	-	-	(775,053)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,021,316</u>	<u>(588,369)</u>	<u>-</u>	<u>-</u>	<u>2,432,947</u>
Net change in fund balances	<u>(1)</u>	<u>(19,295)</u>	<u>(240,815)</u>	<u>(648,190)</u>	<u>58,472</u>	<u>(8,000)</u>	<u>(857,829)</u>
Fund balances—beginning	131,499	1,911,279	5,328,628	6,436,344	2,142,915	30,000	15,980,665
Fund balances—ending	<u>\$ 131,498</u>	<u>\$ 1,891,984</u>	<u>\$ 5,087,813</u>	<u>\$ 5,788,154</u>	<u>\$ 2,201,387</u>	<u>\$ 22,000</u>	<u>\$ 15,122,836</u>

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

FEDERAL AWARDS INFORMATION

COUNTY OF RENSSELAER, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a)	Federal ALN Number (1b)	Pass-Through Entity Identifying Number (1c)	Passed- Through to Subrecipients	Total Federal Expenditures (1d)
U.S. Department of Agriculture:				
Passed through New York State:				
<i>Child Nutrition Cluster</i>				
Summer Food Service Program for Children	10.559	N/A	\$ -	\$ 150,942
<i>Total Child Nutrition Cluster</i>			-	150,942
Passed through NYS Office of Temporary and Disability Assistance:				
<i>SNAP Cluster</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	-	3,125,872
<i>Total SNAP Cluster</i>			-	3,125,872
Total U.S. Department of Agriculture			-	3,276,814
 U.S. Department of Housing and Urban Development:				
Passed through NYS Office of Home and Community Renewal:				
Community Development Block Grants/States' Program and Non-Entitlement Grants in Hawaii	14.228	975HO349-19	-	365,573
Total U.S. Department of Housing and Urban Development			-	365,573
 U.S. Department of Justice:				
Direct Program:				
Equitable Sharing Program	16.922	N/A	-	19,788
Passed through NYS Department of Justice:				
Law Enforcement Assistance—Narcotics and Dangerous				
Drugs Training	16.004	N/A	-	25,542
State Criminal Alien Assistance Program	16.606	N/A	-	2,444
Passed through Unity House:				
Encourage Arrest Policies and Enforcement of Orders	16.590	N/A	-	23,306
Total U.S. Department of Justice			-	71,080
 U.S. Department of Labor:				
<i>WIA/WIOA Cluster</i>				
WIA/WIOA Adult Program	17.258	N/A	-	685,814
WIA/WIOA Youth Activities	17.259	N/A	-	850,268
WIA/WIOA Dislocated Worker Formula Grants	17.278	N/A	-	544,932
<i>Total WIA/WIOA Cluster</i>			-	2,081,014
Total U.S. Department of Labor			-	2,081,014
 U.S. Department of Transportation:				
Direct Program:				
Formula Grants for Rural Areas	20.509	N/A	-	176,579
Passed through NYS Division of Criminal Justice Services:				
<i>Highway Safety Cluster</i>				
National Priority Safety Programs	20.616	N/A	-	5,731
<i>Total Highway Safety Cluster</i>			-	5,731
Total U.S. Department of Transportation			-	182,310
 U.S. Department of Treasury:				
Direct Program:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	360,257
Total U.S. Department of Treasury			-	360,257

(continued)

COUNTY OF RENSSELAER, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a)	Federal ALN Number (1b)	Pass-Through Entity Identifying Number (1c)	Passed- Through to Subrecipients	Total Federal Expenditures (1d)
U.S. Department of Education:				
Passed through NYS Department of Health:				
Special Education Grants for Infants and Families	84.181	NYLHB0697-18	-	639,626
Total U.S. Department of Education			-	639,626
U.S. Department of Health and Human Services:				
Direct Program:				
Guardianship Assistance	93.090	N/A	-	452
Passed through National Association of County and City Health Officials:				
Medical Reserve Corps Small Grant Program	93.008	N/A	-	25,000
Passed through Health Research Inc.:				
Public Health Emergency Preparedness	93.069	HRI 1595-09	-	207,665
Overdose Data to Action	93.136	HRI 6146-01	-	52,960
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	HRI 6328-01	-	220,492
Passed through NYS Office of Temporary and Disability Assistance:				
Temporary Assistance for Needy Families (TANF)	93.558	N/A	-	10,538,624
<i>Total 477 Cluster</i>			-	10,538,624
Child Support Enforcement	93.563	N/A	-	459,203
Low-Income Home Energy Assistance Program	93.568	N/A	-	6,330,641
Passed through NYS Office of Children and Family Services:				
<i>CCDF Cluster</i>				
Child Care and Development Block Grant	93.575	N/A	-	2,415,878
<i>Total CCDF Cluster</i>			-	2,415,878
Stephanie Tubbs Jones CWS	93.645	N/A	-	66,677
Foster Care—Title IV-E	93.658	N/A	-	2,285,790
Adoption Assistance—Title IV-E	93.659	N/A	-	1,683,411
Social Services Block Grant	93.667	N/A	-	4,533,019
Chafee Foster Care Independence Program	93.674	N/A	-	6,281
Passed through NYS Office of Social Services:				
Medical Assistance Program	93.778	N/A	-	1,681,433
Community Mental Health Services Block Grant	93.958	N/A	-	292,592
Passed through NYS Department of Health:				
Immunization Grants	93.268	C023265	-	66,511
Promoting Safe and Stable Families	93.556	N/A	-	91,252
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	-	931,158
Children's Health Insurance Program	93.767	N/A	-	42,095
Maternal and Child Health Services Block Grant to the States	93.994	C026530	-	73,444
Passed through NYS Office for the Aging:				
<i>Aging Cluster</i>				
Special Programs for the Aging—Title III, Part B - Grants for Supportive Service and Senior Centers	93.044	N/A	-	144,031
Special Programs for the Aging—Title III, Part C - Nutrition Services	93.045	N/A	-	200,109
Nutrition Services Incentive Program	93.053	N/A	-	106,353
<i>Total Aging Cluster</i>			-	450,493
National Family Caregiver Support—Title III, Part E Centers for Medicare and Medicaid Services (CMS)	93.052	N/A	-	80,148
Research, Demonstrations and Evaluations	93.779	N/A	-	34,160
Total U.S. Department of Health and Human Services			-	32,569,379

(continued)

COUNTY OF RENSSELAER, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a)	Federal ALN Number (1b)	Pass-Through Entity Identifying Number (1c)	Passed- Through to Subrecipients	(concluded) Total Federal Expenditures (1d)
U.S. Department of Homeland Security:				
Passed through NYS Division of Homeland Security and Emergency Services:				
Disaster Grants - Public Assistance	97.036	N/A	-	2,278,340
Homeland Security Grant Program	97.067	C835415	-	2,012
Homeland Security Grant Program	97.067	C185040	-	6,210
Homeland Security Grant Program	97.067	C185157	-	4,015
Homeland Security Grant Program	97.067	C192710	-	41,163
Homeland Security Grant Program	97.067	C190166	-	98,011
Homeland Security Grant Program	97.067	C190301	-	142,380
Homeland Security Grant Program	97.067	N/A	-	2,268
Homeland Security Grant Program	97.067	N/A	-	16,583
<i>Total Homeland Security Grant Program</i>			-	312,642
Total U.S. Department of Homeland Security			-	2,590,982
TOTAL EXPENDITURES OF FEDERAL AWARDS (1e)			\$ -	\$ 42,137,035

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

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

COUNTY OF RENSSELAER, NEW YORK
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of County of Rensselaer, New York (the “County”) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County. The following notes were identified on the schedule of expenditures of federal awards:

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. AMOUNTS PROVIDED TO SUBRECIPIENTS

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

4. MATCHING COSTS

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

**** 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, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated June 28, 2024. 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 may exist that have not been 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 determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Drescher & Malecki LLP

June 28, 2024

DRESCHER & MALECKI LLP

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



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Rensselaer, New York's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Rensselaer County Industrial Development Agency, the Hudson Valley Community College, and the Rensselaer County Capital Resource Corporation, which received \$0, \$16,109,382 and \$0 in federal awards, respectively, which are not included in the County's schedule of expenditures of federal awards during the year ended December 31, 2023. Our audit, described below, did not include the operations of the Rensselaer County Industrial Development Agency and the Hudson Valley Community College because other auditors were engaged to perform such audits in accordance with the Uniform Guidance, as applicable.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Drescher & Malecki LLP

June 28, 2024

COUNTY OF RENSSELAER, NEW YORK
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

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

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes ✓ No

Significant deficiency(ies) identified? _____ Yes ✓ None reported

Noncompliance material to the financial statements noted? _____ Yes ✓ No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified? _____ Yes ✓ No

Significant deficiency(ies) identified? _____ Yes ✓ None reported

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.561	Supplemental Nutrition Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.044/93.045/93.053	Aging Cluster
93.568	Low-Income Home Energy Assistance Program
93.659	Adoption Assistance Program
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs? \$ 1,264,111

Auditee qualified as low-risk auditee? ✓ Yes No

Section II. FINANCIAL STATEMENT FINDINGS

No findings noted.

Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

COUNTY OF RENSSELAER, NEW YORK
Summary Schedule of Prior Audit Findings and Corrective Action Plan
Year Ended December 31, 2023
(Follow-up of December 31, 2022 findings)

No findings were reported.

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